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29 January 2009

\$300 million institutional placement

Tabcorp Holdings Limited ("Tabcorp"), Australia's leading gambling entertainment group, today announced that it has launched an institutional placement of shares to raise approximately \$300 million. The capital raising will further strengthen Tabcorp's balance sheet and increase its funding flexibility.

The placement is being conducted at a fixed price of \$5.80 per share, which represents a 9.9% discount to Tabcorp's closing price on 28 January 2009 (adjusted for 35 cent dividend). The new shares will be issued to participants on 5 February 2009 and will rank equally with existing shares, however they will not be entitled to participate in Tabcorp's dividend of 35 cents per share in respect of the six months ended 31 December 2008. The placement has been fully underwritten by UBS AG, Australia Branch.

The equity capital raising will provide a number of benefits to Tabcorp, including:

- Strengthening Tabcorp's balance sheet whilst providing additional financial flexibility; and
- Further strengthening Tabcorp's liquidity position as it invests \$475 million to expand Sydney's Star City casino and transform it into a world-class entertainment destination.

Tabcorp's ordinary shares are expected to remain in a trading halt until such time as Tabcorp makes an announcement regarding the outcome of the institutional share placement, but in any event the trading halt will not last beyond the commencement of trading on 2 February 2009.

Tabcorp Chairman John Story said: "The \$300 million equity raising further strengthens the Company's balance sheet. In the current environment, this provides the right balance between our commitment to invest in growth and our commitment to prudent balance sheet management."

Following the placement, Tabcorp will also offer eligible shareholders the opportunity to participate in a non-underwritten Share Purchase Plan ("SPP"). The SPP will provide eligible shareholders with the opportunity to subscribe for up to \$5,000 worth of Tabcorp shares, without incurring brokerage or other transaction costs.

If applications received under the SPP are in excess of \$150 million, Tabcorp reserves the right to scale back applications.

The SPP will be offered to eligible shareholders on the register at 7.00pm (Melbourne time) on 4 February 2009. The offer under the SPP will open on 9 February 2009 and is expected to close on 27 February 2009. Further details of the SPP will be provided to eligible Tabcorp shareholders in due course.

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