

Directors' report

The Directors of the Company submit their report for the consolidated entity comprising the Company and its controlled entities (collectively referred to as “the Tabcorp Group”) in respect of the financial year ended 30 June 2008.

1. Directors

The names and details of the Company's Directors in office during the financial year and until the date of this report (except as otherwise stated) are set out on pages 10 to 11 and below.

Name	Qualifications, experience and special responsibilities
Current	
Refer to pages 10 and 11 for current Directors.	
Pending regulatory approval	
Refer to page 11 for Director appointments pending regulatory approval	
Former	
Michael Robinson AO ⁽ⁱ⁾	<i>Chairman and Non Executive Director from June 1994 to November 2007</i> Bachelor of Laws Michael Robinson was a Partner of the law firm Allens Arthur Robinson until his retirement on 31 December 2003. He was Senior Partner of Arthur Robinson and Hedderwicks from 1996 to 2001 and Managing Partner from 1980 to 1988. At the time of his retirement at Tabcorp's 2007 Annual General Meeting, he was a consultant to Allens Arthur Robinson, a Trustee of the Epworth Medical Foundation and a Director of the State Orchestra of Victoria, Clough Limited and the General Sir John Monash Foundation. Mr Robinson was Chairman of the Tabcorp Nomination Committee and was a member of the Tabcorp Audit Committee, Tabcorp Remuneration Committee and the Tabcorp Risk and Compliance Committee.
Philip Satre ⁽ⁱ⁾	<i>Non Executive Director from June 2000 to November 2007</i> Bachelor of Arts; Juris Doctor Philip Satre was Chairman of Harrah's Entertainment, Inc., one of the world's largest gambling companies, from January 1997 to December 2004. At the time of his retirement at Tabcorp's 2007 Annual General Meeting, he was a Director of the National Centre for Responsible Gaming (USA), Sierra Pacific Resources, Nordstrom Inc. and Rite Aid Corporation, and a member of the Board of Trustees of Stanford University. Mr Satre was a member of the Tabcorp Audit Committee and the Tabcorp Risk and Compliance Committee.

(i) Information was applicable at the time of retirement.

2. Changes to the Board's composition

2.1. Appointments

John Story

Mr Story became Chairman of the Tabcorp Group on 26 November 2007 following Michael Robinson's retirement as Chairman and Non Executive Director. Mr Story has been a Non Executive Director since January 2004.

Elmer Funke Kupper

Mr Funke Kupper is Tabcorp's Managing Director and Chief Executive Officer. Mr Funke Kupper commenced as Managing Director on 6 September 2007, following the receipt of all necessary regulatory approvals for his role as Director. Mr Funke Kupper was appointed as Chief Executive Officer on 13 July 2007, and was Acting Chief Executive Officer during the previous four months.

John O'Neill

Mr O'Neill commenced as a Non Executive Director on 9 May 2008 following the receipt of all necessary regulatory approvals.

2.2. Appointments subject to approval

Jane Hemstritch

On 9 November 2007, the Tabcorp Group announced the appointment of Mrs Hemstritch as a Non Executive Director. Mrs Hemstritch's appointment is subject to the receipt of all necessary regulatory approvals.

Brett Paton

On 7 April 2008, the Tabcorp Group announced the appointment of Mr Paton as a Non Executive Director. Mr Paton's appointment is subject to the receipt of all necessary regulatory approvals.

2.3. Retirements

Michael Robinson

Mr Robinson retired as Chairman and Non Executive Director on 26 November 2007 at the conclusion of the Company's Annual General Meeting.

Philip Satre

Mr Satre retired as a Non Executive Director on 26 November 2007 at the conclusion of the Company's Annual General Meeting.

3. Directorships of other listed companies

The following table shows, for each person who served as a Director during the financial year and up to the date of this report (unless otherwise stated), all directorships of companies that were listed on the ASX or other financial markets operating in Australia, other than Tabcorp, since 1 July 2005, and the period for which each directorship has been held.

Name	Listed entity	Period directorship held
Current		
John Story	CSR Limited Suncorp-Metway Limited	April 2003 to present January 1995 to present
Elmer Funke Kupper	Nil	
Anthony Hodgson ⁽ⁱ⁾	Coles Group Limited	July 2003 to December 2007
Paula Dwyer	Babcock & Brown Japan Property Trust ^(iv) David Jones Limited Promina Group Limited ^(v) Suncorp-Metway Limited ^(v)	February 2005 to present November 2003 to December 2006 February 2003 to June 2007 April 2007 to present
John O'Neill	Amalgamated Holdings Limited STW Communications Group Limited	December 2006 to October 2007 February 2007 to June 2007
Zygmunt Switkowski	Healthscope Limited Suncorp-Metway Limited	January 2006 to present September 2005 to present
Pending regulatory approval		
Jane Hemstritch ⁽ⁱⁱ⁾	Commonwealth Bank of Australia Limited	October 2006 to present
Brett Paton ⁽ⁱⁱⁱ⁾	Nil	
Former		
Michael Robinson ⁽ⁱⁱⁱ⁾	Clough Limited	January 2002 to November 2007
Philip Satre ⁽ⁱⁱⁱ⁾	Nil	

(i) Mr Hodgson was a Director of Coles Group Limited, which was listed on the ASX until 5 December 2007, when it was removed following Wesfarmers Limited's acquisition of all its shares.

(ii) Appointment as a Director of Tabcorp Holdings Limited is subject to receiving all necessary regulatory approvals.

(iii) Retired as a Director of Tabcorp Holdings Limited on 26 November 2007. The directorships disclosed above were applicable at that time.

(iv) Ms Dwyer is a Director of Babcock & Brown Japan Property Management Limited, which is the company responsible for managing the Babcock & Brown Japan Property Trust.

(v) Ms Dwyer was a Director of Promina Group Limited, which was listed on the ASX until 29 June 2007, when it was removed following Suncorp-Metway Limited's acquisition of all its shares.

4. Company Secretary

Kerry Willcock joined the Tabcorp Group in February 2005 as Executive General Manager, Corporate and Legal. She holds a Bachelor of Arts and a Bachelor of Laws, and is a qualified mediator. She has extensive commercial, legal, litigation and government relations experience having worked with Arthur Robinson and Hedderwicks, Clayton Utz and the Australian Postal Corporation, where she held the position of General Counsel.

5. Principal activities

The principal activities of the Tabcorp Group during the financial year comprised the provision of leisure and entertainment services (particularly in relation to gambling and hospitality). The Tabcorp Group's principal activities remain unchanged from the previous year, except as disclosed elsewhere in this report.

6. Financial results

Consolidated loss after income tax of the Tabcorp Group for the financial year was (\$164.6 million), compared to a profit of \$450.4 million for the previous financial year. This result reflects the following three significant balance sheet adjustments:

- A charge of \$487.7 million against the value of the Victorian wagering and gaming licences, reflecting the Victorian Government's view that Tabcorp is not entitled to a licence fee refund.
- A write down of \$194 million in the carrying value of the company's wagering business, reflecting the challenges faced by this business in recent years and the changes in the competitive environment.
- A write off of \$25.8 million after tax against assets that will be made redundant as part of the expansion of Star City.

Earnings before interest, tax (EBIT) and impairments were \$882.3 million, which was 9.5% above the previous financial year.

Normalised net profit after tax was \$516.9 million, which was 0.3% above the previous financial year.

Net operating revenue was \$3,957.0 million, which was 3.1% above the previous financial year.

7. Earnings per share

Basic earnings per share for the period were (31.4) cents, compared to 85.8 cents for the previous financial year.

Diluted earnings per share for the period were (31.3) cents, compared to 85.6 cents for the previous financial year.

Normalised earnings per share for the period were 98.5 cents, which was 0.3% above the previous financial year.

Earnings per share is disclosed in note 6 to the full financial statements.

Directors' report (continued)

8. Dividends

A special dividend of 47 cents per ordinary share has been declared, which is the same as the previous final dividend and previous interim dividend. The special dividend will be fully franked and payable on 22 September 2008 to shareholders registered at 18 August 2008. The ex-dividend date is 12 August 2008.

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

	\$m
2008 special dividend	
Special fully franked dividend for 2008 of 47 cents per share on ordinary shares as declared by the Directors on 7 August 2008 with a record date of 18 August 2008 and payable on 22 September 2008.	246.7
2008 interim dividend	
Interim fully franked dividend for 2008 of 47 cents per share on ordinary shares as declared by the Directors on 21 February 2008 with a record date of 3 March 2008 and paid on 9 April 2008.	246.7
2007 final dividend	
Final fully franked dividend for 2007 of 47 cents per share on ordinary shares as declared by the Directors on 23 August 2007 with a record date of 3 September 2007 and paid on 8 October 2007.	246.7

Further information regarding dividends may be found in note 2 to the financial statements.

9. Review of operations

The Tabcorp Group divisional structure comprises the following three operating divisions:

- Casinos;
- Wagering; and
- Gaming.

The activities and results for these three divisions are discussed below.

In addition to these three divisions, the Tabcorp Group operated a Keno joint venture in China until its sale to Tabcorp's joint venture partner in December 2007. Refer to section 10.7 for further information.

9.1. Casinos division

The Tabcorp Group operates four hotel and casino properties: Star City in Sydney; Conrad Jupiters on the Gold Coast; Conrad Treasury in Brisbane; and Jupiters Townsville. In addition, the Tabcorp Group manages the Gold Coast Convention and Exhibition Centre, and has an interest in and manages the Townsville Entertainment and Convention Centre.

The Casinos division achieved EBIT before impairments of \$408.1 million, which was 22.2% above the previous financial year. The division's operating revenue increased by 5.1% to \$1,352.3 million.

9.2. Wagering division

The Tabcorp Group conducts wagering activities in Victoria and New South Wales through a network of agencies, hotels and clubs, and provides on course totalizators at thoroughbred, harness and greyhound metropolitan and country race meetings.

In addition, totalizator and fixed odds betting is offered on sporting events.

The Tabcorp Group also has specialist television and radio operations focused on the racing industry and other sporting activities, which include: Sky Channel, the national commercial satellite racing broadcaster; the Sky Radio Network, with 2KY in Sydney and narrowcast stations throughout New South Wales; and other domestic and international broadcasting services.

The Wagering division achieved EBIT before impairments of \$247.1 million, which was 9.5% above the previous financial year. The division's operating revenue increased by 0.4% to \$1,469.9 million.

9.3. Gaming division

In Victoria, the Tabcorp Group owns and operates electronic gaming machines (EGMs) in licensed hotels and clubs under the Tabaret brand, as well as operating Club Keno games through a joint venture arrangement. In addition, the Tabcorp Group operates Keno in New South Wales and Queensland.

The Gaming division achieved EBIT before impairments of \$225.0 million, which was 10.4% below the previous financial year. The division's operating revenue increased by 4.8% to \$1,133.6 million.

10. Significant changes in the state of affairs

The following events, which may be considered to be significant changes in the state of affairs of the Tabcorp Group, have occurred since the commencement of the financial year.

10.1. Government decision regarding Victorian gambling industry and licence refund payment

On 10 April 2008, the Victorian Government announced that the existing gaming operator licence held by Tabcorp will not be renewed when it expires in mid-2012.

The Government's announcement detailed the future industry structure for gambling in Victoria, which from 2012 will be:

- Gaming: A new model under which hotels and clubs will directly hold gaming machines licences.
- Wagering: The current single licence structure will be retained.
- Keno: There will be a single Keno licence with expanded distribution.

Whilst the Government's decision is disappointing, Tabcorp has commenced adjusting its business plans to maximise the returns from the Victorian Gaming business over the remaining four years of the current licence and review of post 2012 opportunities.

The Government has also stated that it has "formed the view" that Tabcorp is not entitled to compensation as a result of its decision under the Gambling Regulation Act 2003.

Legislation in respect of the Government's announcement is yet to be enacted.

The Company is reviewing and assessing the impact of the Government's announcement, and will pursue all of its rights and take all appropriate action in respect of the licence refund payment. Tabcorp believes it has a right to the payment, which it estimates at \$687 million.

Tabcorp will review the details of the Wagering and Keno licences, when announced by the Government, and looks forward to preparing submissions for these licences.

10.2. Star City casino duty and other arrangements

On 30 October 2007, Tabcorp entered into an in-principle agreement with the New South Wales Government to review Star City's regulatory regime, provide for greater flexibility in the delivery of product and allow Star City to effectively enjoy exclusivity for a further 12 years.

Under the in-principle agreement, Star City will move to a new indexed tax regime based on the combined revenue from table games and slot machines, and pay the New South Wales Government \$100.0 million in two equal tranches of \$50 million. The new tax structure will be phased in gradually over five years from 1 July 2008.

The range of benefits provided will make Star City a more attractive casino destination and will allow Tabcorp to proceed with plans for a substantial investment in Star City to make it one of the State's premier tourist destinations and a top entertainment venue in Australia.

10.3. Equine Influenza

Wagering was adversely affected by the Equine Influenza outbreak, which started late August 2007. In the first half of the financial year, this led to a reduction in Wagering turnover of \$327 million and EBIT of \$16 million compared to the same period last year. Racing resumed in all affected states from 1 December 2007, leading to a gradual recovery in turnover. The full year impact of Equine Influenza on Tabcorp Group EBIT was approximately \$17 million.

10.4. Northern Territory wagering licence

On 20 May 2008, Tabcorp lodged an application with the Northern Territory Government for a racing and sports wagering licence, which, subject to approval, will enable Tabcorp to compete in the fast growing corporate bookmaking market.

10.5. Smoking bans

From 1 July 2007, both Victoria and New South Wales moved to a 100% smoke free indoor environment. This affected our Casino, Wagering and Gaming businesses in these two states.

10.6. Victorian gaming levy

Effective 1 July 2007, the Victorian Government increased the annual levy on Victorian EGMs from \$3,033 to \$4,333 per EGM. This increases the taxes paid by Tabcorp on its 13,750 EGMs, which is worth an additional \$17.9 million a year to the Victorian Government.

10.7. Sale of interest in China Keno

The Tabcorp Group sold its 67% interest in the China Keno business on 19 December 2007 to joint venture partner China Lot Synergy for \$15.0 million. The sale enabled the Tabcorp Group to achieve a clean exit from the China Keno business without any impact on its bottom line. This decision was consistent with the Tabcorp Group's focus on improving the performance and growth of its Australian casino, wagering and gaming businesses.

10.8. Changes to the Board of Directors

A number of changes have occurred to the composition of the Board during the year. Refer to section 2 for information.

10.9. Appointment of Managing Director and Chief Executive Officer

Refer to section 2.1 for information.

10.10. Other significant changes in the state of affairs

There were no significant changes in the state of affairs of the Tabcorp Group that occurred during the financial year other than as set out in this Directors' report.

Directors' report (continued)

11. Business strategies

Tabcorp is Australia's premier gambling and entertainment group and aspires to be one of the best performing gambling and entertainment groups in the world. To achieve this aspiration, Tabcorp's priorities are:

- Continue to improve operational performance and control expenses
- Increase focus on customer service, organic growth and market share
- Step up capital investment in our existing businesses that position us for growth in two to three years time, particularly in casinos
- Prepare for licence renewal in Victoria
- Maintain leadership in responsible gambling

12. Significant events after the end of the financial year

The following event, which may be considered to be a significant event for the Tabcorp Group, has occurred since the end of the financial year.

12.1. Star City expansion

The Board has approved an investment of \$475 million to expand the Star City Hotel and Casino. The expansion includes a new five-star hotel tower, a reorientation of the property towards Sydney Harbour, expansion of the Main Gaming Floor and more restaurants, bars and retail shops. This project, which will turn Star City into the leading entertainment destination in New South Wales, is expected to commence in early 2009 and be complete in 2011.

12.2. Other significant events

No other matters or circumstances have arisen since the end of the financial year which are not otherwise dealt with in this report or in the financial statements, that have significantly affected or may significantly affect the operations of the Tabcorp Group, the results of those operations or the state of affairs of the Tabcorp Group in subsequent financial years. Refer also to note 30 to the full financial statements.

13. Likely developments and expected results

The Tabcorp Group will continue with its strategies, as set out in this report.

The Directors have excluded from this report any further information on the likely developments in the operations of the Tabcorp Group 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 Tabcorp Group.

14. Auditors

The Tabcorp Group's external auditor is Ernst & Young.

During the financial year, the Tabcorp Group's internal audit function was a co-sourced arrangement, jointly resourced by Tabcorp and KPMG.

More information relating to the audit functions can be found in the corporate governance statement on pages 16 to 18.

15. Directors' interests in contracts

Some Directors of the Company, or related entities of the Directors, conduct transactions with entities within the Tabcorp Group 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 on normal commercial terms and conditions.

16. Environmental regulation and performance

The Tabcorp Group's environmental obligations and waste discharge quotas are regulated under both state and federal law. The Tabcorp Group has a record of complying with, and in most cases exceeding, its environmental performance obligations.

No environmental breaches have been notified to the Tabcorp Group by any government agency.

The Tabcorp Group has registered for the Federal Government's Energy Efficiency Opportunities (EEO) initiative, and in May 2008 submitted an EEO Assessment and Reporting schedule for approval by the relevant department. The new EEO legislation, which was introduced in 2006, will require companies that use over 0.5 petajoules of energy per annum to assess and report on their energy use and practices. The Tabcorp Group is required to report publicly for the first time by 31 December 2008.

The environmental performance obligations for the Casinos division are overseen by an Executive Environmental Committee and are subject from time to time to government review.

Each hotel and casino property has environmental management plans and procedures representing best practice standards, which assist in maintaining high levels of environmental regulation and performance.

17. Risk management

The Tabcorp Group has a structured and proactive approach to understanding and managing risk. The key focus of the risk management approach is to align strategy, processes, people, technology and knowledge with evaluating and managing the uncertainties and opportunities faced by the Tabcorp Group. Overviews of the Tabcorp Group's risk management processes and internal control framework are disclosed in the corporate governance statement on pages 16 to 18.

18. Directors' interests in Tabcorp securities

At the date of this report (except as otherwise stated), the Directors had the following relevant interests in the securities of the Company, as notified to the ASX in accordance with section 205G(1) of the Corporations Act 2001:

Name	Ordinary shares	Deferred shares	Options	Rights
Current				
John Story	25,649	-	-	-
Elmer Funke Kupper	77,600	19,400	236,126	115,000
Anthony Hodgson	20,245	-	-	-
Paula Dwyer	30,000	-	-	-
John O'Neill	-	-	-	-
Zygmunt Switkowski	73,800	-	-	-
Former				
Michael Robinson ⁽ⁱ⁾	45,565	-	-	-
Philip Satre ⁽ⁱ⁾	8,000	-	-	-

(i) Retired as a Non Executive Director on 26 November 2007 at the conclusion of the Company's Annual General Meeting. The number of Tabcorp securities disclosed above was applicable at the time of retirement.

Jane Hemstrich and Brett Paton will be appointed as Non Executive Directors following the receipt of all necessary regulatory approvals. Their relevant interests in Tabcorp securities will be disclosed to the ASX following their appointment as a Director.

19. Board and Committee meeting attendance

During the financial year ended 30 June 2008 the Company held 15 meetings of the Board of Directors, of which nine were standard Board meetings, and six Board meetings were held to discuss special business.

The attendance of the Directors at meetings of the Board and its Committees during the year in review were:

Name	Board of Directors		Audit Committee		Risk and Compliance Committee		Nomination Committee		Remuneration Committee	
	A	B	A	B	A	B	A	B	A	B
Current										
John Story ⁽ⁱ⁾	15	15	7	7	4	4	2	2	3	3
Elmer Funke Kupper ⁽ⁱⁱ⁾	12	12	6	6	4	4	1	1	5	5
Anthony Hodgson	14	15	7	7	3	4	2	2	-	-
Paula Dwyer	15	15	7	7	4	4	2	2	7	7
John O'Neill ⁽ⁱⁱⁱ⁾	2	3	2	3	1	1	-	-	-	-
Zygmunt Switkowski ^(iv)	15	15	7	7	4	4	-	-	7	7
Former										
Michael Robinson ^(v)	5	5	2	2	1	1	1	1	4	4
Philip Satre ^(v)	3	5	0	2	0	1	-	-	-	-

A – Number of meetings attended

B – Maximum number of possible meetings available for attendance

(i) Appointed as a member of the Remuneration Committee on 28 November 2007. In addition to the meetings above, during the financial year Mr Story attended three Remuneration Committee meetings prior to becoming a member to assist in the orderly succession for this Committee.

(ii) Commenced as Managing Director on 6 September 2007, following the receipt of all necessary regulatory approvals for his role as Director. In addition to the meetings above, during the financial year Mr Funke Kupper attended three Board meetings, one Audit Committee meeting, two Remuneration Committee meetings and one Nomination Committee meeting as Chief Executive Officer whilst awaiting regulatory approval prior to becoming a Director. He was not required to attend these additional meetings and could not vote on any matter at these meetings. Although Mr Funke Kupper attends Board Committee meetings, he is not a member of any Board Committee, because only Non Executive Directors may be members of these Committees.

(iii) Commenced as a Non Executive Director on 9 May 2008 following the receipt of all necessary regulatory approvals. In addition to the meetings above, during the financial year Mr O'Neill attended seven Board meetings, four Audit Committee meetings, two Risk and Compliance Committee meetings and two Nomination Committee meetings as an observer whilst awaiting regulatory approval. He was not required to attend these additional meetings and could not vote on any matter at these meetings.

(iv) Dr Switkowski was not a member of the Nomination Committee during the year, however, in addition to the meetings above, he attended two Nomination Committee meetings during the year. He was not required to attend these additional meetings and could not vote on any matter at these meetings.

(v) Retired as a Non Executive Director on 26 November 2007 at the conclusion of the Company's Annual General Meeting.

Directors' report (continued)

Jane Hemstritch will be appointed as a Non Executive Director following the receipt of all necessary regulatory approvals. During the financial year Mrs Hemstritch attended nine Board meetings, five Audit Committee meetings, one Risk and Compliance Committee meeting and one Nomination Committee meeting as an observer. She was not required to attend these meetings and could not vote on any matter at these meetings.

Brett Paton will be appointed as a Non Executive Director following the receipt of all necessary regulatory approvals. During the financial year Mr Paton attended six Board meetings, three Audit Committee meetings and one Risk and Compliance Committee meeting as an observer. He was not required to attend these meetings and could not vote on any matter at these meetings.

The details of the functions and memberships of the Committees of the Board are set out in the corporate governance statement on pages 14 to 21. The terms of reference for each Board Committee are available from the corporate governance section of the Company's website at www.tabcorp.com.au/about_governance.aspx.

20. Indemnification and insurance of Directors and Officers

The Directors and Officers of the Tabcorp Group are indemnified against liabilities pursuant to agreements with the Tabcorp Group. Tabcorp has entered into insurance contracts with third party insurance providers, and in accordance with normal commercial practices, under the terms of the insurance contracts, the nature of the liabilities insured against and the amount of premiums paid are confidential.

21. Non-statutory audit services

Ernst & Young, the external auditor to the Company and the Tabcorp Group, provided non-statutory audit related services to the Company during the financial year ended 30 June 2008. The Directors are satisfied that the provision of non-statutory audit services during this period was compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-statutory audit service provided means that auditor independence was not compromised. These statements are made in accordance with advice provided by the Company's Board Audit Committee.

The Company's Board Audit Committee reviews the activities of the independent external auditor and reviews the auditor's performance on an annual basis. The Chairman of the Audit Committee must approve all non-statutory audit related work to be undertaken by the auditor (if any). Further details relating to the Audit Committee and the engagement of auditor's are available in the corporate governance statement on pages 16 to 18.

Ernst & Young, acting as the Company's external auditor, received or are due to receive the following amounts in relation to the provision of non-statutory audit services to the Company:

Description of services	\$'000
Other audit services	331
Other regulatory audit services	125
Total of all non-statutory audit services	456

Amounts paid or payable by the Company for audit and non-statutory audit related services are disclosed in note 3 to the full financial statements.

22. Corporate governance


The Directors of the Company support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. The Company's corporate governance practices are constantly under review. As a result, new practices were adopted and existing practices optimised to reflect best practice. The Company's corporate governance statement is contained on pages 14 to 21, and associated information is available under the corporate governance section of the Company's website at www.tabcorp.com.au/about_governance.aspx.

23. Rounding of amounts

Tabcorp Holdings Limited 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 report and the Directors' report have been rounded to the nearest hundred thousand dollars unless specifically stated to be otherwise.

24. Auditor's independence declaration

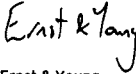

Attached is a copy of the auditor's independence declaration provided under section 307C of the Corporations Act 2001 in relation to the audit for the financial year ended 30 June 2008. This auditor's independence declaration forms part of this Directors' report.

**ERNST & YOUNG**

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Auditor's Independence Declaration to the Directors of Tabcorp Holdings Limited

In relation to our audit of the financial report of Tabcorp Holdings Limited for the financial year ended 30 June 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.


Ernst & Young

Tim Wallace
Partner
Melbourne
20 August 2008

Liability limited by a scheme approved
under Professional Standards Legislation

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



John Story
Chairman

Melbourne
20 August 2008