

IN THE AUSTRALIAN COMPETITION TRIBUNAL

ACT of 2017

Re: Proposed acquisition of Tatts Group Limited by Tabcorp Holdings Limited

Tatts Group Limited (Intervener)



Statement of: **Anne Tucker**

Address: 87 Ipswich Road, Woolloongabba, Queensland

Occupation: General Counsel and Company Secretary

Date: 29 September 2017

Filed on behalf of: Tatts Group Limited (Intervener)
Prepared by: Michael Corrigan and Ian Reynolds
Law firm: Clayton Utz, Lawyers

Address for service:
Level 15
1 Bligh Street
Sydney NSW 2000
DX 370 Sydney

Contact details:
Tel: +61 2 9353 4000
Fax: +61 2 8220 6700
Contact: Michael Corrigan
Email: mcorrigan@claytonutz.com
Ref: 187/14594/80165551

On 29 September 2017, I, ANNE TUCKER of 87 Ipswich Road, Woolloongabba, Queensland, General Counsel and Company Secretary, say:

1. I am the General Counsel and Company Secretary of Tatts Group Limited, ACN 108 686 040 (**Tatts**).
2. This statement is made in support of an application by Tabcorp Holdings Limited (**Tabcorp**) to the Australian Competition Tribunal (**the Tribunal**) for authorisation of the merger of Tatts and Tabcorp.
3. Exhibited to me at the time of making this statement and marked "Exhibit AT-1" is a bundle of the documents. Exhibited to me at the time of making this statement is a further bundle of documents marked "Confidential Exhibit AT-2". Tatts claims confidentiality over Confidential Exhibit AT-2.
4. Where in this statement I refer to documents, I refer to them by reference to their unique document number beginning with a "TAT" prefix. I have reviewed those documents prior to signing this statement.
5. Set out in this statement are matters based on my knowledge and experience as General Counsel and Company Secretary of Tatts. I have also made enquiries of relevant Tatts' books and records.

A. EXPERIENCE AND EMPLOYMENT HISTORY

6. Since July 2013, I have been employed as General Counsel and Company Secretary for Tatts.
7. Prior to this appointment, I was employed as a Solicitor at Clayton Utz between 2000 and 2002, and as a Legal and Compliance Counsel at UNITAB from June 2005 until its merger with Tatts in 2006, and as a Senior Corporate Solicitor with Tatts from October 2006 where I continued in that role until 2013.
8. I hold a Bachelor of Laws with Honours and a Bachelor of Commerce granted by the University of Queensland. I am also an associate of the Governance Institute of Australia.

B. OVERVIEW OF TATTS

9. The full company name and ACN of Tatts is Tatts Group Limited ACN 108 686 040. Tatts' registered address is 87 Ipswich Road, Woolloongabba, Queensland, 4102. Tatts is incorporated in Victoria.

10. A copy of the Annual Report for Tatts for FY17 (**FY2017 Annual Report**) is at **Tab 1** of **Exhibit AT-1** [TAT.001.045.0001].
11. Tatts is listed on the Australian Stock Exchange (**ASX**). As at 28 September 2017, Tatts has on issue 1,468,519,481 fully paid ordinary shares which are listed on the ASX under the code TTS.
12. The shareholders with a greater than 5% shareholding in Tatts are set out in the FY2017 Annual Report (**Tab 1** of **Exhibit AT-1** [TAT.001.045.0001] at [.0080]). A list of those shareholders updated as at 28 September 2017 as they appear on the Tatts share register is as follows:

Investor name	Number of ordinary shares	% of issued capital
J P Morgan Nominees Australia Limited	361,232,594	24.60%
HSBC Custody Nominees (Australia) Limited	294,442,644	20.05%
CitiCorp Nominees Pty Limited	113,314,242	7.72%

13. Tatts' related bodies corporate at the end of FY2017 are reported in the FY2017 Annual Report (**Tab 1** of **Exhibit AT-1** [TAT.001.045.0001] at [.0068]).
14. Below, I set out a current list of Tatts' related bodies corporate as at 29 September 2017.

- (a) Ubet Qld Limited (ACN 085 691 738)
- (b) Ubet Enterprises Pty Ltd (ACN 601 073 901)
- (c) Ubet NT Pty Ltd (ACN 092 655 831)
- (d) Ubet Radio Pty Ltd (ACN 010 033 806)
- (e) Ubet SA Pty Ltd (ACN 097 719 107)
- (f) TAB Queensland Pty Ltd (ACN 075 721 569)
- (g) Ubet Tas Pty Ltd (ACN 095 972 106)
- (h) Agility Interactive Pty Ltd (ACN 108 523 824)
- (i) Tasradio Pty Ltd (ACN 009 477 098)
- (j) Maxgaming Holdings Pty Ltd (ACN 079 909 541)
- (k) Maxgaming NSW Pty Ltd (ACN 078 250 423)
- (l) Maxgaming Qld Pty Ltd (ACN 078 963 050)
- (m) Maxgaming Vic Pty Ltd (ACN 136 889 560)

Public Version

- (n) Bytecraft Systems Pty Ltd (ACN 007 136 361)
- (o) Bytecraft Systems (NSW) Pty Ltd (ACN 002 595 128)
- (p) Bytecraft Systems (NZ) Limited (New Zealand Company Number 1198813)
- (q) EGM Tech Pty Ltd (ACN 104 855 790)
- (r) Reaftin Pty Ltd (ACN 100 540 510)
- (s) Tattersall's Holdings Pty Ltd (ACN 081 925 706)
- (t) Tatts Online Pty Ltd (ACN 149 493 694)
- (u) Tattersall's Sweeps Pty Ltd (ACN 081 925 662)
- (v) Tattersall's Gaming Pty Ltd (ACN 081 925 680)
- (w) Tattersall's Club Keno Pty Ltd (ACN 081 925 617)
- (x) tatts.com Pty Ltd (ACN 060 353 317)
- (y) New South Wales Lotteries Corporation Pty Limited (ACN 142 890 195)
- (z) Tatts Employment Co (NSW) Pty Ltd (ACN 078 412 432)
- (aa) George Adams Pty Ltd (ACN 060 353 326)
- (bb) Tattersall's Australia Pty Ltd (ACN 078 250 432)
- (cc) Tatts NT Lotteries Pty Ltd (ACN 146 244 984)
- (dd) Golden Casket Lottery Corporation Limited (ACN 078 785 449)
- (ee) Tattersall's Investments (South Africa) (Pty) Limited (South Africa Enterprise Number 1997/007484/07)
- (ff) Wintech Investments Pty Ltd (ACN 050 236 407)
- (gg) Tattersall's Gaming Systems (NSW) Pty Ltd (ACN 078 250 414)
- (hh) Tatts Lotteries SA Pty Ltd (ACN 146 245 007)
- (ii) Thelott Enterprises Pty Ltd (ACN 602 928 085)
- (jj) Tatts Employment Share Plan Pty Ltd (ACN 146 244 993)
- (kk) Tatts Tech Pty Ltd (ACN 133 789 241)
- (ll) 50-50 Software Pty Ltd (ACN 161 845 085)
- (mm) Talarius Holdings Limited (United Kingdom Company Number 09771587)

B. OTHER TATTS INFORMATION REQUIRED FOR THE FORM S

15. I have been asked to provide certain information on Tatts' wagering, gaming, lotteries and keno businesses which I am informed by Tatts' solicitors, Clayton Utz, is required for the Form S. describe that information in sections below and the information is contained in tables in **Tab 1 of Exhibit AT-2** [TAT.001.045.0084].
16. I collated the information contained in **Tab 1 of Exhibit AT-2** [TAT.001.045.0084] together with Mr Andrew Collins, Head of Mergers & Acquisitions (the wagering, lotteries, keno and gaming information), Ms Sue van der Merwe, Chief Operating Officer - Lotteries (lotteries and keno information) and Mr Frank Makryllos Chief Operating Officer Gaming (gaming information only). Each of these individuals is an employee of Tatts. I am informed by these individuals and believe that the information contained in **Tab 1 of Exhibit AT-2** [TAT.001.045.0084] is correct.

Wagering

17. I have been asked to provide Tatts' actual average take out rates from FY13 – FY17 in relation to Tatts' totalisator wagering business. A table setting out this information is in **Tab 1 of Exhibit AT-2** [TAT.001.045.0084] at .0085.
18. I have been asked to provide information on Tatts' UBET+ loyalty/rewards program structure for FY17. A table setting out this information is at **Tab 1 of Exhibit AT-2** [TAT.001.045.0084] at .0161.
19. I have been asked to provide information on the inputs into the production of goods or services by Tatts' wagering business in FY17, including the supplier/s, substitutes (if any), total spend in FY17, and total spend on input/s as a proportion of total costs incurred by Tatts' wagering business in FY17. A table setting out this information is at **Tab 1 of Exhibit AT-2** [TAT.001.045.0084] at .0089.
20. I have been asked to provide the names and contact details of a representative selection of suppliers of inputs to Tatts' wagering business. I have also been asked to provide data as to the relative proportion of Tatts' supply costs in its wagering business accounted for by statutory outgoings, employee costs, operating fees and direct costs, telecommunications and technology, marketing and promotions, information services, property expenses and other costs. A table setting out this information is in **Tab 1 of Exhibit AT-2** [TAT.001.045.0084] at .0104.

Gaming

21. I have been asked to provide Tatts' gaming services revenue for FY13-FY17 by State, broken down into revenues earned from Tatts' supply of gaming systems and related services, field services and monitoring services. A table setting out this information is in **Tab 1 of Exhibit AT-2** [TAT.001.045.0084] at .0147.
22. I have been asked to provide Tatts' estimate of the number of electronic gaming machines provided with Tatts' gaming systems and related services, field services and monitoring services for FY13-FY17 by State. A table setting out this information is in **Tab 1 of Exhibit AT-2** [TAT.001.045.0084] at .0147.
23. I have been asked to provide information on the inputs into the production of goods or services by Tatts' gaming services business in FY17, including the supplier/s, substitutes (if any), total spend in FY17, and total spend on input/s as a proportion of total costs incurred by Tatts' wagering business in FY17. A table setting out this information is at **Tab 1 of Exhibit AT-2** [TAT.001.045.0084] at .0095.
24. I have been asked to provide names and contact details of a representative selection of suppliers of input to Tatts' gaming services business. A table setting out this information is at **Tab 1 of Exhibit AT-2** [TAT.001.045.0084] at .0111.
25. I have been asked to provide information on Tatts' gaming services customers and customer agreements, particularly contact details, customer size, the goods and/or services purchased, the value of those goods and/or services purchased, the number of electronic gaming machines served, and current and post-transaction supply arrangements with the customers. A table setting out this information is at **Tab 1 of Exhibit AT-2** [TAT.001.045.0084] at .0123.
26. I have been asked to provide Tatts' gaming systems and related services, field services and monitoring services revenue and volume (number of electronic gaming machines serviced) for the last 5 financial years. A table setting out this information is at **Tab 1 of Exhibit AT-2** [TAT.001.045.0084] at .0147.
27. I have been asked to provide Tatts' gaming services business market share by revenue and volume (number of electronic gaming machines serviced). A table setting out this information is at **Tab 1 of Exhibit AT-2** [TAT.001.045.0084] at .0147.

Keno

28. I have been asked to provide information on the inputs into the production of goods or services by Tatts' keno business in FY17, including the supplier/s, substitutes (if any), total spend in FY17, and total spend on input/s as a proportion of total costs incurred

by Tatts' keno business in FY17. A table setting out this information is at **Tab 1 of Exhibit AT-2** [TAT.001.045.0084] at .0101.

29. I have been asked to provide the names and contact details of a representative selection of suppliers of inputs to Tatts' keno business, including the supplier size (small, medium or large), the goods and services supplied and the value and location of supply. I have also been asked to provide data on the relative proportion of Tatts' supply costs in its keno business accounted for by outlet commission, advertising, media and production costs, telecommunication costs, market research costs, freight costs, prize cheques costs, terminal consumables costs, employee costs, machine maintenance costs, shopfit costs, property expenses, company vehicle operating costs, business-related interstate and overseas travel expenses, insurance, and postage. A table setting out this information is at **Tab 1 of Exhibit AT-2** [TAT.001.045.0084] at .0170.
30. I have been asked to provide Tatts' keno revenue and turnover for the last 5 financial years. A table setting out this information is at **Tab 1 of Exhibit AT-2** [TAT.001.045.0084] at .0159.
31. I have been asked to provide Tatts' keno business market share of the South Australian keno market, calculated by turnover. A table setting out this information is at **Tab 1 of Exhibit AT-2** [TAT.001.045.0084] at .0159.

Lotteries

32. Each State and Territory imposes a legislated minimum percentage of the entry fee which must be distributed back to players as prizes (**Minimum Return to Player Percentages**). A table setting out Minimum Return to Player Percentages in each jurisdiction in which Tatts operates, as well as the actual return to player percentages offered by Tatts in FY17 is in **Tab 1 of Exhibit AT-2** [TAT.001.045.0084] at .0087.
33. I have been asked to provide information on the inputs into the production of goods or services by Tatts' lotteries business in FY17, including the supplier/s, substitutes (if any), total spend in FY17, and total spend on input/s as a proportion of total costs incurred by Tatts' lotteries business in FY17. A table setting out this information is at **Tab 1 of Exhibit AT-2** [TAT.001.045.0084] at .0097.
34. I have been asked to provide the names and contact details of a representative selection of suppliers of inputs to Tatts' lotteries business and data as to the relative proportion of Tatts' supply costs in its keno business accounted for by lottery licence fees in states/territories where Tatts holds the licence/s, Lottery taxes paid to Government in states/territories where Tatts holds the licence/s, outlet commission, advertising, media and production costs, telecommunication costs, instant tickets

production costs, market research costs, freight costs, prize cheques costs, terminal consumables costs, draw lottery/bloc administration costs, employee costs, machine maintenance costs, Goods and Services Tax, shopfit costs, property expenses, company vehicle operating costs, business-related interstate and overseas travel expenses, insurance, postage, and credit card merchant fees. A table setting out this information is at **Tab 1 of Exhibit AT-2** [TAT.001.045.0084] at .0166.

35. I have been asked to provide Tatts' lotteries revenue and turnover for the last 5 financial years. A table setting out this information is at **Tab 1 of Exhibit AT-2** [TAT.001.045.0084] at .0155, noting that Australian Gambling Statistics official published data on Australian lotteries market turnover data is not yet available for FY16 or FY17.
36. I have been asked to provide Tatts' lotteries business market share per jurisdiction by turnover. A table setting out this information is at **Tab 1 of Exhibit AT-2** [TAT.001.045.0084] at .0157.

Cooperative agreements

37. I have been asked to describe any cooperative agreements to which Tatts is a party in the wagering, gaming, lotteries and keno markets. Information related to cooperative agreements such as joint ventures, alliances or similar arrangements in relation to those markets is set out in **Tab 1 of Exhibit AT-2** [TAT.001.045.0084] at .0088.

Signature of witness



Anne Tucker

Date of signature

29 September 2017