

TABCORPHoldingsLimited



ConciseAnnualReport2002



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Notice of Annual General Meeting

The Annual General Meeting of TABCORP Holdings Limited will be held at the Carlton Crest Hotel, 65 Queens Road, Melbourne on Thursday, 24 October 2002 at 10.00am. A notice of meeting and proxy form is included with this Annual Report.

TABCORP Holdings Limited ABN: 66 063 780 709.

TABCORP's Annual Report consists of two documents – the Concise Annual Report (which incorporates the concise financial statements) and the full financial statements. The concise financial statements included in the Concise Annual Report cannot be expected to provide as full an understanding of TABCORP's performance, financial position and investing activities as provided by the full financial statements. A copy of TABCORP's full financial statements is available, free of charge, on request and can be accessed via the Internet at www.tabcorp.com.au.

Highlights2002

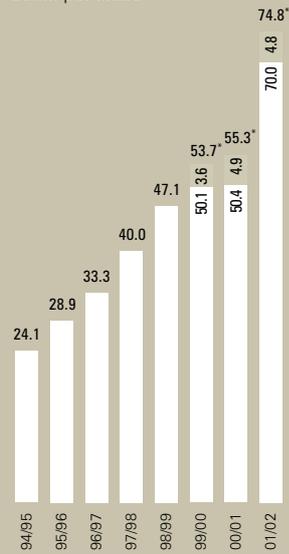


- > Profit after tax – up 39.0% to \$261.0 million
- > Final dividend of 32 cents per share fully franked, taking the full year dividend to 63 cents – up from 51 cents last year
- > Earnings per share 70.0 cents – up 38.7%
- > Net operating revenue \$1,933.1 million – up 6.6%
- > Wagering profit before interest and taxation up 21.9% to \$63.9 million
- > Gaming profit before interest and taxation up 5.7% to \$230.8 million
- > Star City profit before interest and taxation up 41.1% to \$158.5 million
- > Net debt reduced by \$165.4 million to \$650.1 million
- > Return on shareholders' equity increased from 15.1% to 20.7% (after tax)
- > Taxes on gambling paid by TABCORP businesses of \$770.4 million
- > Maximum individual shareholding increased from 5% to 10%
- > 40% aggregate foreign ownership restriction removed
- > TABCORP implements Responsible Gambling Code



Earnings per share

Cents per share

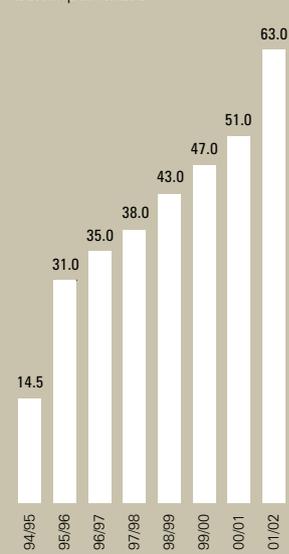


Source: TABCORP

- Post goodwill amortisation
- Goodwill amortisation impact
- * Pre goodwill amortisation

Dividends per share

Cents per share



Source: TABCORP

Mission

TABCORP's mission is to further enhance our position as one of Australia's leading providers of leisure and entertainment while leveraging our core business competencies and financial capacity to capitalise on new opportunities for superior growth.

Philosophies

The company's philosophies are to recognise and respect:

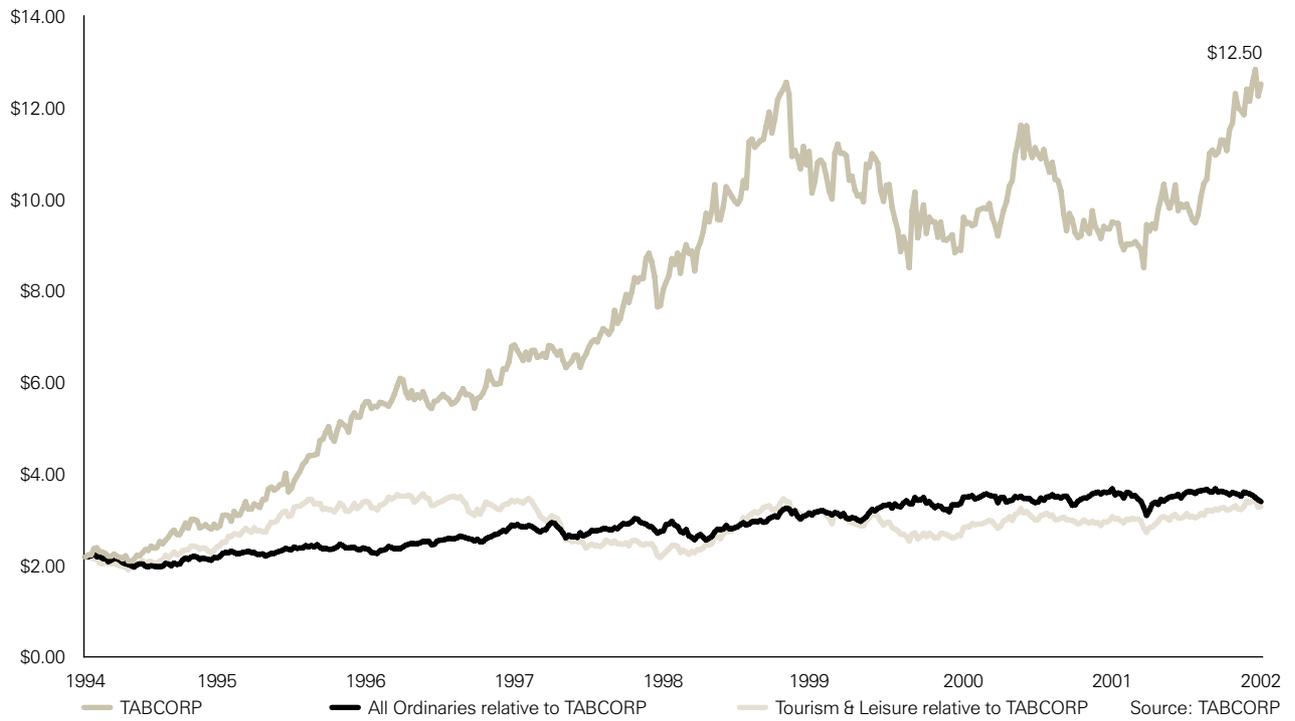
- > our shareholders;
- > our customers and service providers;
- > our employees as a key asset of the company; and
- > the social standards of the communities in which we operate.



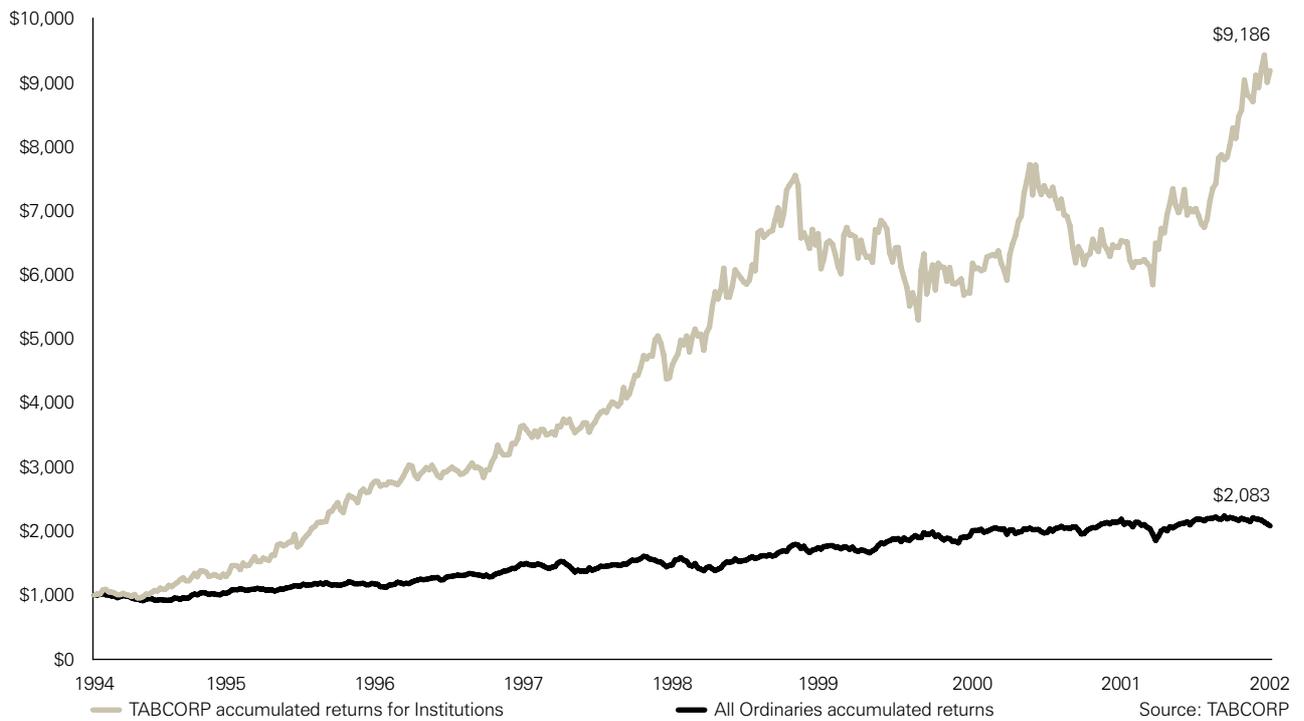
Responsible Gambling

TABCORP is committed to the delivery of its products in a responsible manner with the objective of minimising the likelihood of customers developing a gambling problem and reducing the level of problem gambling by encouraging those who may have a problem to obtain professional assistance.

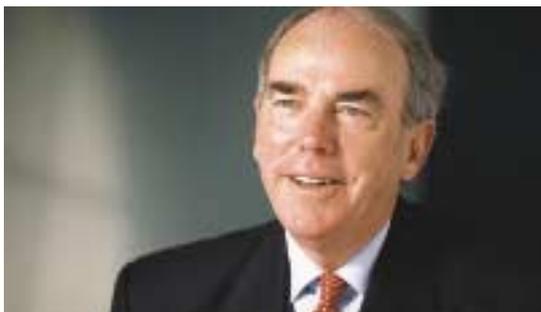
TABCORP share performance



TABCORP accumulated returns



Chairman's Report



The excellent results over the past eight years have been achieved under the leadership of Ross Wilson, the company's MD and CEO, who stepped down at the end of August. On behalf of the board, I would like to thank him for his outstanding leadership, and congratulate him on his achievements.

The 2001/02 year was a very successful one for the company with profit after taxation increasing by 39.0% to \$261.0 million. The company's strong cashflows enabled directors to declare a final dividend of 32 cents per share, fully franked, bringing the full year dividend per share to 63 cents, compared to 51 cents last year.

It was very pleasing to see the company's share price increase from \$9.50 to \$12.50 over the year, in part reflecting how well the Star City acquisition has worked for the company. This 31.6% increase in your company's share price can be compared to a 7.7% decline in the All Ordinaries Index over the same period.

TABCORP's contribution to the community continued during the year, with \$770.4 million paid in taxes on gambling to governments by businesses managed by the company. We also continued our major sponsorship of Surf Life Saving in Victoria, and supported a variety of charitable organisations including the MS Capital Appeal and the Royal North Shore Hospital in addition to extending the Tabaret Community Assistance Program.

The Victorian racing industry has benefited from TABCORP's profit growth, receiving \$252.0 million from businesses managed by TABCORP enabling the industry to maintain the high quality of its racing product.

During the year state governments amended the restrictions on TABCORP shareholdings, increasing the maximum individual shareholding to 10% of the company's issued capital (5% previously), and removing the aggregate 40% foreign ownership restriction.

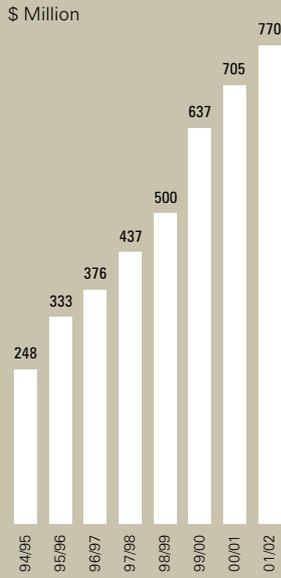
The results of the past year, and those in previous years since TABCORP's inception, have been achieved under the leadership of Ross Wilson, the company's Managing Director and Chief Executive Officer who stepped down at the end of August.

Ross joined TABCORP in 1994 at the time of the company's formation and public listing. From this time he has overseen the cultural and physical changes which have transformed the businesses purchased from the Victorian government into one of Australia's 40 largest public companies by market capitalisation and a leader in the Australian leisure and entertainment industry.

In the period between the company's float and 30 June 2002, the company's market capitalisation has increased from \$675 million to \$4,664 million. Also during Ross Wilson's tenure, contributions to the racing industry increased from \$114.2 million in 1993/94 to \$252.0 million in 2001/02.

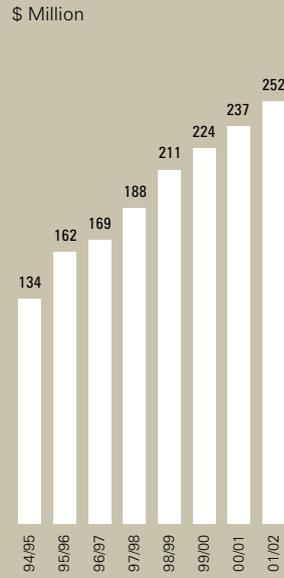
Integral to Ross' success has been his ability to develop, lead and inspire a team of more than 5,000 staff who have embraced a common TABCORP culture.

Government taxes on gambling contributed by TABCORP businesses



Source: TABCORP

Payments to Victorian racing industry by TABCORP businesses



Source: TABCORP

These include the employees of the former Victorian TAB, staff who have joined since the float and those employees who joined TABCORP with the acquisition of Star City in October 1999.

The diversification into the Sydney casino market and successful integration of Star City has provided the company with a more balanced portfolio of businesses and generated considerable profit growth.

Over the eight years since Ross joined TABCORP, revenue has grown from \$622 million to \$1,933.1 million, representing compound annual growth of 17.6% and profits have grown at 21% per annum compound increasing from \$68.5 million to \$261.0 million.

Dividends to shareholders have increased by 23.3% compound over the same period, from 14.5 cents to 63 cents per share, fully franked and the company's share price has increased from \$2.25 at the time of the float to \$12.50 at 30 June 2002.

When dividends paid and share price growth are combined over this period, the increase in value to shareholders who invested at the time of the float is more than 30% per annum – \$1,000 invested at the time of the float was worth \$9,186 on 30 June 2002. A similar investment in the All Ordinaries Index over the same period would have increased by 9.8% per annum to \$2,083.

Furthermore, Ross is leaving the company financially strong and well positioned to continue to grow.

Through his chairmanship of the Australian Gaming Council and introduction of TABCORP's own Responsible Gambling Code, Ross has demonstrated his commitment to making the responsible service of gambling a priority for the company.

On behalf of my fellow directors, I thank Ross for his outstanding leadership and extend to him our good wishes for his future.

I would also like to thank the 5,000 strong team of dedicated and skilled TABCORP employees. Without their hard work and enthusiasm this excellent result would not have been possible.

My fellow directors and I extend a sincere welcome to Matthew Slatter, our new Chief Executive Officer and Managing Director.* Prior to joining TABCORP, Matthew was Chief Finance Officer and a director of AXA Asia Pacific Holdings Limited. He has over 20 years experience in the financial services industry in Australia, New Zealand and the United Kingdom in roles which have demonstrated his leadership skills, financial discipline and expertise in acquisitions and their subsequent integration.

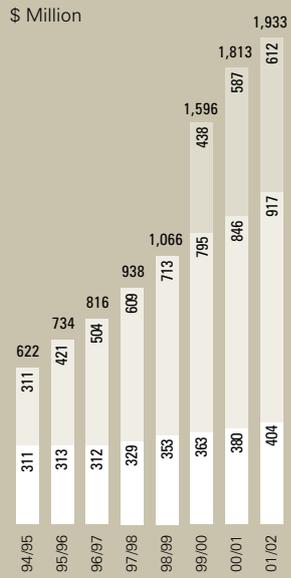
Michael Robinson
Chairman



Matthew Slatter
Managing Director and
Chief Executive Officer*

* As at the printing of this report, Mr Slatter's appointment was subject to receiving regulatory approvals.

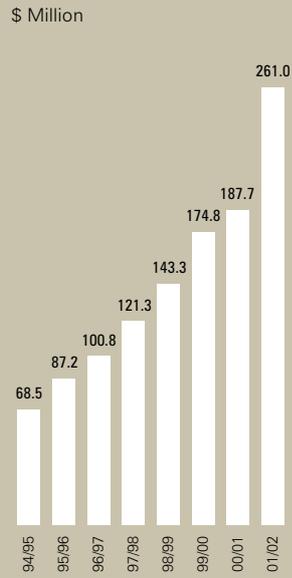
TABCORP net operating revenue



Source: TABCORP

- Wagering
- Gaming
- Star City

Net profit after tax



Source: TABCORP

Return on shareholders' funds



Source: TABCORP

Managing Director's Report



2001/02 was a year in which much media, government, and investment community attention was directed to the tragic events of September 11 and the corporate upheaval both in the USA and here at home.

We were saddened by and disappointed in these occurrences, but were fortunate that their impact on our operations was not significant. Our focus remained on customers and how the businesses can serve them better.

During the year we were able to maintain the momentum of the wagering and gaming businesses and implement significant initiatives at Star City which resulted in a record profit of \$261.0 million, a 39.0% increase on the previous year.

We achieved revenue growth of 6.6% to \$1,933.1 million, which, in an economy where consumer confidence was shaken by the year's events, highlights the strength of the company's businesses and the resilience of the segments of the domestic leisure and entertainment market in which they operate.

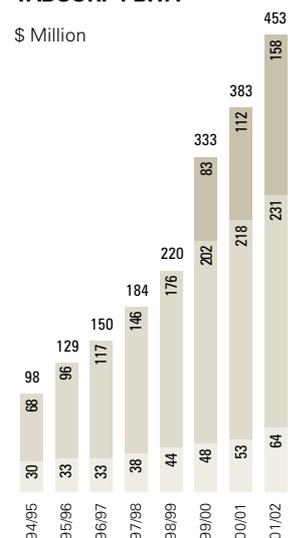
Our ongoing focus on improving efficiencies enabled operating costs to be reduced by 5.8%, resulting in a 19.2% increase in profit before interest and tax to \$435.3 million.





TABCORP PBITA*

\$ Million



Source: TABCORP

- Wagering
- Gaming
- Star City

*Profit before interest, tax and amortisation of goodwill

The cashflow generated enabled us to reduce net debt by \$165.4 million, thus lowering our interest expense which, together with a decrease in the corporate taxation rate, contributed to the company's 39.0% increase in net profit and resultant 38.7% increase in earnings per share.

The company's balance sheet was further strengthened with our net debt to equity ratio reducing from 65.6% to 50.9%. Our strong cashflow enabled us to increase interest cover from 5.5 times to 8.4 times and maintain a dividend payout ratio in excess of 90%.

Our after tax return on shareholders equity has increased from 15.1% to 20.7%. What is particularly pleasing is that we have achieved our objective of restoring the company's return on equity to similar levels as those achieved prior to the Star City acquisition. The 20.7% return on equity is also a marked improvement on the 9.8% return when the company first listed.

The company's decision in June 2001 to exit the international rebate play business at Star City significantly reduced the volatility of the company's earnings and has provided a more predictable earnings base from which to plan our future growth.

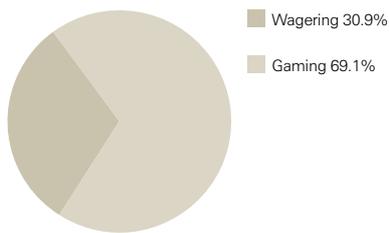
Each of our divisions has performed well.

The wagering division, which has been considered the mature part of the company, achieved strong revenue and profit growth. Our traditional racing products continued to enjoy support, sportsbetting grew strongly assisted by a very successful soccer World Cup, the popularity of the Trackside animated racing game continues to grow and we improved the distribution of our products to both retail and account sales customers.

The gaming division continued its focus on the quality of its offer to customers. The refurbishment of venues and the increasing appeal of venues' food and beverage products, together with the supply of popular games resulted in very good, consistent growth.

Star City had an outstanding year, reflecting not only the benefits of suspension of the high roller program but the provision to our customers of a range of food, beverage and entertainment options targeted to meet their demands with both improved and more efficient service.

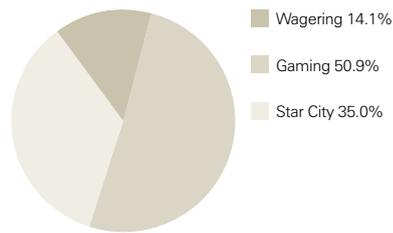
PBITA – 1995*



Source: TABCORP

*Profit before interest, tax and amortisation of goodwill

PBITA – 2002*



Source: TABCORP

*Profit before interest, tax and amortisation of goodwill

Divisional Performance

Wagering

The wagering division increased net operating revenue by 6.1% to \$403.6 million. Profit before interest and tax grew by 21.9% to \$63.9 million.

Racing remains TABCORP's core wagering product, representing approximately 95% of our net operating revenue. Thoroughbred wagering was again well supported, including another record Spring Racing Carnival. Harness and greyhound wagering also performed well.

Enhancements to the wagering computer system enabled us to cover more race meetings during the year.

Sportsbetting had an excellent year buoyed by betting on the soccer World Cup, which attracted exceptional customer interest. Betting on other popular sporting codes achieved double digit growth, including strong increases in AFL, tennis and golf.

The popularity of Trackside continues to grow with customers able to enjoy both thoroughbred and harness racing versions of the product. Trackside's success in Denmark is most encouraging and further international expansion is planned in the current year.

Our focus on improved service continued for retail, on-course and account sales customers.

The program of updating our agency network continued with the refurbishment and relocation of 13 TAB outlets during the year to replace smaller, older style agencies. We also installed additional self-service betting kiosks to the hotel network.

While the telephone operator system remains a popular choice for many of our account betting customers, utilisation of automated systems and the internet grew during the year. Their increasing popularity prompted us to expand the capacity of these services.

Gaming

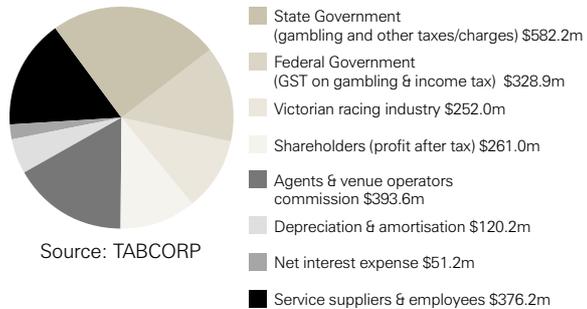
The gaming division achieved an increase of 8.4% in net operating revenue to \$917.6 million.

Consistent revenue growth, together with containment of operating expenses, enabled us to report a 5.7% increase in profit before interest and taxation to \$230.8 million despite the additional \$12.2 million in government levy this year. This was a very good result.

The revenue performance is a direct result of the increasing popularity of the gaming venues as we continue to work with hotel and club venue operators to improve amenity and customer service standards. During the year, 20 venues were fully refurbished with many more undergoing minor facelifts. We have also continued to provide the latest and most popular games with over 25% of our gaming machine network being upgraded with new games and/or new machines over the year.



**Allocation of revenue for 2001/2002
total businesses managed**



At the end of the year TABCORP had 13,657 electronic gaming machines operating in 269 hotels and clubs across metropolitan and country Victoria.

I am pleased to report the expansion of the Tabaret Community Assistance Program. This partnership between TABCORP, its venues and local communities highlights our commitment to providing financial support to communities across metropolitan and country Victoria.

Some of the projects undertaken during the year included purchase of a portable heart monitor for the air ambulance operating in Gippsland, a bus for vision impaired people, contributions toward search and rescue equipment for the SES, a new children's outpatient clinic at Geelong Hospital, and a new building for the Cerebral Palsy Education Centre.

Star City

Star City achieved a 4.4% increase in net operating revenue to \$611.9 million for the year to 30 June 2002.

The increase in revenue, together with efficiency improvements which yielded a 6.7% decline in operating expenses, and the suspension of international rebate play delivered a 41.1% increase in profit before interest and taxation to \$158.5 million.

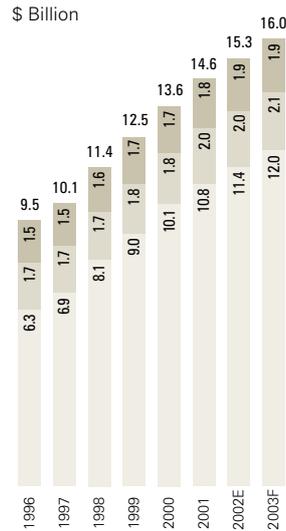
If the impact of international rebate play on the previous corresponding period is disregarded, profit before interest and taxation increased by 33.5%, an excellent result, especially following the previous year's increase of 31.8% from operations excluding international play.

Total gaming net revenue, which represents more than 85% of total revenue, increased by 5.4%. This was a very pleasing result with table game revenue increasing by 5.2%, driven by increased patronage from local, interstate and international visitors in the private gaming room, more than offsetting the net revenue foregone from the cessation of international rebate play.

Electronic gaming machine revenue increased by 5.8% with particularly good growth in the second half supported by an improved food and beverage offer and the introduction of new games and jackpots.

Occupancy levels in the hotel and apartments increased during the year from 77% in the previous year to 79%, reflecting the strength of our offer, especially in a market which was depressed by the downturn in tourism arising from the combined effects of the collapse of Ansett and the events of September 11. The increased occupancy, however, was offset by a decline in the average room rate compared to last year when high room rates were achieved during the Olympics, resulting in an overall decline in accommodation revenue.

Australian gambling market



Source: TABCORP

- Gaming (inc. EGMs, Casinos)
- Wagering (inc. Sportsbetting)
- Lotteries and Other

The theatres have enjoyed record patronage. Hit musicals including *Singin' in the Rain*, *Wizard of Oz* and *Oliver* have been very popular, attracting a broad spectrum of customers. As well as patronising the theatres, customers are choosing to dine at Star City. The quality and excitement of these shows has continued into the current year with the opening of *Mamma Mia* in September.

Our focus on the food and beverage choices in the bars and restaurants showed a small increase in food sales overall with a marked improvement in the second half of the year. A major contributor to this improvement was the substantial facelifts to bars and restaurants that have taken place, including the transformation of the former Spinners Bar into GLO, a contemporary bar which has become the centrepiece of the main gaming floor and has proved very popular. The popularity of our Garden Buffet led to the expansion of that facility and the transformation of the former Lifesavers restaurant into the Fortunes Buffet.

The food and beverage businesses are an integral part of the experience at Star City, providing our gaming and theatre customers with the quality and selections of food and beverages that they prefer as well as providing stand alone dining and social experiences.

Further renovations have taken place on the main gaming floor and private gaming room, the latter including the establishment of a high end electronic gaming machine area. The hotel foyer has undergone a facelift and we are planning further refurbishments in the current year.

Since the New South Wales Casino Control Authority's triennial review last year, Star City has undergone considerable change, both physical and cultural. The new policies and procedures have been welcomed by customers and staff. The popularity of the private gaming room is in part a response to these changes. It is very pleasing that the Casino Control Authority, having recently completed a further review of the property, has recognised the transformation that has taken place and is very supportive of the initiatives we have undertaken. This is a credit to all Star City staff.

Our strategy of promoting Star City as an integral part of the entertainment offer in Sydney continues. We believe Star City has a very exciting future, with many benefits and opportunities still to come.



Responsible gambling

TABCORP's commitment to responsible gambling has never been stronger. The company's objective is to reduce the number of problem gamblers and minimise the likelihood of people developing a gambling problem. Expert opinion has found that these goals are best achieved by directing those with a gambling problem to seek professional advice and support and by ensuring all customers are fully informed in respect to their gambling consumption.

During the year we introduced the TABCORP Responsible Gambling Code. Each of our divisions has in turn begun developing and implementing specific policies and requirements for training in the responsible service of gambling which conform to this Code.

In Victoria, TABCORP worked closely with Melbourne educational institution, William Angliss Institute, to initiate and develop a Responsible Service of Gaming course. This course is being undertaken by TABCORP gaming employees, and gaming venue staff.

At Star City, an equivalent Responsible Service of Gambling course has been developed and introduced for all staff.

TABCORP wagering and TAB staff are undertaking Responsible Service of Wagering training at William Angliss, while corporate staff are taking an overview course.

Conclusion

After eight years as chief executive officer of TABCORP this will be my final annual report to shareholders. I consider myself very fortunate to have held this position. The future of the company looks very sound with opportunities for both organic growth and growth by acquisition. Our strength is a credit to the board, management team and all employees of TABCORP.

I take this opportunity to thank the shareholders and everybody I've had the privilege to work with for their support.

Ross Wilson
Managing Director and
Chief Executive Officer

TABCORP Management



Executive Committee

I. R. Wilson*

Managing Director and Chief Executive Officer

D. J. Simpson

Finance Director

D. C. P. Banks

Chief Executive Star City Casino

D. E. Elmslie

Executive General Manager Gaming

M. J. Piggott

Executive General Manager Wagering

P. R. Broberg

Executive General Manager Information Technology

R. E. Preston

Executive General Manager Human Resources

J. C. Read

Executive General Manager Development

D. E. Charles

General Manager Government Affairs

P. K. Wunsch

General Manager Corporate Affairs

P. H. Caillard

General Counsel and Company Secretary

* Ross Wilson resigned 31 August 2002; Matthew Slatter appointed to the position of Managing Director and Chief Executive Officer effective October 2002, subject to regulatory approval.



StarCityCasino



Highlights

- > Revenue up 4.4% to \$611.9 million
- > Operating profit before interest and taxation up 41.1% to \$158.5 million



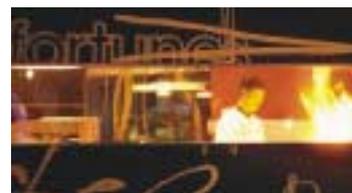


Located on Sydney Harbour, Star City is the city's premier gaming and entertainment venue. The 3.3 hectare complex includes the casino which has 200 gaming tables and 1,500 electronic gaming machines, a 480 room hotel and apartment complex, two theatres with 3,000 seat capacity, seven major restaurants and a banquet and convention facility. Star City is an integral part of any visit to Sydney and is open 24 hours a day, 365 days a year.



Key Features

- > Property enhancement including refurbished bars and restaurants
- > Increased hotel occupancy levels
- > Reduced profit volatility following suspension of international rebate play
- > Record theatre patronage with *Singin' in the Rain*, *Wizard of Oz* and *Oliver*
- > Improved food and beverage offer
- > Introduction of on-line Responsible Service of Gambling training for all staff





> Wagering Division

Highlights

- > Revenue up 6.1% to \$403.6 million
- > Operating profit before interest and taxation up 21.9% to \$63.9 million





TABCORP's wagering division offers a combination of totalizator and fixed odds betting on a wide range of sporting events, including thoroughbred, harness and greyhound racing as well as AFL, golf, soccer, tennis and rugby. It offers these products using innovative and modern technology.



Key Features

- > Continued growth of core racing product with greater coverage of meetings enabled by improved technology
- > Strong growth in sportsbetting, especially relating to the very popular soccer World Cup
- > Trackside expanded from 75 to 160 outlets in Victoria; TABCORP also receives fees for the supply of the Trackside product to a growing number of interstate and international customers
- > Refurbishment and relocation of 13 TAB agencies
- > Improved account sales customer service, including the internet and expanded voice recognition
- > Development of Responsible Service of Wagering Policy





Gaming Division

Highlights

- > Revenue up 8.4% to \$917.6 million
- > Operating profit before interest and taxation up 5.7% to \$230.8 million





Under the Tabaret brand, the gaming division provides entertainment in hotels and licenced clubs throughout Victoria. Tabaret venues provide the latest games on state-of-the-art machines in attractive, comfortable and contemporary surroundings, where a responsible approach to the provision of gaming is an integral part of the entertainment experience.



Key Features

- > Development and introduction of Responsible Service of Gaming training
- > Continued focus on improving the quality of offer to customers using enhanced venue monitoring program
- > Ongoing venue refurbishments
- > 3,449 new games and machines
- > Continued to provide support through the Tabaret Community Assistance Program



TABCORP is committed to good corporate citizenship. Contributing to the community through sponsorships, fundraising activities, donations and by supporting employees who participate in not-for-profit organisations is an integral part of the company's activities.

During the year, TABCORP continued its principal sponsorship of Surf Life Saving Victoria (SLSV) through the TABCORP Surf Rescue Fund which enables SLSV to purchase essential equipment for its 38 Victorian clubs as well as assisting with the funding of professional lifeguards on 28 beaches.

This year, TABCORP produced a series of advertisements which were aired on Channel 7 and the Prime Network throughout Victoria over the summer, highlighting various aspects of surf safety.

The company continued its support for the Multiple Sclerosis Society by providing funding towards a new facility to meet the needs of people with multiple sclerosis and other neurological diseases. Known as The Nerve Centre, the new complex will include a family and children's area; training in living skills for people to regain their confidence; expanded information technology, education and multi-media information services and video conferencing for rural areas; meeting and activities areas; a model accommodation unit and consulting rooms for a range of specialists.

These facilities will be complemented by the Betty Cuthbert Health and Wellness Complex which includes a gymnasium, swimming and therapy pools to assist with fitness and mobility and a living suite providing day activities.

The Nerve Centre will represent a shift in thinking from illness to wellness, bring together research information in an accessible way, and attract the very best of Victoria's neurological workforce directly and through sharing resources with other neurological organisations. It will provide excellence of service, improved quality of life, confidence and hope to people with multiple sclerosis.

Star City, which is located in Pyrmont, sponsored the annual Pyrmont fun run and the Pyrmont Festival as well as Sydney's Chinese New Year Celebrations.

TABCORP continued its commitment to promoting excellence among industry associations through its sponsorship of awards nights, conventions and other annual events.

Tabaret Community Assistance Program

The Tabaret Community Assistance Program is a partnership between TABCORP and our Tabaret venues to assist local communities.

Through the program 15 major projects were undertaken during the year including the provision of a portable heart monitor for the Helimed One Air Ambulance service, search and rescue equipment for the Victorian State Emergency Service, a vehicle for vision impaired people, educational and therapeutic equipment for Biala South East Inc. early childhood intervention service, contributions towards the renovation of the children's ward areas at Geelong Public Hospital, a new building for cerebral palsy in the eastern suburbs of Melbourne, and construction of four residential units for the Prahran Mission Mother's Support Program.

The program also provided support for the operation of supervised safe taxi ranks in Bendigo, Ballarat and Warrnambool, has funded a co-ordinator for a major street and home community safety initiative in partnership with the City of Greater Dandenong and sponsors the time honoured Melbourne to Warrnambool Cycling Classic.

In addition to donations and sponsorships, the Tabaret Community Assistance Program directly involved our venues with employment creation initiatives in the Cities of Hume and Kingston, providing training and work experience for long term unemployed residents.

Events to raise funds for the program included three Big BBQ Benefits in regional Victoria featuring sausage sizzles, where for every gold coin donated for the purchase of a sausage on the designated Big BBQ day, the Tabaret venue matches the donation and TABCORP in turn matches the two gold coins. These events proved very popular, raising approximately \$250,000 during the year, with venues arranging special entertainment and outdoor activities to make the day fun for the family.

Other fundraising activities in support of a diverse range of causes have included charity golf days, raffles, dinners and sports memorabilia auctions.



> Caring for Communities



Above: The children and families of Biala South Inc. welcomed help from the Tabaret Community Assistance Program.

Right: Proudly supporting Surf Life Saving, Vision Australia and the Melbourne to Warrnambool Cycling Classic.

Corporate Governance

TABCORP's Board of Directors strongly supports the principles of corporate governance and is committed to maintaining the highest standards and best practice within the company.

The company's policies have been further reviewed during the current year and shall continue to be developed and refined to meet the future needs of the company.

Responsibilities and Functions of the Board

The Board has overall responsibility for the corporate governance of the company. It sets the strategic direction of the company, the goals for management, reviews the plans of management and monitors the performance of management against those plans in achieving the established goals.

To assist the Board in achieving the highest standards of corporate governance, the directors closely involve themselves with the critical areas of the company's activities through Board committees with specific responsibilities for audit, remuneration and compliance.

Audit Committee

The Audit Committee has been established to provide additional assurance regarding the quality and reliability of financial information used by the Board and financial statements issued by the company to its shareholders. The committee reviews the activities of the internal auditors and liaises with the company's external auditors, both of whom have direct access to the committee chairman, and oversees compliance with statutory responsibilities relating to financial disclosure including related party transactions. The committee also reviews the performance of the auditors on an annual basis.

The Audit Committee reviews the risk management policies and processes of the company including the appropriate documentation. Working closely with the Compliance Committee, it also reviews the risk exposures and controls with respect to existing Information Technology systems and those under development.

The Audit Committee consists of Messrs. A.G. Hodgson (Chairman), M.B. Robinson, I.R. Wilson and P.H. Wade.

Compliance Committee

The Compliance Committee is responsible for monitoring legal and procedural requirements to ensure that the company complies with its licence conditions. The committee places particular emphasis on monitoring information technology developments and related procedures for the purpose of ensuring the reliability and integrity of the company's operations.

The Compliance Committee consists of Messrs. W.V. Wilson (Chairman), M.B. Robinson and I.R. Wilson.

Remuneration Committee

The Remuneration Committee has responsibility to review and make recommendations to the Board on remuneration packages and policies applicable to the Chief Executive Officer, senior executives and directors. This role also includes responsibility for employee share ownership and option schemes, incentive performance packages, superannuation entitlements, retirement and termination entitlements.

TABCORP's remuneration philosophy comprises a market competitive base salary and fringe benefits as designated, a performance based incentive plan which provides a payment based on achievement of budgeted targets, and a long term incentive plan based on an allocation of shares subject to performance criteria and Board approval.

The base salary component of remuneration is reviewed annually taking into account market movements, based on an assessment of individual and company performance. Payments made under the short term incentive plan are dependent upon individual and company performance. In addition, senior executives are encouraged to participate in the long term incentive plan which provides an annual allocation of shares at prevailing market prices. Annual allocation of shares under the long term incentive plan is subject to Board approval, and also dependent upon individual and company performance.

The Remuneration Committee consists of Messrs. P.H. Wade (Chairman), M.B. Robinson, I.R. Wilson and R.F.E. Warburton.

Composition of the Board

The Board's role includes:

- reviewing and approving the strategic direction, budgets and business plans prepared by management;
- assuring itself of the effectiveness of arrangements for the governance of the company including:
 - the quality of the Executive team;
 - the appropriateness of organisational arrangements and structure;
 - the adequacy of internal controls and processes;
- overseeing performance against targets and objectives (which are determined with the Managing Director and Chief Executive Officer); and
- overseeing reporting to shareholders on the direction, governance and performance of the company.

The Board currently consists of eight members of whom six, including the Chairman, are non-executive directors.

From time to time as the company grows and its field of activities expands, it may be appropriate to expand the number of directors and take on expertise in additional relevant disciplines whilst maintaining an appropriate mix of non-executive and executive directors to ensure the independence of the Board from management.

Maintenance of the appropriate mix of skills and experience upon the Board is the subject of ongoing review by the directors.

Nominations to the Board are considered by the Board as a whole rather than delegating this task to a nomination committee. Details of the current directors and their qualifications and experience are contained within the Directors' Report. All appointments to the Board are subject to receiving all necessary regulatory approvals.

The company's constitution requires that one third of the directors of the company, other than a director who is a Managing Director, retire by rotation and may stand for re-election at each Annual General Meeting of the company. The board has the power to appoint any person as a director, either to fill a casual vacancy or as an addition to the Board, but that person only holds office until the next Annual General Meeting.

The company's shareholders have approved retirement benefits being made available to all non-executive directors of the company, such approval also being effective in respect of future non-executive director appointments to the Board.

Independent Professional Advice

An individual director who has concern with respect to a particular matter before the Board may, after discussion with the Chairman, and advising the Managing Director and Chief Executive Officer, obtain independent professional advice at the company's expense. Such advice is to be made available to all other directors.

Internal Control Framework

The Board is responsible for the establishment and maintenance of the internal control structure of the company but acknowledges that within cost effective parameters, errors and irregularities cannot be eliminated in their entirety.

Financial reporting is primarily in the form of the development of a detailed annual budget which is subject to the approval of the directors. Actual monthly and year to date results for the company are reported to the Board to enable it to monitor performance against the pre-approved budget.

Forecasts for the company and each of the operating divisions are regularly updated and reported to the Board.

The company reports to shareholders both half-yearly and annually.

Compliance with key regulatory requirements particular to the company's licences and the businesses conducted pursuant to those licences are the subject of specific reporting to the Board's Compliance Committee.

The company has detailed procedural guidelines for the approval of capital expenditure including annual budgeting, review and approval of individual proposals and specific levels of authority between the Managing Director and the Board.

The company maintains a field audit program of its retail wagering outlets. This risk analysis-based program is carried out by staff from the Corporate Finance Group.

A detailed set of guidelines relating to the investment of surplus cash and management of debt has been established by the company's executives and approved by the Board.

Internal Audit

The company's internal audit function is conducted under contract by chartered accountants KPMG. The annual internal audit program and the scope of work to be performed is set in consultation with the Audit Committee of the Board. The internal auditors submit regular reports to the Audit Committee, Compliance Committee and where appropriate, to the Board.

Management of Risk

The company's current operations are conducted within Victoria pursuant to the wagering and gaming licences issued to it by the Victorian Government under the Gaming and Betting Act 1994. It is also the holder of a Monitoring Operator's Licence issued under the Queensland Gaming Machine Act 1991 and a licence to permit online gaming under the Tasmanian Gaming Control Act 1993. In addition, TABCORP owns the Star City Group which is the operator of Sydney's Star City casino and holder of a casino licence issued under the New South Wales Casino Control Act 1992.

The company has in place a range of policies and procedures designed in part to manage the risk associated with its operations. These policies and procedures are and will be further developed as the company's existing operations develop and its range of activities expands.

The implementation of these policies and procedures is monitored by the Audit and Compliance Committees of the Board.

In particular, the company has put in place procedures to ensure close cooperation with all regulatory authorities responsible for monitoring and overseeing its businesses.

The company has in place a detailed policy for the management of liability risk in respect of its expanding fixed odds sportsbetting operation.

Ethical Standards

The company's policies as to the conduct and integrity of its personnel including the maintenance of ethical standards are set out in a Human Resources Policy Manual.

Certain of the company's key personnel and all its directors have undergone extensive probity investigation and clearance by the New South Wales Casino Control Authority, Victorian Casino and Gaming Authority, Tasmanian Gaming Commission and the Queensland Office of Gaming Regulation.

The company has established comprehensive policies and guidelines for its directors, staff, agents and venue operators with respect to their use of the company's gambling products.

The company has adopted a policy which regulates the sale or purchase of shares in the company by directors and executive officers. Under the policy, each director is required to obtain the approval of the Chairman prior to the sale or purchase by that director of shares in the company. In the case of a proposed transaction by the Chairman, approval is required from the Deputy Chairman. Executive officers are required to obtain the prior approval of the Chief Executive Officer to a proposed transaction. It is intended that a broad interpretation be given to this policy and accordingly transactions by a director or an executive officer include transactions by any person or entity which might in the circumstances be reasonably associated with the director or executive officer e.g. spouse, infant children, family trust or family company.

Commitment to Shareholders

It is the Board's intention that shareholders are informed of major developments affecting the company. This information is communicated to shareholders typically twice yearly in the form of the Half-Yearly Report and Annual Report, each of which is distributed to all shareholders unless the shareholder has requested not to receive the document.

The Half-Yearly Report contains a summary of the key financial information and a review of the operations of the company during the half-year in respect of which the report is made. Half-year financial statements prepared in accordance with the requirements of accounting standards and the Corporations Act 2001 are subjected to an audit review and are lodged with the Australian Securities and Investments Commission and the Australian Stock Exchange.

The Annual Report includes relevant information about the operations of the company during the year, changes in the state of affairs of the company and details of future developments in addition to a number of other disclosures required under the Corporations Act 2001. The Annual Report contains a complete set of the audited financial statements required under the Corporations Act 2001.

The company employs a Shareholder Relations Manager to assist in responding promptly to all shareholder inquiries and maintains a website to keep them informed of any significant developments in a timely manner. The company also has a policy of informing shareholders of significant issues as they arise in addition to sending out the Half-Yearly Report and Annual Report.

The company encourages the full participation of shareholders at its Annual General Meeting. Important issues are presented to shareholders as single resolutions and full discussion of each item is encouraged. Explanatory memoranda, where considered appropriate, are included with the Notice of Annual General Meeting in respect of items to be voted on at the meeting.

Continuous Disclosure

Procedures are in place to ensure that information is reported to the Australian Stock Exchange (ASX) in accordance with the continuous disclosure requirements of its Listing Rules. The Board reviews the company's compliance with its continuous disclosure obligations at each of its meetings.

The company has appointed the General Counsel and Company Secretary to:

- (a) oversee and coordinate disclosure of information to the ASX and shareholders;
- (b) educate directors and senior management in relation to the company's Disclosure Policies and Procedures;
- (c) keep a record of all disclosures of information made to the ASX by the company; and
- (d) be the person primarily responsible for communications with the ASX.



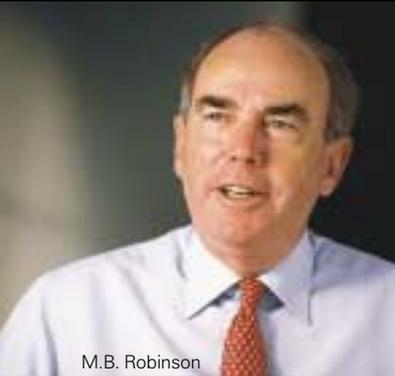
ConciseFinancialReport

for the year ended 30 June 2002

Board of Directors



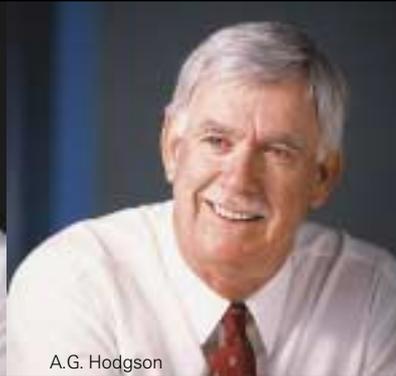
- M.B. Robinson
- I.R. Wilson
- A.G. Hodgson
- P.G. Satre
- D.J. Simpson
- P.H. Wade
- R.F.E. Warburton
- W.V. Wilson



M.B. Robinson



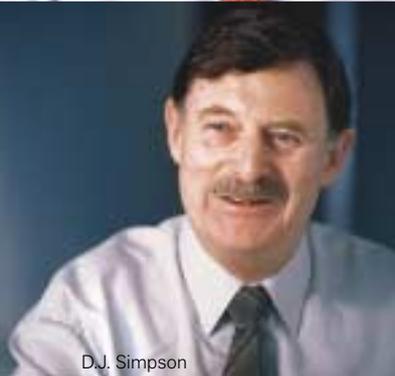
I.R. Wilson



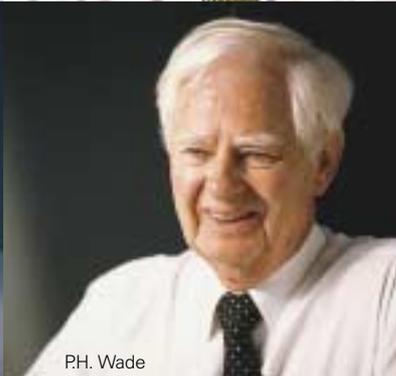
A.G. Hodgson



P.G. Satre



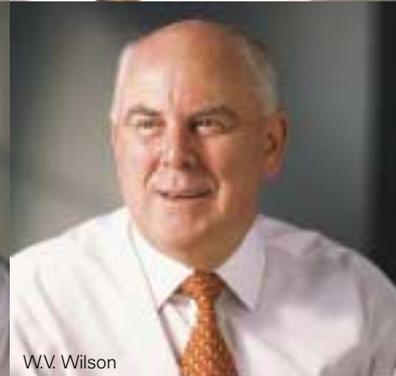
D.J. Simpson



P.H. Wade



R.F.E. Warburton



W.V. Wilson

Directors' Report

The Board of Directors of TABCORP Holdings Limited has pleasure in submitting the statement of financial position of the company and the economic entity in respect of the financial year ended 30 June 2002, and the related statement of financial performance and statement of cash flows for the year then ended.

Directors

The names and details of the directors in office at the date of this report are:

M.B. Robinson AO (Chairman)

Michael Robinson is a Partner of the law firm, Allens Arthur Robinson. He was the Senior Partner of Arthur Robinson & Hedderwicks during 1996-2001 and was its Managing Partner from 1980 to 1988. Michael is Chairman of the Bionic Ear Institute, a Trustee of the Epworth Medical Foundation and a director of Gandel Management Limited, the Asia Society AustralAsia Centre, the National Australia Day Council, the State Orchestra of Victoria, Clough Limited and the General Sir John Monash Foundation. He is a member of the TABCORP Audit, Remuneration and Compliance Committees.

I.R. Wilson (Managing Director & Chief Executive Officer)

Ross Wilson was Managing Director and Chief Executive Officer of Southcorp Holdings Limited (formerly SA Brewing Holdings Limited) from August 1987 until taking up the position as Managing Director and Chief Executive Officer of TABCORP in 1994. He is Chairman of the Australian Gaming Council, a member of the Business Council of Australia and a member of the Council of Swinburne University of Technology. Mr Wilson is a member of the TABCORP Audit, Remuneration and Compliance Committees.

A.G. Hodgson (Deputy Chairman)

Tony Hodgson was the co-founder and was formerly Senior Partner of the chartered accounting firm Ferrier Hodgson and is a Consultant to the firm. Mr Hodgson is Chairman of the TABCORP Audit Committee as well as director and chairman of the Audit Committee of HSBC Bank Australia Limited. Mr Hodgson is a director of HSBC Building Society (Australia) Limited, RMG Limited and Chairman of the Advisory Board to the Victorian Rugby Union.

PG. Satre

Phil Satre has been Chairman of Harrah's Entertainment, Inc. ('Harrah's') since January 1997, Chief Executive Officer of Harrah's since April 1994 and President since April 1991. Mr Satre joined Harrah's in 1980 as Vice-President, General Counsel and Secretary. Mr Satre is a director of the Gaming Entertainment Research and Education Foundations and the American Gaming Association. He is a director of JDN Realty Company.

D.J. Simpson (Finance Director)

David Simpson was Executive General Manager – Finance of Southcorp Holdings Limited from 1988 until taking up the position of Executive General Manager – Finance of TABCORP in March 1995. He has over 33 years experience in accounting and finance.

PH. Wade

Peter Wade was Managing Director of North Broken Hill Peko Limited until his retirement in 1993. He is Chairman of CSL Limited. Mr Wade is Chairman of the TABCORP Remuneration Committee and the TABCORP Staff Superannuation Fund. He is also a member of the TABCORP Audit Committee.

R.FE. Warburton

Richard Warburton was formerly Chairman of Star City Holdings Limited. He is currently Chairman of David Jones Limited, Caltex Australia Limited, Aurion Gold Limited, HSC Ltd and the Board of Taxation. Mr Warburton is also a director of the Reserve Bank of Australia, Southcorp Limited and Nufarm Limited. He is a member of the TABCORP Remuneration Committee.

W.V. Wilson

Warren Wilson held senior posts at the South Australian and Tasmanian Totalizator Agency Boards from 1967 until he joined the Royal Hong Kong Jockey Club in 1978. In 1980 Mr Wilson became the Executive Director responsible for all betting and lottery activity. He retired from the Club in January 1994. Mr Wilson is a Board member of the South Australian Forestry Corporation. He is Chairman of the TABCORP Compliance Committee.

All directors held their position as a director throughout the entire financial year and continue to hold that position.

Directors' Report continued

Directors' Interests

At the date of this report, the relevant interests of the directors in the shares, options or other instruments of the companies within the economic entity, as notified by the directors to the Australian Stock Exchange in accordance with Section 205G(1) of the Corporations Act 2001, are:

	TABCORP Holdings Limited	
	Ordinary Shares	Options
M.B. Robinson AO	45,000	
I.R. Wilson	3,726,000	3,000,000*
A.G. Hodgson	100,000	
P.G. Satre	–	
D.J. Simpson	500,000	
P.H. Wade	30,000	
R.F.E. Warburton	12,500	
W.V. Wilson	50,000	

* 3,000,000 options were issued to Mr I.R. Wilson on terms approved at the Annual General Meeting on 10 November 1999 and can only be exercised if certain performance criteria are satisfied (see below). As at the date of this report, Mr I.R. Wilson may exercise up to 2,194,500 options.

Directors' Meetings

During the year the company held 13 meetings of directors. The attendances of the directors at meetings of the Board and its Committees were:

	Board of Directors		Committees of the Board of Directors	
	Attended	Maximum possible attended	Attended	Maximum possible attended
M.B. Robinson AO	13	13	8	8
I.R. Wilson	13	13	8	8
A.G. Hodgson	13	13	4	4
P.G. Satre	12	13	–	–
D.J. Simpson	12	13	–	–
P.H. Wade	12	13	4	6
R.F.E. Warburton	13	13	2	2
W.V. Wilson	13	13	2	2

In addition to the scheduled Board meetings, the Board meets as needs dictate.

The company has an Audit Committee of the Board of Directors which met four times during the year. The Remuneration and Compliance Committees each met twice during the year. The details of the functions and memberships of the committees of the Board are presented in the Statement of Corporate Governance Practices contained in the Annual Report.

Directors' and Officers' Remuneration

Remuneration of directors and senior executives of the company is determined by the Remuneration Committee. Remuneration is determined as part of an annual performance review, having regard to market factors, a performance evaluation process and independent remuneration advice. For executive directors and officers, remuneration packages generally comprise salary, a performance-based bonus and superannuation. Executives are also provided with longer-term incentives through the Senior Executive Long Term Incentive Plan and the General Employee Share Plan, which act to align the executives' actions with the interests of the shareholders. Non-executive directors are not entitled to performance-based bonuses.

At the 1999 Annual General Meeting, shareholders approved the granting of 3,000,000 options to acquire ordinary shares in TABCORP Holdings Limited to Mr I.R. Wilson. These options can only be exercised if certain annual and cumulative benchmarks are achieved. The company's performance placed it in the 91st percentile of the benchmark companies for the year ended

30 June 2002 and in the 64th percentile against the benchmark companies for the three years ending 30 June 2002. This performance entitled Mr I.R. Wilson to exercise 100% of his final year options tranche (750,000 options) and 64.2% of the three year options tranche (1,444,500 options). The value of the 2,194,500 options available to be exercised by Mr I.R. Wilson has been independently valued at \$5,836,374 using an option pricing model which takes account of factors such as the option exercise price, the current level and volatility of the underlying share price and the time to maturity of the option.

Under terms approved by shareholders, the remaining 805,500 options will only be available to be exercised if the company achieves specified performance benchmarks for the period 1 July 1999 to 30 June 2003. Given the nature of these options, the directors believe it is not feasible to apply a credible value, or range of values, to these options at this stage.

The remuneration provided to directors and the five most highly remunerated officers are as follows:

	Base Salary ⁽¹⁾	Incentive	Superannuation Benefits	Retirement Benefits ⁽²⁾	Other Benefits	FBT Payable	Loans ⁽³⁾	Total ⁽⁴⁾
	\$	\$	\$	\$	\$	\$	\$	\$
Directors								
M.B. Robinson	247,500		8,803	46,777				256,303
I.R. Wilson	1,402,419	984,217		650,000	106,221	100,975	108,694	3,352,526
A.G. Hodgson	142,500		8,803	26,362				151,303
P.G. Satre	99,900			16,650				99,900
D.J. Simpson	371,371	141,793	85,920		40,283	41,357		680,724
P.H. Wade	105,000		8,400	22,365				113,400
R.F.E. Warburton	95,000		7,600	17,100				102,600
W.V. Wilson	100,000		8,000	18,900				108,000
Senior Executives								
D. Banks	548,057	191,476	119,666		44,880	42,511		946,590
P.R. Broberg	331,716	121,677	73,448		39,936	40,391		607,168
D.E. Elmslie	386,331	121,360	85,690		32,611	33,211		659,203
M.J. Piggott	370,272	143,923	85,344		32,253	30,508		662,300
J.C. Read	284,460	105,885	62,556		28,094	26,700		507,695

⁽¹⁾ Salaries for executive directors and senior executives include accruals for annual and long service leave.

⁽²⁾ Retirement benefits for non-executive directors approved by shareholders on 10 November 1999.

⁽³⁾ Cost to company to provide low interest/interest free loan(s).

⁽⁴⁾ The total does not include retirement benefits for non-executive directors.

Share Options

As at 30 June 2002, no options have been granted by the economic entity other than the options approved by the company's shareholders at the 1999 Annual General Meeting.

Principal Activities

The principal activities of the economic entity during the financial year comprised the provision of gambling and other entertainment services.

Results

Consolidated profit after income tax of the economic entity for the financial year was \$261.0 million which was 39.0% above the previous financial year. The economic entity generated profit before interest and tax of \$435.3 million, which was 19.2% above the previous financial year. It generated operating revenue of \$1,933.1 million, which was 6.6% above the operating revenue achieved in the previous financial year.

Dividends

The following dividends (including special dividends) have been paid, declared or recommended since the end of the preceding financial year by the parent entity:

	\$000
Final fully franked dividend for 2001 of 26.0 cents per share on ordinary shares as declared by the directors and paid on 28 September 2001.	97,018
Interim fully franked dividend for 2002 of 31.0 cents per share on ordinary shares as declared by the directors on 21 February 2002 and paid on 28 March 2002.	115,707
Final fully franked dividend for 2002 of 32.0 cents per share on ordinary shares as declared by the directors payable on 27 September 2002.	119,408*

* Based on the company's issued share capital of 373,149,834 as at 30 June 2002. The total dividends paid may vary due to cancellation of shares purchased by the company under the share buy-back scheme.

Review of Operations

The economic entity achieved profit after tax for the year of \$261.0 million which was 39.0% ahead of last year. The economic entity continued to generate strong cash flows enabling a \$165.5 million reduction in net debt during the year. The economic entity also benefited from the decrease in the corporate taxation rate from 34% to 30%.

During the year, the company's total operating revenue grew by 6.6% to \$1,933.1 million with all divisions recording increases compared to the previous year. Basic earnings per share were 70.0 cents, up 38.9% on the previous corresponding period.

A final dividend of 32 cents per share has been declared. The dividend will be fully franked and payable on 27 September 2002 to shareholders registered on the books at 6 September 2002. This takes the full year dividend to 63 cents, an increase of 12 cents on the previous financial year.

During the financial year, the restrictions on TABCORP shareholdings were amended to enable individual shareholders to hold up to 10% of the company's issued capital (5% previously). In addition, the aggregate 40% foreign ownership restriction was removed.

Wagering

The Wagering Division generated profit before interest and tax of \$63.9 million*, which was 21.9% above the previous financial year. The Wagering Division's total operating revenue increased by 6.1% to \$403.6 million. This strong result was partly attributable to controlled operating expenses, the soccer World Cup and another record Spring Racing Carnival.

Gaming

The Gaming Division achieved profit before interest and tax of \$230.8 million* which was 5.7% above the previous financial year. The Gaming Division's total operating revenue increased by 8.4% to \$917.6 million. Costs were increased by the significant rise in the Victorian gaming machine levy.

The Gaming Division benefited from its strategies of enhancing the comfort, ambience, customer service and quality of products at venues. New games and gaming machines have also been introduced across the network with positive results.

Star City

Star City achieved a profit before interest and tax of \$158.5 million* which was 41.1% above the previous financial year. Star City's total operating revenue increased by 4.4% to \$611.9 million.

Table games at Star City achieved a 5.2% increase in revenue compared to the previous corresponding period driven by the introduction of new games including pontoon pandemonium and even money baccarat together with a much-improved performance in the private gaming room. Electronic gaming machine revenue at Star City increased by 5.8% in part, due to the introduction of new games and gaming machines. During the period, Star City achieved a 6.7% reduction in total operating expenditure and profit volatility was reduced following suspension of international rebate play.

* Based on a full income and expense allocation basis.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the economic entity that occurred during the year other than as set out elsewhere in this Directors' Report.

Significant Events after Year End

Mr I.R. Wilson has decided to retire as Managing Director and Chief Executive Officer on 31 August 2002.

Subject to receiving all necessary regulatory approvals, Mr M.J. Slatter will be joining the company in the capacity of Managing Director and Chief Executive Officer in October 2002. Mr Slatter was Chief Finance Officer and a director of AXA Asia Pacific Holdings Limited. He has over 20 years experience in the financial services industry in Australia, New Zealand and the United Kingdom in roles which have demonstrated his leadership skills, financial discipline and expertise in acquisitions and their subsequent integration. Mr D.J. Simpson, Finance Director, will serve as acting Managing Director and Chief Executive Officer until Mr M.J. Slatter joins the company.

No other matter or circumstance has arisen since the end of the financial year which is not otherwise dealt with in this report or in the consolidated financial statements, that has significantly affected or may significantly affect the operations of the economic entity, the results of those operations or the state of affairs of the economic entity in subsequent financial years.

Likely Developments and Future Results

The economic entity will continue with the strategies largely responsible for generating the growth in the year under review and is confident that the results achieved in the last financial year can be sustained.

The directors have excluded from this report any further information on the likely developments in the operations of the economic entity and the expected results of those operations in future financial years, as the directors have reasonable grounds to believe that to include such information will be likely to result in unreasonable prejudice to the economic entity.

Change of Auditor

The economic entity appointed Ernst & Young as its auditor effective from 27 May 2002. This appointment follows the merger between Ernst & Young and Arthur Andersen. The resignation of Arthur Andersen was approved by the Australian Securities and Investments Commission.

Directors' Interests in Contracts

The directors of the economic entity, or their director-related entities, conduct transactions with entities within the economic entity that occur within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those with which it is reasonable to expect the entity would have adopted if dealing with the director or director-related entity at arm's length in similar circumstances. These transactions are described in further detail in Note 38(d) of the economic entity's accounts.

Environmental Regulation Performance

The consolidated entity's environmental obligations and waste discharge quotas are regulated under both state and federal law. The consolidated entity has a policy of at least complying, but in most cases exceeding its environment performance obligations.

TABCORP Holdings Limited's wholly owned subsidiary, Star City, is a participant in the Federal Government's 'Greenhouse Challenge Program'. Some key initiatives undertaken during the last year include changes to the car park lighting system and review of the airconditioning system. Star City has also achieved a bronze award for energy savings, presented by the Sustainable Energy Development Authority. Further initiatives in the mechanical heat ventilation and airconditioning systems are planned in the next 12 months to achieve even greater environmental energy savings.

No environmental breaches have been notified to the economic entity by any government agency.

Indemnification of Officers

TABCORP Holdings Limited has entered into a contract insuring each of the directors of the company named earlier in this report and each full-time executive officer, director and secretary of group entities, against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. In accordance with section 300(9) of the Corporations Act 2001 further details have not been disclosed due to confidentiality provisions in the insurance contracts.

Rounding of Amounts

The parent entity is a company of the kind specified in Australian Securities and Investments Commission class order 98/0100. In accordance with that class order, amounts in the financial statements and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

Corporate Governance

The directors of TABCORP Holdings Limited support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. The corporate governance statement is contained in another section of this Annual Report.

This report has been signed in accordance with a resolution of directors.



M.B. Robinson
Director



I.R. Wilson
Director

Melbourne
15 August 2002

Statement of Financial Performance

for the year ended 30 June 2002

	Note	Consolidated	
		2002 \$'000	2001 \$'000
Total operating revenues	3	1,933,052	1,812,959
Other revenues from ordinary activities	3	34,607	24,598
Revenues from ordinary activities	3	1,967,659	1,837,557
Government taxes and levies		(609,591)	(559,920)
Commissions and fees		(428,629)	(403,558)
Employee costs		(227,084)	(237,961)
Depreciation and amortisation		(108,522)	(113,381)
Property rentals, rates and maintenance		(23,024)	(24,425)
Computer costs		(6,902)	(5,525)
Advertising and promotions		(26,013)	(26,639)
Written down value of non-current assets sold		(4,788)	(1,372)
Professional and contract services		(3,961)	(3,779)
Share registry expenses		(568)	(522)
Audit and review services		(527)	(547)
Borrowing costs		(56,009)	(70,994)
Other expenses from ordinary activities		(88,646)	(90,401)
Profit from ordinary activities before income tax expense		383,395	298,533
Income tax expense relating to ordinary activities		(122,436)	(110,851)
Net profit attributable to members of the parent entity		260,959	187,682
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity		–	–
Total changes in equity other than those resulting from transactions with owners as owners attributable to members of the parent entity		260,959	187,682
Basic earnings per share (cents per share)	5	70.0	50.4
Diluted earnings per share (cents per share)	5	69.4	50.0
Basic earnings per share (cents per share) (pre amortisation of goodwill)	5	74.8	55.3
Diluted earnings per share (cents per share) (pre amortisation of goodwill)	5	74.2	54.9

Discussion and Analysis

of the Statement of Financial Performance

The consolidated entity's total revenue increased by 7.1%, from \$1,837.6 million in 2000/2001 to \$1,967.7 million in 2001/2002. The growth in total revenue was primarily driven by a 6.6% increase in operating revenue to \$1,933.1 million.

The increase in operating revenue was due to:

- a 6.1% increase in Wagering revenue from \$380.3 million in 2000/2001 to \$403.6 million in 2001/2002;
- an 8.4% increase in Victorian Gaming revenue from \$846.3 million in 2000/2001 to \$917.6 million in 2001/2002; and
- a 4.4% increase in Star City revenue from \$586.3 million in 2000/2001 to \$611.9 million in 2001/2002.

Other revenues from ordinary activities rose by \$10.0 million to \$34.6 million in 2001/2002, primarily as a result of higher Supertab commissions, which included a \$5.6 million compensation payment from the South Australian TAB for exiting the Supertab arrangement following its acquisition by TAB Queensland Limited.

Consolidated profit before interest and taxation (PBIT) increased by 19.2% to \$435.3 million in 2001/2002. The key factors in this performance, on a full income and expense allocation basis, were:

- an increase in the Wagering Division PBIT margin generated by a combination of operating revenue growth, the South Australian TAB compensation payment and continued firm cost control resulted in Wagering PBIT increasing by 21.9% to \$63.9 million;
- a reduction in the Gaming Division PBIT margin due to an increase in the Victorian Government-imposed electronic gaming machine levy, which rose by \$12.2 million to \$15.6 million, limited PBIT growth to 5.7% and a resultant PBIT of \$230.8 million; and
- a significant reduction in costs, realised through efficiency gains, combined with a modest revenue increase, enabled Star City PBIT to grow by 41.1% to \$158.5 million (excluding goodwill amortisation).

Borrowing costs decreased by \$15.0 million to \$56.0 million as a result of lower debt levels.

The effective rate of income tax for the consolidated entity fell from 37.1% to 31.9% in 2001/2002, primarily due to a decline in the prima facie tax rate from 34.0% to 30.0%.

Statement of Financial Position

as at 30 June 2002

	Note	Consolidated	
		2002 \$'000	2001 \$'000
Current assets			
Cash assets		126,843	123,534
Receivables		9,505	7,612
Inventories		4,638	4,968
Other		21,431	17,300
Total current assets		162,417	153,414
Non-current assets			
Property, plant and equipment		802,313	850,258
Intangible assets – licences		833,905	836,515
Intangible assets – other		510,881	531,860
Deferred tax assets		21,916	38,784
Other		82,246	91,144
Total non-current assets		2,251,261	2,348,561
TOTAL ASSETS		2,413,678	2,501,975
Current liabilities			
Payables		115,735	105,025
Interest bearing liabilities		144,000	229,052
Current tax liabilities		28,252	24,854
Provisions		146,961	121,728
Other		291	446
Total current liabilities		435,239	481,105
Non-current liabilities			
Payables		2,122	5,745
Interest bearing liabilities		632,898	710,000
Deferred tax liabilities		56,888	52,408
Provisions		9,060	8,059
Other		1,094	1,448
Total non-current liabilities		702,062	777,660
TOTAL LIABILITIES		1,137,301	1,258,765
NET ASSETS		1,276,377	1,243,210
Equity			
Contributed equity		1,226,366	1,218,819
Retained profits	6	50,011	24,391
TOTAL EQUITY		1,276,377	1,243,210

Discussion and Analysis

of the Statement of Financial Position

Changes in Assets

During the financial year the total assets of the consolidated entity decreased by \$88.3 million to \$2,413.7 million at 30 June 2002. This decrease was principally attributable to:

- a \$47.9 million reduction in property, plant and equipment due to the effect of depreciation;
- a \$21.0 million reduction in intangible assets – other (goodwill and rights to management agreement) as a result of amortisation;
- a \$16.9 million reduction in deferred tax assets primarily due to the utilisation of tax losses; and
- an \$8.9 million reduction in other non-current assets primarily due to the amortisation of rental in advance.

Changes in Liabilities

Consolidated liabilities declined by \$121.5 million to \$1,137.3 million, primarily the result of a reduction in borrowings, which fell by \$162.2 million from \$939.1 million at June 2001 to \$776.9 million at June 2002. This was partially offset by an increase in provisions of \$26.2 million, which was largely attributable to the provision for dividends which increased by \$22.6 million.

As a consequence of the reduction in borrowings, the consolidated entity's net debt to equity ratio improved with a reduction from 65.6% at 30 June 2001 to 50.9% at 30 June 2002.

Statement of Cash Flows

for the year ended 30 June 2002

	Consolidated	
	2002 \$'000	2001 \$'000
Cash flows from operating activities		
Net cash receipts in the course of operations	1,975,264	1,834,553
Payments to suppliers, service providers and employees	(835,363)	(824,976)
Payment of Government levies, betting taxes and GST	(573,150)	(523,279)
Interest received	4,202	4,308
Interest and other costs of finance paid	(57,730)	(64,618)
Income tax paid	(98,517)	(136,323)
Net operating cash flows	414,706	289,665
Cash flows from investing activities		
Loans pursuant to employee share plan	6,039	6,993
Payment for property, plant and equipment	(46,817)	(47,005)
Proceeds from sale of property, plant and equipment	5,281	1,691
Other	153	1,427
Net investing cash flows	(35,344)	(36,894)
Cash flows from financing activities		
Proceeds from borrowings	280,000	262,000
Repayment of borrowings	(442,133)	(291,133)
Dividends paid	(212,725)	(182,290)
Payment for share buy-back	(1,195)	–
Net financing cash flows	(376,053)	(211,423)
Net increase in cash held	3,309	41,348
Cash at the beginning of the financial year	123,534	82,186
Cash at the end of the financial year	126,843	123,534

Discussion and Analysis

of the Statement of Cash Flows

Cash assets increased by \$3.3 million during the financial year with continued strong cash flows from operating activities being utilised to reduce borrowings and pay dividends.

Cash Flows from Operating Activities

Cash flows from operating activities provided \$414.7 million in 2001/2002, which was \$125.0 million higher than that achieved in the previous financial year. The main features of this cash inflow were:

- an increase of \$140.7 million in net cash receipts in the course of operations, which was partially offset by an increase of \$10.4 million in payments to suppliers, service providers and employees and \$49.9 million in payment of State Government levies, betting taxes and GST;
- net payments of interest decreased by \$6.8 million due to the reduction in debt levels during 2001/2002; and
- income tax payments, which fell by \$37.8 million due to:
 - a reduction in the income tax rate;
 - the payment in the previous financial year of a one-off tax liability in Showboat Australia Pty Ltd.

Cash Flows from Investing Activities

Cash flows used in investing activities declined by \$1.6 million to \$35.3 million. This reduction reflected a continuation of modest levels of payments for property, plant and equipment in the current financial year, together with a small, \$3.6 million, increase in the proceeds from the sale of property, plant and equipment.

Cash Flows from Financing Activities

The cash outflow of \$376.1 million in 2001/2002 was higher than the cash outflow of \$211.4 million in the previous financial year. This resulted from a net repayment of borrowings of \$162.1 million, up from \$29.1 million in 2000/2001, and a \$30.4 million increase in dividend payments to \$212.7 million in 2001/2002.

Notes to and forming part of the concise financial report

for the year ended 30 June 2002

Note 1 Accounting policies

This concise financial report has been prepared in accordance with the Corporations Act 2001, Accounting Standard AASB 1039 'Concise Financial Reports' and applicable Urgent Issues Group Consensus Views. The financial statements and specific disclosures required by AASB 1039 have been derived from the consolidated entity's full financial report for the financial year. Other information included in the concise financial report is consistent with the consolidated entity's full financial report. The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or current valuations of non-current assets.

These accounting policies have been consistently applied by each entity in the consolidated entity and, except where there is a change in accounting policy, are consistent with those of the previous year.

A full description of the accounting policies adopted by the consolidated entity may be found in the consolidated entity's full financial report.

Note 2 Changes in accounting policies

In the prior year, in accordance with the requirements of AASB 1041 'Revaluation of Non-Current Assets', capital works in progress and freehold land previously carried at valuation were reverted to a cost basis of measurement. For the purpose of transitioning to a cost basis, the existing revalued carrying amounts at 1 July 2000 were deemed to be their cost. This change in policy had no impact on the financial position or financial performance of the consolidated entity as presented in this financial report.

	Consolidated	
	2002	2001
	\$'000	\$'000

Note 3 Operating revenues

Profit from ordinary activities has been determined after crediting the following revenues:

Total operating revenues	1,933,052	1,812,959
Other revenues	34,607	24,598
Total revenues from ordinary activities	1,967,659	1,837,557

Note 4 Dividends

Dividends provided for or paid by the economic entity are:

(a) an interim dividend of 31.0 cents per share, franked to 100% with Class C (30%) franking credits, was paid on 28 March 2002 (2001: 25.0 cents per share, franked to 100% with Class C (34%) franking credits was paid on 30 March 2001)	115,707	93,071
(b) a final dividend of 32.0 cents per share, franked to 100% with Class C (30%) franking credits, is provided, payable 27 September 2002 (2001: 26.0 cents per share, franked to 100% with Class C (30%) franking credits was paid on 28 September 2001)	119,408	96,794
(c) a final dividend of 26.0 cents per share applicable to shares issued on 30 August 2001 and 7 September 2001, franked to 100% with Class C (30%) franking credits was paid on 28 September 2001 (2001: a final dividend of 24.0 cents per share applicable to shares issued on 6 September 2000, franked to 100% with Class C (34%) franking credits was paid on 29 September 2000)	224	36
	235,339	189,901

	Consolidated	
	2002	2001
	\$'000	\$'000

Note 5 Earnings per share

Reconciliation of earnings used in calculating earnings per share:		
Profit from ordinary activities after related income tax expense	260,959	187,682
Earnings used in calculating basic and diluted earnings per share	260,959	187,682
Add goodwill amortisation	17,952	18,093
Earnings used in calculating basic and diluted earnings per share (pre amortisation of goodwill)	278,911	205,775

	Consolidated	
	2002	2001
	Number	Number

Weighted average number of shares used as the denominator:		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	373,051,931	372,071,766
Add potential ordinary shares, being options issued on 1 July 1999	3,000,000	3,000,000
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	376,051,931	375,071,766

	Consolidated	
	2002	2001
	\$'000	\$'000

Note 6 Retained profits

Retained profits at the beginning of the financial year	24,391	26,610
Net profit attributable to members of the parent entity	260,959	187,682
Dividends provided for or paid	(235,339)	(189,901)
Retained profits at the end of the financial year	50,011	24,391

Notes to and forming part of the concise financial report
for the year ended 30 June 2002

Note 7 Segment information

The consolidated entity's primary format of segment reporting is on a business segment basis.

The consolidated entity has three main business segments:

- Wagering Totalizator and fixed odds betting on thoroughbred, harness, greyhounds and sporting and other events.
- Gaming Gaming machine operations in licenced clubs and hotels.
- Star City Star City Casino operations, including a hotel, apartment complex, theatres, restaurants and bars.

The consolidated entity's business segments are located in, and provide services to one geographical segment, Australia.

	Wagering	Gaming	Star City	Segment Total	Unallocated	Eliminations	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2002 Consolidated							
Total operating revenues – external	403,610	917,569	611,873	1,933,052			1,933,052
Other revenues from ordinary activities – external	19,763	4,901	5,383	30,047	4,560		34,607
Intersegment revenue			22	22		(22)	–
Revenues from ordinary activities	423,373	922,470	617,278	1,963,121	4,560	(22)	1,967,659
Segment result (pre amortisation of goodwill)	66,788	236,278	160,049	463,115			463,115
Segment result	66,689	236,278	142,196	445,163	–	–	445,163
Unallocated interest revenue					4,103		4,103
Unallocated other revenue					457		457
Unallocated interest expense					(56,009)		(56,009)
Unallocated expenses					(10,319)		(10,319)
Result from ordinary activities before income tax expense	66,689	236,278	142,196	445,163	(61,768)	–	383,395
Income tax expense							(122,436)
Net profit attributable to members of the parent entity							260,959
Depreciation and amortisation	10,591	25,534	72,006	108,131			
Non cash expenses other than depreciation and amortisation	39,254	14,717	53,271	107,242			
Segment assets	211,902	624,919	1,529,246	2,366,067	52,659	(5,048)	2,413,678
Segment liabilities	63,744	21,589	52,264	137,597	1,004,752	(5,048)	1,137,301
Acquisition of non-current assets	19,403	17,087	10,227	46,717	–	–	46,717

Note 7

Segment information (continued)

	Wagering	Gaming	Star City	Segment Total	Unallocated	Eliminations	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2001 Consolidated							
Total operating revenues – external	380,339	846,349	586,271	1,812,959			1,812,959
Other revenues from ordinary activities – external	11,747	2,058	6,100	19,905	4,693		24,598
Intersegment revenue			111	111		(111)	–
Revenues from ordinary activities	392,086	848,407	592,482	1,832,975	4,693	(111)	1,837,557
Segment result (pre amortisation of goodwill)	55,242	224,322	113,389	392,953			392,953
Segment result	55,142	224,322	95,396	374,860	–	–	374,860
Unallocated interest revenue					4,460		4,460
Unallocated other revenue					233		233
Unallocated interest expense					(70,994)		(70,994)
Unallocated expenses					(10,026)		(10,026)
Result from ordinary activities before income tax expense	55,142	224,322	95,396	374,860	(76,327)	–	298,533
Income tax expense							(110,851)
Net profit attributable to members of the parent entity							187,682
Depreciation and amortisation	9,742	26,395	76,815	112,952			
Non cash expenses other than depreciation and amortisation	34,724	13,130	55,231	103,085			
Segment assets	200,206	640,705	1,598,665	2,439,576	67,461	(5,062)	2,501,975
Segment liabilities	57,102	20,842	50,666	128,610	1,135,217	(5,062)	1,258,765
Acquisition of non-current assets	13,770	19,720	23,850	57,340	33	(218)	57,155

For comparison with previous and current years' announcements in which segment's profit before interest and tax (PBIT) have been stated on a full income and expense allocation basis excluding goodwill amortisation, the following segment result is disclosed:

	Wagering	Gaming	Star City	Segment Total	Goodwill Amortisation	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2002 Consolidated						
Segment result	63,946	230,835	158,472	453,253	(17,952)	435,301
2001 Consolidated						
Segment result	52,458	218,417	112,285	383,160	(18,093)	365,067

Directors' Declaration

In the opinion of the directors of TABCORP Holdings Limited the accompanying concise financial report of the consolidated entity, comprising TABCORP Holdings Limited and its controlled entities for the year ended 30 June 2002:

- (a) has been derived from or is consistent with the full financial report for the financial year; and
- (b) complies with Accounting Standard AASB 1039 'Concise Financial Reports'.

Made in accordance with a resolution of directors.



M.B. Robinson
Director



I.R. Wilson
Director

Melbourne
15 August 2002

Independent Audit Report

to the members of TABCORP Holdings Limited

Scope

We have audited the concise financial report of TABCORP Holdings Limited for the financial year ended 30 June 2002 as set out on page 32 to 42, in order to express an opinion on it to the members of the company. The company's directors are responsible for the concise financial report.

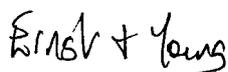
Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of TABCORP Holdings Limited for the year ended 30 June 2002. Our audit report on the full financial report was signed on 15 August 2002, and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report and examination, on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039 'Concise Financial Reports' applicable in Australia.

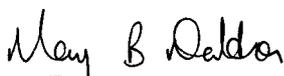
The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the concise financial report of TABCORP Holdings Limited complies with Accounting Standard AASB 1039 'Concise Financial Reports'.



Ernst & Young



Mary B Waldron

Melbourne
15 August 2002

Five Years in Review

	2002	2001	2000	1999	1998
	\$'000	\$'000	\$'000	\$'000	\$'000
Wagering, Gaming & Star City revenue	1,933,052	1,812,959	1,595,831	1,066,165	937,953
EBITDA	543,824	478,464	421,287	254,748	216,313
PBIT	435,301	365,067	326,219	220,135	183,753
Profit after income tax	260,959	187,682	174,780	143,341	121,317
Profit after income tax (pre goodwill)	278,911	205,775	187,476	143,341	121,317
Dividend	235,339	189,901	174,639	130,884	115,378
Cash & deposits	126,843	123,534	91,019	84,816	141,660
Other current assets	35,574	29,880	30,459	9,958	7,185
Licences/Management Agreement Rights	1,033,734	1,038,529	1,043,332	597,472	597,490
Goodwill	311,052	329,846	346,094	–	–
Other non-current assets	906,475	980,186	1,060,303	199,396	147,911
Total assets	2,413,678	2,501,975	2,571,207	891,642	894,246
Current interest-bearing liabilities	144,000	229,052	196,871	38,000	–
Other current liabilities	291,239	252,123	287,267	211,412	171,848
Non current interest-bearing liabilities	632,898	710,000	780,154	–	–
Other non-current liabilities	69,164	67,590	68,851	15,027	14,825
Total liabilities	1,137,301	1,258,765	1,333,143	264,439	186,673
Shareholders' funds	1,276,377	1,243,210	1,238,064	627,203	707,573
Capital expenditure	47,230	46,672	67,715	97,101	39,232
	cents	cents	cents	cents	cents
Earnings per share – pre goodwill	74.8	55.3	53.7	47.1	40.0
Earnings per share – post goodwill	70.0	50.4	50.1	47.1	40.0
Dividend per share	63.0	51.0	47.0	43.0	38.0
Operating cash flow per share	100.0	65.7	60.5	39.1	45.6
Return on shareholders' funds (post goodwill)	20.7%	15.1%	16.5%	21.8%	17.3%
Net assets per share	\$3.42	\$3.34	\$3.33	\$2.06	\$2.33
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Revenue					
Wagering	403,610	380,339	363,107	352,967	329,253
Gaming	917,569	846,349	794,348	713,198	608,700
Star City	611,873	586,271	438,376	–	–
Total	1,933,052	1,812,959	1,595,831	1,066,165	937,953

Shareholder Information

Substantial Shareholders as at 12 August 2002

The following substantial shareholder notices have been lodged in accordance with section 671B of the Corporations Act 2001:

	Shares	%
Perpetual Trustees Australia Limited	22,713,273	6.09
Maple-Brown Abbott Limited	18,902,540	5.07
AMP Limited	18,686,698	5.01

Distribution of Shareholdings as at 12 August 2002

Shares held	Number of shareholders
1 – 1,000	42,937
1,001 – 5,000	19,045
5,001 – 10,000	1,733
10,001 – 100,000	811
100,001 and over	130
Total	64,656

Less than marketable parcel (\$500) based on market price of \$12.92 on 12 August 2002 80

Voting Rights

All shares issued by TABCORP Holdings Limited carry one vote per share. Part 4 of the Gaming and Betting Act 1994 and Rules 134 to 142 of the company's Constitution contain certain restrictions in relation to shareholding interests. Failure to comply with certain provisions of the Gaming and Betting Act or the Constitution can result in suspension of voting rights.

On 19 June 2002, Royal Assent was given to the Gaming Legislation (Amendment) Act. This means that TABCORP's individual shareholding restriction increased from 5% to 10%, and that the existing 40% foreign ownership restriction was removed.

Shareholder Information continued

Twenty largest shareholders as at 12 August 2002*

Name	Number of ordinary shares	%
J.P. Morgan Nominees Australia Limited	47,097,827	12.74
Westpac Custodian Nominees Limited	43,085,797	11.66
National Nominees Limited	35,752,084	9.67
RBC Global Services Australia Nominees Pty Limited	25,059,355	6.78
Citicorp Nominees Pty Limited	16,365,879	4.43
Commonwealth Custodial Services Limited	8,899,205	2.41
AMP Life Limited	8,887,030	2.40
NRMA Nominees Pty Ltd	6,997,658	1.89
Cogent Nominees Pty Ltd	6,850,358	1.85
Queensland Investment Corporation	5,454,316	1.48
MLC Limited	5,072,271	1.37
HSBC Custody Nominees (Australia) Limited	4,692,673	1.27
Westpac Financial Services Ltd	4,319,045	1.17
ANZ Nominees Limited	3,838,758	1.04
Mr Ian Ross Wilson	3,726,000	1.01
ING Life Limited	3,013,234	0.82
Government Superannuation Office	2,379,555	0.64
Westpac Life Insurance Services Limited	1,920,644	0.52
Permanent Trustee Company Ltd	1,463,265	0.40
National Mutual Life Association Australia Limited	1,350,040	0.37
	236,224,994	63.92

* On a grouped basis

In addition, 3,000,000 options were issued to Mr I.R. Wilson on terms approved by the Company's shareholders at the Annual General Meeting on 10 November 1999 and can only be exercised if certain annual and cumulative performance criteria are satisfied. As at the date of this report, Mr I.R. Wilson may exercise up to 2,194,500 options. Further information about these options and the performance criteria is set out in the Directors' Report.

Investor Information

Shareholder enquiries

Investors seeking information about their shareholding should contact the company's Share Registry:

ASX Perpetual Registrars Limited
GPO Box 1736P
Melbourne Vic 3001
Telephone: 03 9615 9999
Toll Free: 1300 665 661
Facsimile: 03 9615 9900 or 03 9615 9744 (for proxies)
Email: registrars@asxperpetual.com.au
Website: www.asxperpetual.com.au

Shareholders should have their Shareholder Reference Number (SRN) available to assist in responding to their enquiries.

Share registry on-line

The Share Registry's website allows shareholders to check their current and previous holding balances. Shareholders can also check and update their annual report election and TFN or ABN. There are also a number of forms that can be downloaded to advise a change of address or change of direct credit details for dividend payments.

General enquiries about TABCORP

Contact: TABCORP's Shareholder Relations Manager
Telephone: 03 9868 2779
Facsimile: 03 9868 2639
Email: investor@tabcorp.com.au
Website: www.tabcorp.com.au

Removal from the Annual Report mailing list

Shareholders who do not wish to receive the Annual Report or Half-Yearly Report should advise the company's Share Registry in writing. The last five Annual Reports are currently available from the Investor Relations section of the company's website. This report and future reports will be made available on the website shortly after being mailed to shareholders.

TABCORP on the web

Investor information is available on TABCORP's website. This website includes key Australian Stock Exchange announcements, Annual and Half-Yearly Reports and general company information.

Stock Exchange listing

The company's shares are listed on the Australian Stock Exchange under the code 'TAH'. Trading information is published in daily newspapers.

American Depositary Receipts

The company's shares are traded in sponsored American Depositary Receipts (ADR) form in the United States of America. ADR holders receive all information sent to shareholders and receive their dividends in US dollars. Enquiries about ADRs should be made to:

Anita Sung
Assistant Vice President
The Bank of New York – ADR Division
101 Barclay Street
New York 10286 USA
Telephone: +212-815-8161
Facsimile: +212-571-3050
Website: www.adrbny.com

Change of address

Shareholders should advise the Share Registry immediately in writing as soon as there is a change to their address. Broker sponsored shareholders should advise their sponsoring broker.

Direct credit of dividends

Dividend payments may be credited into a nominated financial institution account in Australia. You should advise the Share Registry in writing of your details.

Tax File Number/Australian Business Number

The company is obliged to deduct tax at the top marginal rate plus Medicare levy from any unfranked or partially franked dividends paid to Australian resident shareholders who have not supplied their TFN, ABN or exemption details. For those shareholders who have not provided this information and would like to do so, please call the company's Share Registry.

Consolidation of shareholdings

If you have received more than one Annual Report for the same shareholding, please contact the company's Share Registry.

Key dates

2002	
Annual General Meeting	24 October
2003*	
Half-year results announced	20 February
Ex-dividend for interim dividend	3 March
Record date for interim dividend	7 March
Interim dividend paid	28 March
End of financial year	30 June
Full-year results announced	14 August
Ex-dividend for final dividend	1 September
Record date for final dividend	5 September
Interim dividend paid	26 September
Annual General Meeting	30 October

* These dates may change

Company Directory

Directors

M.B. Robinson AO
Chairman

I.R. Wilson*
Managing Director & Chief Executive Officer

A.G. Hodgson
Deputy Chairman

P.G. Satre

D.J. Simpson
Finance Director

P.H. Wade

R.F.E. Warburton

W.V. Wilson

Company Secretary

P.H. Caillard

Registered Office

5 Bowen Crescent
Melbourne VIC 3004
Telephone: 03 9868 2100

Internet Address

www.tabcorp.com.au

Share Registry

ASX Perpetual Registrars Limited
Level 4
333 Collins Street
Melbourne VIC 3000

www.asxperpetual.com.au

Auditors

Ernst & Young

Stock Exchange Listing

TABCORP Holdings Limited shares are quoted on the Australian Stock Exchange.

* Ross Wilson resigned 31 August 2002; Matthew Slatter appointed to the position of Managing Director and Chief Executive Officer effective October 2002, subject to regulatory approval.

