

Financial statements and reports

for the year ended 30 June 1997

TABCORP Holdings Limited and its controlled entities

The Board of Directors of TABCORP Holdings Limited has pleasure in submitting the balance sheet of the company and of the economic entity as at 30 June 1997, and the related profit and loss account and statement of cash flows for the year then ended and report as follows:

Directors

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

M.B. Robinson LL.B. (Chairman)

Mr Robinson is the Senior Partner of the law firm Arthur Robinson & Hedderwicks and was its Managing Partner from 1980 to 1988. He is also a Director of Gandel Management Limited, the Australia-Malaysia Society, The Bionic Ear Institute and Committee for the Economic Development of Australia. He is a member of the Board of Management of Epworth Hospital and of the Regional Consultative Committee of the Australian Securities Commission, Chairman of the Melbourne University Law School Foundation and President of the Institute of Public Affairs Limited. He is a member of the TABCORP Audit, Remuneration and Compliance Committees.

I.R. Wilson B.Ec. (Hons) M.Admin

(Managing Director and Chief Executive Officer)

Mr 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 the company. He is a member of the Business Council of Australia. He is a member of the TABCORP Audit, Remuneration and Compliance Committees.

A.G. Hodgson FCPA (Deputy Chairman)

Mr Hodgson is Senior Partner, Melbourne of the chartered accounting firm Ferrier Hodgson. He is Chairman of the TABCORP Audit Committee and Chairman of Melbourne Port Corporation. Mr Hodgson is a member of the Committee of the Moonee Valley Racing Club and the Regional Consultative Committee of the Australian Securities Commission.

P.H. Wade FCPA

Mr Wade was Managing Director of North Broken Hill Peko Limited until his retirement in 1993. He is Chairman of Acacia Resources Limited and a Director 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.

W.V. Wilson

Mr Wilson joined the Royal Hong Kong Jockey Club in 1978 and in 1980 became its Director responsible for all betting and lottery activity. He retired from the Club in January 1994 at which time he also had responsibility for Information Technology. He is a Board Member of the South Australian Lotteries Commission. Mr Wilson is Chairman of the TABCORP Compliance Committee.

Directors' shareholdings

At the date of this report, the relevant interests of the directors in the share capital of the companies within the economic entity, as notified by the directors to the Australian Stock Exchange in accordance with Section 235(1)(a) of the Corporations Law were:

	TABCORP Holdings Limited Ordinary Shares
M.B. Robinson	53,000
I.R. Wilson	3,726,000
A.G. Hodgson	70,000
P.H. Wade	20,000
W.V. Wilson	50,000

Directors' meetings

During the year the company held twelve meetings of directors. The names of the directors and members of Committees of the Board are set out above. The attendances of the directors at meetings of the Board and of its Committees were:

	Board of Directors		Committees of the Board of Directors	
	Attended	Maximum possible attended	Attended	Maximum possible attended
M.B. Robinson	12	12	10	10
I.R. Wilson	12	12	9	10
A.G. Hodgson	12	12	4	4
P.H. Wade	10	12	7	7
W.V. Wilson	10	12	5	5

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

As at the date of this report, the company had an Audit Committee of the Board of Directors, which met four times during the year. The other Committees of the Board, being the Compliance and Remuneration Committees, met four and two times respectively during the year.

Principal activities

The principal activities of the economic entity during the financial year comprised the conduct of an on-course and off-course wagering business and the conduct of a gaming business pursuant to the licences granted under the Gaming and Betting Act 1994.

Results

The consolidated profit after income tax of the economic entity for the financial year was \$100.8 million, being 15.6% above the previous 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:

	On ordinary shares \$'000
Final fully franked dividend for 1996 of 10.0 cents per share on ordinary shares as declared by directors on 2 September 1996 and paid on 22 October 1996.	30,241
Special fully franked dividend for 1996 of 12.0 cents per share on ordinary shares as declared by directors on 2 September 1996 and paid on 22 October 1996.	36,289
Interim fully franked dividend for 1997 of 11.0 cents per share on ordinary shares as declared by directors on 27 February 1997 and paid on 10 April 1997.	33,321
Final fully franked dividend for 1997 of 12.0 cents per share on ordinary shares as declared by the directors, payable on 2 October 1997.	36,351
Special fully franked dividend for 1997 of 12.0 cents per share on ordinary shares as declared by the directors, payable on 2 October 1997.	36,351

Review of operations

The economic entity generated revenue of \$815.6 million, being 11.2 % above that for the previous corresponding period and with operating expenses continuing to be well controlled operating profit after tax increased by 15.6% to \$100.8 million.

After being down 1.9% on the corresponding period in the previous year for the first six months, the Wagering Division's performance improved in the second half enabling revenue for the full year to be maintained in line with the previous year at \$309.7 million. Operating expenses in the division

were strictly controlled despite being affected by an increase in the fees paid to Sky Channel for delivery of televised broadcasts of racing, resulting in a strong second half with Wagering achieving a full year PBIT of \$33.0 million, down only 3.3% from the previous year.

The Gaming Division generated \$505.9 million in revenue being 19.4% above the previous corresponding period. This revenue was generated by increased demand for the company's products which was satisfied in part by a 10.8% increase in gaming machine numbers to 13,004 combined with an increase in player utilisation resulting in growth in revenue per machine. This growth in revenue combined with the continued control of costs resulted in PBIT being up 23.3% to \$117.3 million.

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.

Significant events after balance date

No 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 the development of its Wagering and Gaming business to take advantage of strong growth that is being experienced in the Victorian leisure and entertainment markets. This provides ample opportunity for achievement of the economic entity's earnings growth objectives.

In addition the economic entity will continue to evaluate opportunities for expansion or acquisition that have the potential to enhance future returns to shareholders.

During the year the economic entity maintained its balance sheet strength with significant cash reserves being generated even after allowing for a \$36 million special dividend in respect of the previous financial year paid to shareholders on 22 October 1996.

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 would be likely to result in unreasonable prejudice to the economic entity.

Share options

No share options were issued or granted during the financial year.

Directors' benefits

No director of the company has received or become entitled to receive a benefit (other than benefits disclosed in the financial statements as emoluments or the fixed salary of a full-time employee of the company or a related body corporate) by reason of a contract made by the company or a related body corporate with the director or with a firm of which he is a member, or with an entity in which he has a substantial financial interest, except as follows:

Mr M.B. Robinson is a partner of the firm of Arthur Robinson & Hedderwicks which provides legal services to the economic entity in the ordinary course of business and in respect of which professional fees are received by the firm on normal commercial terms and conditions.

Directors' interests in contracts

During the year, the economic entity entered into contracts with entities in which certain directors declared an interest. Details of the directors' interests in those contracts are set out in Note 28 (d) which forms an integral part of this report.

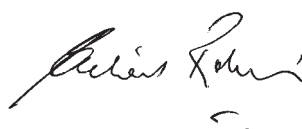
Indemnification of officers

TABCORP Holdings Limited paid an insurance premium of approximately \$157,998 in respect of 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.

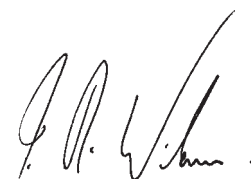
Rounding of amounts

The parent entity is a company of the kind specified in Corporations Regulation 3.6.05(6). In accordance with Section 311 of the Corporations Law and Corporations Regulation 3.6.05, amounts in the Financial Statements and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

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



M.B. Robinson
Director



I.R. Wilson
Director

Melbourne
21 August, 1997

Profit and Loss Account

for the year ended 30 June 1997

	Note	1997 \$'000	Consolidated 1996 \$'000	1997 \$'000	TABCORP Holdings 1996 \$'000
Wagering and Gaming turnover		7,087,255	6,173,005	–	–
Wagering and Gaming revenue		815,610	733,663	–	–
Other revenue		15,361	15,110	125,724	87,247
Operating revenue	2	830,971	748,773	125,724	87,247
Operating profit before income tax		156,726	135,842	102,099	82,323
Income tax (expense)/benefit attributable to operating profit	4	(55,965)	(48,672)	(678)	21
Operating profit after income tax		100,761	87,170	101,421	82,344
Retained profits at the beginning of the financial year		13,472	19,855	4,924	16,133
Total available for appropriation		114,233	107,025	106,345	98,477
Dividends provided for or paid	5	(106,160)	(93,553)	(106,160)	(93,553)
Retained profits at the end of the financial year		8,073	13,472	185	4,924
Basic earnings per share (cents per share)	6	33.3	28.9		

The accompanying notes form an integral part of this profit and loss account.

Balance Sheet

as at 30 June 1997

	Note	1997 \$'000	Consolidated 1996 \$'000	1997 \$'000	TABCORP Holdings 1996 \$'000
Current Assets					
Cash	8	111,454	110,629	18,473	13,558
Receivables	9	1,810	1,851	144,147	144,091
Inventories	10	1,812	1,389	–	–
Other	11	1,272	1,100	1,242	651
Total current assets		116,348	114,969	163,862	158,300
Non-Current Assets					
Property, plant and equipment	13	129,161	135,463	6,772	5,927
Wagering and Gaming licence	14	597,240	597,240	597,240	597,240
Other	15	23,041	19,737	20,422	16,517
Total non-current assets		749,442	752,440	624,434	619,684
TOTAL ASSETS		865,790	867,409	788,296	777,984
Current Liabilities					
Creditors and borrowings	16	47,351	44,381	25,190	23,967
Provisions	17	108,766	113,047	74,217	67,792
Total current liabilities		156,117	157,428	99,407	91,759
Non-Current Liabilities					
Creditors and borrowings	18	1,822	4,715	–	–
Provisions	19	11,841	10,837	767	344
Total non-current liabilities		13,663	15,552	767	344
TOTAL LIABILITIES		169,780	172,980	100,174	92,103
NET ASSETS		696,010	694,429	688,122	685,881
Shareholders' Equity					
Share capital	20	302,921	301,783	302,921	301,783
Reserves	21	385,016	379,174	385,016	379,174
Retained profits		8,073	13,472	185	4,924
TOTAL SHAREHOLDERS' EQUITY		696,010	694,429	688,122	685,881

The accompanying notes form an integral part of this balance sheet.

Statement of Cash Flows

for the year ended 30 June 1997

	Note	1997 \$'000	Consolidated 1996 \$'000	1997 \$'000	TABCORP Holdings 1996 \$'000
Cash Flows from Operating Activities					
Cash receipts in the course of operations		7,087,255	6,173,005	–	–
Cash returns to customers in the course of operations		(6,270,227)	(5,441,229)	–	–
Payments to suppliers, service providers and employees		(351,138)	(318,177)	(1,745)	(1,068)
Payment of Victorian Government betting taxes		(280,703)	(247,798)	–	–
Dividends received		–	–	99,300	75,253
Interest received		6,831	6,609	2,093	1,604
Income tax paid		(60,457)	(36,254)	(192)	(473)
<i>Net cash provided by operating activities</i>	24(b)	131,561	136,156	99,456	75,316
Cash Flows from Investing Activities					
Loans pursuant to employee share plan		(3,858)	(2,200)	(3,858)	(2,200)
Payment for property, plant and equipment		(34,287)	(42,658)	(1,106)	(28)
Proceeds from sale of property, plant and equipment		644	1,067	–	–
Other		(364)	(900)	(364)	(900)
Loans to controlled entities		–	–	–	(7,900)
<i>Net cash used in investing activities</i>		(37,865)	(44,691)	(5,328)	(11,028)
Cash Flows from Financing Activities					
Proceeds from issue of shares		6,980	3,061	6,980	3,061
Loans from controlled entities		–	–	3,658	8,158
Dividends paid		(99,851)	(70,738)	(99,851)	(70,738)
<i>Net cash used in financing activities</i>		(92,871)	(67,677)	(89,213)	(59,519)
Net increase in cash held		825	23,788	4,915	4,769
Cash at the beginning of the financial year		110,629	86,841	13,558	8,789
Cash at the end of the financial year	24(a)	111,454	110,629	18,473	13,558

The accompanying notes form an integral part of this statement of cash flows.

Note 1 Statement of Significant Accounting Policies

The significant policies which have been adopted in the preparation of these financial statements are:

(a) Basis of Preparation

The financial statements have been drawn up as a general purpose financial report in accordance with Accounting Standards, Urgent Issues Group Consensus Views and the Corporations Law. The accounting policies used are consistent with those adopted in the previous year. The financial statements have also been prepared on the basis of historical costs and do not take into account changing money values, or, except where stated, current valuations of non-current assets.

The accounting policies described below have been consistently applied by all entities in the economic entity.

(b) Principles of Consolidation

The consolidated financial statements of the economic entity include the financial statements of the parent entity, TABCORP Holdings Limited, and its controlled entities, referred to collectively throughout these financial statements as the 'economic entity'. The balances, and effects of transactions, between controlled entities included in the consolidated financial statements have been eliminated.

(c) Revenue Recognition

Turnover

Wagering and Gaming turnover are accounted for on an accruals basis using the methods detailed below:

– Wagering turnover is recognised at the point when the event to which the wagering investment relates is officially completed.

– Gaming turnover is recognised at the point when the game play has been completed.

Revenue

Wagering and Gaming revenue is recognised as the residual value after deducting the statutory return to customers from the Wagering and Gaming turnover.

Interest Income

Interest income is recognised as it accrues.

Asset Sales

The gross proceeds of asset sales are included as revenue of the entity. The profit and loss on disposal of assets is brought to account at the completion of the sale.

(d) Taxation

The economic entity follows the policy of tax effect accounting. The income tax expense in the profit and loss account represents the tax on pre-tax accounting profit adjusted for income and expenses never to be assessed or allowed for taxation purposes. The tax effect of timing differences which arise from items being brought to account in different periods for income tax and accounting purposes is carried forward in the balance sheet as a future income tax benefit or a provision for deferred income tax liability, calculated at the tax rates expected to apply when the differences reverse.

Future income tax benefits are not brought to account unless realisation of such benefit is assured beyond any reasonable doubt.

(e) Non-Current Assets

The carrying amounts of non-current assets are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount. In assessing recoverable amounts the relevant cash flows have not been discounted to their present value.

(f) Property, Plant and Equipment

Items of property, plant and equipment excluding freehold land are recorded at cost and depreciated by the straight line method to write off the original cost over the estimated useful lives. Assets are depreciated from the date of acquisition.

Freehold land is recorded at cost and is not depreciated.

Operating lease assets are not capitalised and rental payments are charged against profits in equal instalments over the accounting periods covered by the lease term.

(g) Wagering and Gaming Licence

The Wagering and Gaming licence has not been amortised as the payment to be received by the parent entity under Section 21 of the Gaming and Betting Act 1994 at the end of the licence period is currently expected to be not less than the carrying value of the asset. The licence period expires in the year 2012.

(h) Investments

Investments in controlled entities are carried in the parent entity's financial statements at the lower of cost and recoverable amount. Dividends and distributions are brought to account in the profit and loss account when they are proposed by the controlled entities.

(i) Inventories

Inventories comprise consumable stores and are carried at the lower of cost and net realisable value. Costs are assigned on a weighted average basis.

(j) Employee Entitlements

Annual Leave and Sick Leave

The provision for employee entitlements to annual leave and sick leave represents the amount which the economic entity has a present obligation to pay resulting from employees' services provided up to the balance date. The provision has been calculated at nominal amounts based on current wage and salary rates and includes on-costs.

Long Service Leave

The liability for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the balance date.

Liabilities for employee entitlements which are not expected to be settled within twelve months are discounted using the interest rate applicable to 10 year Commonwealth Government bonds at balance date.

In determining the liability for employee entitlements, consideration has been given to future increases in wage and salary rates. Related on-costs have also been included in the liability.

Employee Share Plan

A TABCORP employee share plan has been established under which shares in TABCORP Holdings Limited and loans to acquire shares in the parent entity would be available to eligible employees (refer Note 22).

Superannuation

TABCORP Holdings Limited and its controlled entities contribute to two employee superannuation funds. Contributions are charged against income as incurred (refer Note 22).

(k) Doubtful Debts

The collectability of debts is assessed at year end and specific provision is made for any doubtful accounts. Bad debts are written off when they are identified.

(l) Joint Venture

The economic entity's interest in an unincorporated joint venture is brought to account by including the following appropriate categories in the balance sheet and profit and loss account:

- the economic entity's interest in each of the individual assets employed and liabilities incurred in the joint venture; and
- the economic entity's share of product and expenses relating to the joint venture (refer Note 26).

(m) Comparative Information

Comparative information has been reclassified to achieve consistency in disclosure with current financial year and other disclosures, where necessary.

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 1997

	1997 \$'000	Consolidated 1996 \$'000	1997 \$'000	TABCORP Holdings 1996 \$'000
Note 2				
Operating Profit				
Operating profit has been determined after crediting the following revenues:				
OPERATING REVENUE				
Wagering and Gaming revenue	815,610	733,663	–	–
Other revenue:				
Interest received or due and receivable from:				
– other than related parties	6,381	6,533	1,488	898
– related parties	–	–	659	158
Dividends received or due and receivable from related parties	–	–	101,400	82,700
Gross proceeds from sale of non-current assets (a)	644	1,067	–	–
Other revenue items	8,336	7,510	22,177	3,491
Total other revenue	15,361	15,110	125,724	87,247
Total operating revenue	830,971	748,773	125,724	87,247
(a) Profit on sale of non-current assets	163	152	–	–
Operating profit has been determined after charging the following expenses:				
Depreciation of property, plant and equipment	28,487	24,696	261	229
Operating lease rentals	74	247	–	–
Bad trade debt written off	8	9	–	–
Amounts set aside to provisions for:				
Doubtful trade debts	30	42	–	–
Employee entitlements	1,072	1,084	417	1
Total amount set aside to provisions	1,102	1,126	417	1
Note 3				
Auditors' Remuneration				
Total remuneration received or due and receivable by the auditor of TABCORP Holdings Limited and its controlled entities in respect of:				
– auditing the financial statements	179	180	115	135
– other services	60	81	60	55
	239	261	175	190

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 1997

	1997 \$'000	Consolidated 1996 \$'000	1997 \$'000	TABCORP Holdings 1996 \$'000
Note 4				
Income Tax				
The difference between income tax expense provided in the financial statements and the prima facie income tax expense is reconciled as follows:				
Operating profit	156,726	135,842	102,099	82,323
Prima facie tax thereon at 36%	56,421	48,903	36,756	29,636
Tax effect of permanent and other differences:				
– dividends received	–	–	(36,504)	(29,772)
– sundry items	(372)	(231)	430	115
– overprovision in prior year	(84)	–	(4)	–
Total income tax attributable to operating profit	55,965	48,672	678	(21)
Total income tax expense comprises movements in:				
– provision for income tax	(50,949)	(47,294)	(308)	(244)
– provision for deferred income tax	(4,392)	(1,792)	(409)	5
– future income tax benefits	(624)	414	39	260
Income tax (expense)/benefit	(55,965)	(48,672)	(678)	21
Note 5				
Dividends				
Dividends provided for or paid by the economic entity are:				
(a) an interim dividend of 11.0 cents per share, franked to 100% with Class C (36%) franking credits, was paid on 10 April 1997 (1996: 9.0 cents per share, franked to 100% with Class C (36%) franking credits was paid on 16 April 1996)	33,321	27,160	33,321	27,160
(b) a final dividend of 12.0 cents per share, franked to 100% with Class C (36%) franking credits, is provided (1996: 10.0 cents per share, franked to 100% with Class C (36%) franking credits was paid on 22 October 1996)	36,351	30,179	36,351	30,179
(c) a final dividend of 10.0 cents per share applicable to shares issued on 19 September 1996, franked to 100% with Class C (36%) franking credits was paid on 22 October 1996	62	–	62	–
(d) a special dividend of 12.0 cents per share, franked to 100% with Class C (36%) franking credits, is provided (1996: 12.0 cents per share, franked to 100% with Class C (36%) franking credits was paid on 22 October 1996)	36,351	36,214	36,351	36,214
(e) a special dividend of 12.0 cents per share applicable to shares issued on 19 September 1996, franked to 100% with Class C (36%) franking credits was paid on 22 October 1996	75	–	75	–
	106,160	93,553	106,160	93,553
FRANKING CREDITS				
Franking credits available at the 36% corporate tax rate after allowing for tax payable in respect of the current year's profits and the payment of the proposed dividends	(15,153)	431	(4,536)	(327)

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 1997

Consolidated
1996

1997

Note 6 Earnings per Share

Basic earnings per share (cents per share)	33.3	28.9
Weighted average number of ordinary shares used in the calculation of basic earnings per share	302,537,591	301,445,061

Diluted earnings per share is not different from basic earnings per share and accordingly is not disclosed.

Note 7 Segment Information

The economic entity operates predominantly in the leisure and entertainment industry, providing wagering and gaming services and facilities within Victoria, Australia.

	Consolidated		TABCORP Holdings	
	1997	1996	1997	1996
	\$'000	\$'000	\$'000	\$'000

Note 8 Cash

Cash comprises:				
Cash on hand and in banks	12,449	10,140	499	54
Short term deposits	53,346	26,975	4,034	700
Bank accepted bills	45,659	73,514	13,940	12,804
	111,454	110,629	18,473	13,558

Note 9 Receivables (Current)

Trade debtors	1,178	1,212	–	–
Provision for doubtful debts	(150)	(138)	–	–
	1,028	1,074	–	–
Sundry debtors	455	–	61	–
Amounts receivable from controlled entities	–	–	144,025	143,905
Accrued interest income	327	777	61	186
	1,810	1,851	144,147	144,091

Note 10 Inventories (Current)

Consumable stores at cost	1,812	1,389	–	–
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Note 11 Other Assets (Current)

Prepayments	366	488	336	39
Loans pursuant to employee share plan	906	612	906	612
	1,272	1,100	1,242	651

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 1997

	Note	1997 \$'000	Consolidated 1996 \$'000	1997 \$'000	TABCORP Holdings 1996 \$'000
Note 12 Investments (Non-Current)					
Investments in controlled entities are valued at cost of \$8 (refer Note 25).					
Note 13 Property, Plant and Equipment					
Land and buildings:					
Freehold land at cost		5,639	5,639	2,000	2,000
Buildings:					
– at cost		10,031	9,849	4,065	4,018
– accumulated depreciation		(1,744)	(1,153)	(479)	(310)
		8,287	8,696	3,586	3,708
Total land and buildings, net		13,926	14,335	5,586	5,708
Leasehold improvements:					
– at cost		6,964	7,047	–	–
– accumulated amortisation		(2,046)	(1,769)	–	–
Total leasehold improvements, net		4,918	5,278	–	–
Plant and equipment:					
– at cost		198,290	167,314	1,342	283
– accumulated depreciation		(87,973)	(51,464)	(156)	(64)
Total plant and equipment, net		110,317	115,850	1,186	219
		129,161	135,463	6,772	5,927
Note 14 Wagering and Gaming Licence					
Wagering and Gaming licence at cost	1(g)	597,240	597,240	597,240	597,240
Note 15 Other Assets (Non-Current)					
Future income tax benefits		3,436	4,060	817	840
Loans to executive director	28(c)	8,276	7,912	8,276	7,912
Loans pursuant to employee share plan		11,329	7,765	11,329	7,765
		23,041	19,737	20,422	16,517
Note 16 Creditors and Borrowings (Current)					
Trade creditors and accrued expenses		47,351	44,381	1,668	444
Amounts due to controlled entities		–	–	23,522	23,523
		47,351	44,381	25,190	23,967

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 1997

	Note	1997 \$'000	Consolidated 1996 \$'000	1997 \$'000	TABCORP Holdings 1996 \$'000
Note 17	Provisions (Current)				
Dividends	5	72,702	66,393	72,702	66,393
Taxation		28,567	38,075	207	153
Employee entitlements		4,466	4,218	1,308	1,246
Other		3,031	4,361	–	–
		108,766	113,047	74,217	67,792
Note 18	Creditors and Borrowings (Non-Current)				
Trade creditors		1,822	4,715	–	–
Note 19	Provisions (Non-Current)				
Employee entitlements		2,360	2,259	296	282
Provision for deferred income tax		9,481	5,089	471	62
Other		–	3,489	–	–
		11,841	10,837	767	344
Note 20	Share Capital				
Authorised capital:					
1,000,000,000 ordinary shares of \$1.00 each		1,000,000	1,000,000	1,000,000	1,000,000
Issued and paid up capital:					
302,920,906 ordinary shares of \$1.00 each		302,921	301,783	302,921	301,783
Movement in issued shares for the year:					
	Number of ordinary shares				
Opening number of shares	301,782,706				
Issued under Employee Share Plan (a)	1,138,200				
Closing number of shares	302,920,906				
<i>(a) TABCORP Holdings Limited issued:</i>					
– 622,000 ordinary shares on 19 September 1996,					
– 100,000 ordinary shares on 8 November 1996,					
– 256,200 ordinary shares on 28 November 1996, and					
– 160,000 ordinary shares on 28 February 1997					
to employees under the Employee Share Plan (refer Note 22 for details of the Employee Share Plan).					
Note 21	Reserves				
Share premium		385,016	379,174	385,016	379,174
Movement during the year:					
Balance at beginning of year		379,174	376,921	379,174	376,921
Premium on ordinary shares issued during the year		5,842	2,253	5,842	2,253
Balance at end of year		385,016	379,174	385,016	379,174

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 1997

	Note	1997 \$'000	Consolidated 1996 \$'000	1997 \$'000	TABCORP Holdings 1996 \$'000
Note 22	Employee Entitlements				
Aggregate employee entitlements, including on-costs					
Current	17	4,466	4,218	1,308	1,246
Non-current	19	2,360	2,259	296	282
		6,826	6,477	1,604	1,528

Employee Share Plan

A TABCORP employee share plan has been established and approved by shareholders under which shares in the parent entity and loans to acquire shares in the parent entity are available to eligible employees. Other than shares applied for in the TABCORP float, the shares are issued at market price at the date of offer. The maximum number of shares that can be outstanding at any time under the Plan is limited to 3% of the issued capital of the parent entity.

Details of the employee share plan for the parent entity are as follows:

	(a) 1997	(b) 1997	Ordinary shares (a) 1996	(b) 1996
Total number issued to employees during the year ('000)	938	200	966	–
Total number issued to employees since commencement of the plan ('000)	4,109	3,300	3,171	3,100
Total number that have become available for purchase since commencement of the plan ('000)	8,433	3,300	6,511	3,100
Purchase entitlements not taken up by employees are not available at balance date for purchase.				
Total number of employees eligible to participate in this plan at balance date	1,912	1	2,080	1
Total number of employees participating in this plan at balance date	1,374	1	1,713	1
Total market value, at date of issue, of issues during the year (\$'000)	5,749	1,175	3,758	–
Proceeds received from issues during the year (\$'000)	5,805	1,175	3,683	–

(a) shares issued to employees

(b) shares issued to a director under a service agreement.

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 1997

Note 22 Employee Entitlements *continued*

Superannuation Funds

TABCORP Holdings Limited maintains two superannuation funds covering all of its employees and the employees of controlled entities, the TABCORP Superannuation Fund and the TABCORP Staff Superannuation Fund. Each Fund comprises:

- (a) a defined benefit section (closed to new entrants): providing benefits based on salary and length of service; and
- (b) an accumulation section: providing benefits based on contributions accumulated with interest.

The most recent actuarial reviews of the TABCORP Superannuation Fund and the TABCORP Staff Superannuation Fund were carried out effective at 1 July 1995 by Mr W.S. O'Regan, FFA, of William M. Mercer Pty Ltd. The actuary's investigation for those reviews confirmed that both Funds held sufficient assets to meet any benefits that would have been vested under each Fund in the event of termination of the Funds or the voluntary or compulsory termination of employment of each employee.

The next actuarial investigations of the TABCORP Superannuation Fund and the TABCORP Staff Superannuation Fund are to be undertaken as at 30 June 1998.

TABCORP Holdings Limited and controlled entities are obliged to contribute to the Superannuation Funds as a consequence of legislation or trust deeds; legal enforceability is dependent on the terms of the legislation and the trust deeds. The rate of payment of contributions to the Funds is based on advice from the actuary.

The information disclosed at last actuarial review of the Funds is as follows:

	TABCORP Superannuation Fund \$'000	TABCORP Staff Superannuation Fund \$'000	Total \$'000
At 30 June 1995			
Fund assets at market value	31,526	20,449	51,975
Accrued benefits	11,632	8,489	20,121
Excess of fund assets over accrued benefits	19,894	11,960	31,854
Information disclosed in the most recent audited financial statements of both Funds is as follows:			
At 30 June 1996			
Fund assets at market value	26,977	31,679	58,656
Vested benefits	9,641	11,868	21,509
At 30 June 1995			
Fund assets at market value	31,526	20,449	51,975
Vested benefits	10,522	6,756	17,278

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 1997

Note 23 Commitments

	1997 \$'000	Consolidated 1996 \$'000	TABCORP Holdings 1997 \$'000	1996 \$'000
(a) Capital Expenditure Commitments				
Contracted but not provided for and payable not later than one year	10,688	2,337	—	—
(b) Leasehold Premises Rental Commitments				
Contracted but not provided for and payable:				
Not later than one year	5,810	4,781	1,600	—
Later than one year but not later than two years	4,359	2,945	1,839	—
Later than two years but not later than five years	9,994	3,964	6,259	—
Later than five years	11,253	1,199	10,869	—
	31,416	12,889	20,567	—
(c) Other Commitments				
Future operating lease rentals/licence fees not provided for and payable:				
Not later than one year	—	70	—	—
Later than one year but not later than two years	—	—	—	—
Later than two years but not later than five years	—	—	—	—
Later than five years	—	—	—	—
	—	70	—	—

Note 24 Notes to the Statement of Cash Flows

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, deposits at call and bank accepted bills.

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	Note	1997 \$'000	Consolidated 1996 \$'000	TABCORP Holdings 1997 \$'000	1996 \$'000
Cash	8	111,454	110,629	18,473	13,558
		111,454	110,629	18,473	13,558

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 1997

	1997 \$'000	Consolidated 1996 \$'000	1997 \$'000	TABCORP Holdings 1996 \$'000
Note 24	Notes to the Statement of Cash Flows <i>continued</i>			
(b) Reconciliation of net cash provided by operating activities to operating profit after income tax				
Operating profit after income tax	100,761	87,170	101,421	82,344
Add/(less) items classified as investing/financing activities:				
Profit on sale of non-current assets	(163)	(152)	–	–
Add/(less) non-cash income and expense items:				
Depreciation expense	28,487	24,696	261	229
Write back of unclaimed Wagering return to customers	(530)	(173)	–	–
Net cash provided by operating activities before change in assets and liabilities	128,555	111,541	101,682	82,573
Change in assets and liabilities:				
(Increase)/decrease in:				
– trade and sundry debtors	(410)	1,120	(61)	50
– inventories	(423)	388	–	–
– prepayments	122	(222)	(297)	(23)
– accrued interest income	450	76	125	(107)
– amounts receivable from controlled entities	–	–	(3,951)	(6,438)
– future income tax benefits	624	(414)	23	(261)
(Decrease)/increase in:				
– trade creditors and accrued expenses	8,618	12,242	1,224	(244)
– provisions	(859)	(1,407)	248	–
– provision for deferred income tax	4,392	1,792	409	(5)
– provision for income tax	(9,508)	11,040	54	(229)
Net cash provided by operating activities	131,561	136,156	99,456	75,316

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 1997

Note 25 Controlled Entities

The following were controlled entities at 30 June 1997, and have been included in the consolidated financial statements. The financial years of all controlled entities are the same as that of TABCORP Holdings Limited.

Name of controlled entity	Place of incorporation	Type of shares	Interest held	
			1997 %	1996 %
TABCORP Holdings Limited	Australia	—	—	—
TABCORP Assets Pty Ltd	Australia	ordinary	100	100
TABCORP Manager Pty Ltd	Australia	ordinary	100	100
TABCORP Participant Pty Ltd	Australia	ordinary	100	100
TABCORP Pty Ltd	Australia	ordinary	100	100

All the subsidiaries have entered into a deed of cross guarantee dated 8 June 1995 with TABCORP Holdings Limited which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each company participating in the deed on winding up of that company. In addition, as a result of the Class Order issued by the Australian Securities Commission, TABCORP Assets Pty Ltd and TABCORP Participant Pty Ltd are relieved from the requirements to prepare financial statements. TABCORP Manager Pty Ltd and TABCORP Pty Ltd are relieved from the requirements to prepare financial statements as they are small proprietary companies as defined by the Corporations Law.

The aggregate assets, liabilities and operating profit after tax of the companies which are parties to the deed of cross guarantee are as follows:

	1997 \$'000	1996 \$'000
Assets	865,790	867,409
Liabilities	169,780	172,980
Operating profit after tax	100,761	87,170

Note 26 Interest in Joint Venture

TABCORP Holdings Limited and its controlled entities (TABCORP Assets Pty Ltd, TABCORP Manager Pty Ltd and TABCORP Participant Pty Ltd) conduct an unincorporated joint venture with VicRacing Pty Ltd. TABCORP Holdings Limited and its controlled entities manage the joint venture whose principal activity is the organisation, conduct, promotion and development of wagering and gaming. The economic entity receives 75% of the product and expenses of the joint venture.

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 1997

Note 27 Staff Costs

(a) Remuneration of directors

Prepared in accordance with Accounting Standard AASB 1017 and Urgent Issues Group Abstract 14 and reported on the basis of gross cost to the entity of remuneration paid or payable, or otherwise made available.

The numbers of directors of TABCORP Holdings Limited whose remuneration (including brokerage, commission, bonuses, retirement payments and salaries), paid or payable directly or indirectly by the parent entity or any related party, as shown in the following bands, were:

	TABCORP Holdings	
	1997	1996
\$40,000 – \$49,999	–	3
\$50,000 – \$59,999	2	–
\$60,000 – \$69,999	1	–
\$90,000 – \$99,999	–	1
\$120,000 – \$129,999	–	1
\$130,000 – \$139,999	1	–
\$1,370,000 – \$1,379,999	1	–
\$1,490,000 – \$1,499,999	–	1
	\$'000	\$'000
The aggregate remuneration of the directors referred to in the above bands was	1,694	1,868

The total of all remuneration paid or payable directly or indirectly, by the respective corporations of which they are director, or any related party, to all the directors of each corporation in the economic entity was \$1.710 million. This amount includes the value of insurance premiums paid for the benefit of directors.

(b) Remuneration of executives

Prepared in accordance with Accounting Standard AASB 1034 and reported on the basis of remuneration received or due and receivable.

The number of executive officers domiciled in Australia who received, or were due to receive, directly or indirectly from the parent entity, or from any related party, a total remuneration in connection with the management of affairs of the parent entity, or any of its subsidiaries whether as executive officers or otherwise, as shown in the following bands, were:

	Consolidated		TABCORP Holdings	
	1997	1996	1997	1996
\$120,000 – \$129,999	2	1	2	1
\$130,000 – \$139,999	1	2	1	1
\$140,000 – \$149,999	2	2	–	–
\$150,000 – \$159,999	2	–	–	–
\$160,000 – \$169,999	1	2	–	–
\$170,000 – \$179,999	–	1	–	1
\$200,000 – \$209,999	1	–	–	–
\$220,000 – \$229,999	1	–	1	–
\$340,000 – \$349,999	2	–	1	–
\$350,000 – \$359,999	–	1	–	1
\$360,000 – \$369,999	1	–	1	–
\$380,000 – \$389,999	1	1	–	1
\$390,000 – \$399,999	–	1	–	–
\$1,210,000 – \$1,219,999	1	–	1	–
\$1,290,000 – \$1,299,999	–	1	–	1
	\$'000	\$'000	\$'000	\$'000
The aggregate remuneration of the executives referred to in the above bands was	4,239	3,637	2,537	2,469

Remuneration of executives includes executive directors of the parent entity who are already disclosed within 'Remuneration of directors'.

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 1997

Note 28 Related Parties

(a) Directors

The following persons held the position of director of TABCORP Holdings Limited during all of the past two financial years, unless otherwise stated:

M.B. Robinson

A.G. Hodgson

I.R. Wilson

P.D. Ritchie (resigned on 30 May 1996)

P.H. Wade

W.V. Wilson

(b) Directors' shareholdings

	Shares issued by Parent Entity	
	1997 Number	1996 Number
Shares acquired from the entity during the year:		
Ordinary shares	200,000	–
	1997 Number	1996 Number
Shares held at end of the year:		
Directly or indirectly		
Ordinary shares	3,919,000	3,686,000

(c) Directors' loans

Director loans are interest free and are made to executive directors only. The loans are to be repaid following cessation of employment, and, where advanced to finance the acquisition of shares in the company, the dividends received on those shares are applied towards loan repayment. The loans are secured by an equitable mortgage over the shares held by the director. During the year, TABCORP Holdings Limited made a loan of \$1.175 million (1996: \$0.900 million) to I. R. Wilson as provided for under his service agreement, approved by shareholders. He repaid \$0.811 million (1996: \$0.582 million) of the balance outstanding on his loan during the year.

	Consolidated		TABCORP Holdings	
	1997 \$'000	1996 \$'000	1997 \$'000	1996 \$'000
Loans to director outstanding at year end:				
Non-current	8,276	7,912	8,276	7,912

(d) Director transactions

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 include the following and have been quantified below where the transactions are considered likely to be of interest to users of these financial statements:

- (i) Mr M.B. Robinson is a partner in the legal firm of Arthur Robinson & Hedderwicks. This firm renders legal advice to the economic entity. All dealings with the firm are in the ordinary course of business and on normal commercial terms and conditions.

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 1997

Note 28 Related Parties *continued*

(e) Transactions with related parties in the wholly owned group

In addition to those transactions disclosed in Note 2, the parent entity made advances and received repayments on short term inter-company accounts. No interest is receivable on these account balances.

Loans

Loans between entities in the wholly-owned group are repayable within the next 12 months, or such later date as agreed. Interest is charged daily at the 180-day commercial bank bill rate plus 0.75% per annum on the outstanding balance. Interest receivable by TABCORP Holdings Limited was \$0.659 million (1996: \$0.158 million) in respect of these loans during the year.

Amounts due to and receivable from related parties in the wholly owned group

Appropriate disclosure of these amounts is contained in the respective notes to the financial statements.

Ownership interests

The ownership interests in related parties in the wholly owned group are disclosed in Note 25.

(f) Ultimate controlling entity

The ultimate controlling entity of the economic entity is TABCORP Holdings Limited.

Note 29 Contingent Liabilities

Parent entity:

As explained in Note 25, the parent entity has entered into a deed of cross guarantee in accordance with a Class Order issued by the Australian Securities Commission. The parent entity, and all the controlled entities which are a party to the deed, have guaranteed the repayment of all current and future creditors in the event any of these companies are wound-up.

Director related:

Contingent liabilities at balance date, not otherwise provided for in these financial statements are shown below:

	1997 \$'000	Consolidated 1996 \$'000	1997 \$'000	TABCORP Holdings 1996 \$'000
Service agreement				
The maximum contingent liabilities for termination benefits under a service agreement with a director in the economic entity amount to	1,140	1,775	1,140	1,775

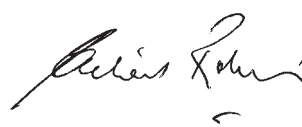
Directors' Statement

In the opinion of the directors of TABCORP Holdings Limited:

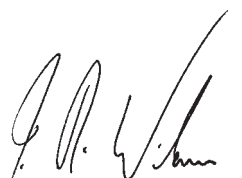
- (a) the profit and loss account is drawn up so as to give a true and fair view of the profit of the company for the year ended 30 June 1997;
- (b) the balance sheet is drawn up so as to give a true and fair view of the state of affairs of the company at 30 June 1997;
- (c) the statement of cash flows is drawn up so as to give a true and fair view of the cash flows of the company for the year ended 30 June 1997; and
- (d) at the date of this statement, there are reasonable grounds to believe the company will be able to pay its debts as and when they fall due, and the companies and parent entity who are a party to the deed described in Note 25, will as an economic entity be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee dated 8 June 1995.

It is also the opinion of the directors that the consolidated financial statements have been made out in accordance with Divisions 4A and 4B of Part 3.6 of the Corporations Law and, in particular, give a true and fair view of the matters with which they deal.

This statement has been made in accordance with a resolution of directors.



M.B. Robinson
Director



I.R. Wilson
Director

Melbourne
21 August 1997

To the Members of TABCORP Holdings Limited

Scope

We have audited the financial statements of TABCORP Holdings Limited for the year ended 30 June 1997, as set out on pages 38 to 56. The financial statements include the consolidated accounts of the economic entity comprising the company and the entities it controlled at year's end or from time to time during the financial year. The company's directors are responsible for the financial statements. We have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and statutory requirements so as to present a view which is consistent with our understanding of the company's and the economic entity's financial position, the results of their operations and their cash flows.

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

Audit Opinion

In our opinion, the financial statements of TABCORP Holdings Limited are properly drawn up:

- (a) so as to give a true and fair view of:
 - (i) the state of affairs as at 30 June 1997 and of the profit and cash flows for the financial year ended on that date of the company and the economic entity; and
 - (ii) the other matters required by Divisions 4, 4A and 4B of Part 3.6 of the Corporations Law to be dealt with in the financial statements;
- (b) in accordance with the provisions of the Corporations Law; and
- (c) in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.



Arthur Andersen
Chartered Accountants



Partner

Melbourne
21 August 1997

Shareholder Information

Substantial shareholders as at 5 September 1997*

Name	Number of ordinary shares
Permanent Trustee Company Limited (ACN 000 000 993) 23-25 O'Connell Street, Sydney	22,164,036
National Mutual Holdings Limited/AXA-UAP (ACN 069 123 011) 447 Collins Street, Melbourne	18,998,879

*Nominee companies are not required to give notice of substantial shareholdings as they do not hold a relevant interest in shares.

Distribution of shareholdings as at 5 September 1997

Holdings	Number of Holders Ordinary Shares
1 – 1,000	26,084
1,001 – 5,000	9,816
5,001 – 10,000	886
10,001 – 49,999	412
50,000 – 749,999	219
750,000 – 7,499,999	47
7,500,000 and over	6
Less than marketable parcel	25

Voting Rights

All ordinary shares issued by TABCORP Holdings Limited carry one vote per share without restriction.

Part 4 of the Gaming and Betting Act 1994 sets out the regulation of shareholding interests. Failure to comply with certain provisions of the Gaming and Betting Act can result in suspension of voting rights.

Twenty largest shareholders as at 5 September 1997*

Name	Number of fully paid shares of \$1.00 each
Westpac Custodian Nominees Limited	30,663,677
Chase Manhattan Nominees Limited	21,617,434
National Nominees Limited	21,416,156
Permanent Trustee Australia Limited	16,288,417
Perpetual Trustees Victoria Limited	11,234,681
Australian Mutual Provident Society	9,624,750
ANZ Nominees Limited	8,986,988
National Mutual Trustees Ltd	8,302,318
Commonwealth Custodial Services Limited	7,192,603
National Mutual Life Association of Australasia Limited	6,649,345
Citicorp Nominees Pty Ltd	5,454,487
HKBA Nominees Limited	5,116,702
Queensland Investment Corporation	4,838,439
Permanent Trustee Company Limited	4,544,213
Perpetual Trustee Company Limited	4,306,886
MLC Limited	4,110,990
Perpetual Trustees Nominees Limited	3,680,525
Westpac Life Insurance Services Limited	3,626,640
Mr Ian Ross Wilson	3,540,000
Permanent Nominees Limited	3,280,728
	184,475,979
Total held by twenty largest shareholders as a percentage of class:	60.9%
Total held by non-resident shareholders as a percentage of class:	22.8%

*On a grouped basis as identified to the company.

Shareholder Enquiries

Investors seeking information about their shareholding should contact the TABCORP Holdings Limited (the company) Share Registry:

Coopers & Lybrand,
GPO Box 2785Y, Melbourne Vic 3001.
Telephone: 61 3 9205 4999
Toll Free: 1800 331 721
Facsimile: 61 3 9205 4900
E-mail: registry_melb@au.coopers.com
Coopers & Lybrand Web Site: www.colybrand.com.au

Shareholder Liaison

TABCORP's Shareholder Liaison Officer – Brendan Fahy
Telephone: 61 3 9868 2779
Facsimile: 61 3 9868 2639

All enquiries must include your shareholder reference number.

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. These shareholders will continue to receive all other shareholder information, including notices of all Shareholder Meetings.

Tax File Number

The company is obliged to deduct tax at the top marginal rate plus Medicare levy from unfranked or partially franked dividends paid to Australian resident shareholders who have not supplied their Tax File Number or exemption details.

For those shareholders who have not as yet provided this information and would like to do so, please call the company's Share Registry on the above telephone number.

Withholding Tax for Non Australian Resident Shareholders

For non Australian resident shareholders, any unfranked portion of their dividend will be subject to withholding tax at the rate applying to their country of residence, generally 15%. There is no withholding tax on the franked portion of their dividend.

Change of Address

Shareholders should advise the Share Registry immediately in writing as soon as there is a change to their registered address. CHESS sponsored holders should advise their sponsoring broker. For security, shareholders should quote their old address and shareholder reference number.

Direct Credit of Dividends

Dividend payments may be credited into a nominated financial institution account in Australia. You may advise your details in writing or forms are available from the company's Share Registry.

Consolidation of Shareholdings

You may have received more than one Annual Report. If so, please check carefully the name and address printed on the proxy form. If these are identical, you may wish to combine the shareholdings into a single shareholding by writing to the company's Share Registry quoting each of the shareholder reference numbers. Please note that if one or more of your shareholdings is sponsored (ie. the shareholder reference number starts with the letter 'X') you should contact your sponsoring stockbroker in the first instance.

Lost Shareholder Reference Number (SRN)

If you cannot locate your holding or dividend statement or proxy form where your SRN is quoted, please contact the company's Share Registry for a written confirmation free of charge. A charge will be incurred if a replacement statement is required.

Stock Exchange Listing

The company's shares are listed on the Australian Stock Exchange (ASX) and its home exchange is Melbourne. The ASX code is 'TAH'. Trading activities are published in daily newspapers.

CHESS (Clearing House Electronic Subregister System)

The company's securities have been uncertificated (ie. issued without a share certificate) since the company was listed on the ASX. Shareholders are issued a statement of transactions similar to a bank statement.

All stockmarket transactions in the company's securities are advised electronically to the company's Share Registry through the CHESS system.

Shareholders can have their holdings issuer (company) sponsored or broker sponsored. If you wish to convert your holding to a broker sponsored holding, you should contact your broker.

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 have their dividends paid in US dollars. Enquiries about ADRs should be made to the Depository, The Bank of New York – ADR Division, 101 Barclay Street, New York 10286. Telephone: 0011 1 212 815 2218 Facsimile: 0011 1 212 571 3050.

Company directory

Directors

M.B. Robinson
Chairman

I.R. Wilson
Managing Director and Chief Executive Officer

A.G. Hodgson
Deputy Chairman

P.H. Wade

W.V. Wilson

Company Secretary

M.J. Gullquist

Registered Office

5 Bowen Crescent
Melbourne VIC 3004
Telephone 03 9868 2100

Share Register

Coopers & Lybrand
Securities Registration
Level 12
333 Collins Street
Melbourne VIC 3000

Auditors

Arthur Andersen

Solicitors

Arthur Robinson & Hedderwicks

Stock Exchange Listings

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