

delivering more for our customers





Dear Shareholder

I have much pleasure in inviting you to the Annual General Meeting (AGM) of Tatts Group Limited to be held on Thursday 27 October 2011 at 2.00pm (Sydney time).

The AGM will be held at the SMC Conference & Function Centre (Banquet Hall), 66 Goulburn Street Sydney, New South Wales. A venue location map is on page 8 of this notice of meeting. Registration will commence at 1.00pm and light refreshments will be available at the conclusion of the meeting.

If you are not able to attend the AGM, you are encouraged to either vote your shares directly or lodge an electronic proxy online by visiting www.tattsgroup.com/investors/aggm and selecting the 'AGM voting' link. Alternatively, you can complete the enclosed personalised shareholder Voting Form and return it in the envelope provided. In order for your vote to count, your completed shareholder Voting Form must either be lodged electronically or received by no later than 2.00pm (Melbourne time), Tuesday 25 October 2011.

As an alternative to appointing a proxy, corporate shareholders may wish to appoint a representative. In such circumstances you will be required to complete a 'Certificate of Appointment of Representative' to enable a person to attend on your behalf. A proforma of the form of this certificate can be obtained by calling 1300 367 346 within Australia or +61 3 9415 4199 outside Australia or at www.computershare.com.au

Shareholders can submit AGM questions in advance using our online form. Visit www.tattsgroup.com/investors/aggm and select the 'Lodge an AGM question online' link. Alternatively, you can complete the enclosed form and return it in the enclosed reply paid envelope. We will endeavour to respond to the more frequently asked questions at the AGM.

The AGM will be webcast live for those shareholders unable to attend in person. A link to the webcast will be accessible via our website at www.tattsgroup.com/investors/aggm. In addition, an electronic version of the Annual Report for the year ended 30 June 2011 is available at our website www.tattsgroup.com/investors/aggm

My fellow Directors and I look forward to seeing you at the AGM, and we welcome your participation.

Yours sincerely

Harry Bogn
Chairman

26 September 2011

Notice of annual general meeting

Notice is hereby given that the Annual General Meeting of shareholders of Tatts Group Limited will be held in the Banquet Hall at the SMC Conference & Function Centre, 66 Goulburn Street Sydney, New South Wales on Thursday 27 October 2011 commencing at 2.00pm (Sydney time).

Items of business

1. Chairman and Chief Executive presentations

2. Financial Reports

To receive and consider the Financial Report for the Company and its controlled entities for the period ended 30 June 2011 together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

3. Re-election of Directors

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

- (a) 'That Mr Julien Playoust who retires in accordance with the Constitution, being eligible, be re-elected as a Director of the Company.'
- (b) 'That Mr Kevin Seymour who retires in accordance with the Constitution, being eligible, be re-elected as a Director of the Company.'

4. Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That the Remuneration Report forming part of the Directors' Report for the period ended 30 June 2011 be adopted.'

Please note that, in accordance with the *Corporations Act 2001*, the vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting exclusion:

No votes can be cast by or on behalf of a member of Key Management Personnel (as identified in the Remuneration Report) (KMP) and their closely related parties (as defined in the *Corporations Act 2001*) (collectively referred to as a Prohibited Voter). However, a Prohibited Voter may vote directed proxies for someone other than a Prohibited Voter. If you do not direct the person chairing the meeting how to vote and you are not a Prohibited Voter, by marking the

box on, and submitting, the Voting Form you authorise the person chairing the meeting to exercise the proxy even though this resolution is connected directly or indirectly with the remuneration of a KMP, and you will be taken to have directed him to vote in accordance with his stated intention to vote in favour of this resolution. If you do not want your vote exercised in favour of this resolution you should direct the person chairing the meeting to vote 'against', or abstain from voting on, this resolution.

5. Non-executive Directors' fee pool

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That approval be given to increase the maximum total amount of fees which the Company may pay to Non-executive Directors by an amount of \$500,000, from \$1,500,000 to \$2,000,000 per annum (inclusive of statutory superannuation contributions).'

Voting exclusion:

The Company will disregard any votes cast on this resolution by any Director of the Company and their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or cast by a person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides. Further, a Prohibited Voter may not vote as proxy on this resolution if the appointment does not specify how the proxy is to vote. However, the person chairing the meeting can vote undirected proxies, provided the person who is entitled to vote marks the box on the Voting Form which authorises the chairman to do so.

By Order of the Board



Penny Grau
Company Secretary

25 August 2011

Important notes

Voting methods

A shareholder may only vote by one of the following methods:

- (a) personally by attending the meeting;
- (b) by direct vote; or
- (c) by proxy, representative or attorney at the meeting.

Direct voting

Shareholders are entitled to vote by way of a direct vote on resolutions considered at the meeting by lodging their votes with the Company prior to the meeting. Direct voting will enable shareholders to exercise their voting rights without needing to attend the meeting or appoint a proxy.

A direct vote by a shareholder received by the Company is automatically revoked if the shareholder attends in person or by proxy, attorney or representative at the meeting to which the direct vote relates. A direct vote on a resolution by a shareholder received by the Company will revoke (or suspend in the case of a standing appointment) the authority of a proxy, attorney or corporate representative appointed by the shareholder, received by the Company before or at the same time the direct vote was received, to vote for the shareholder on that resolution. A direct vote by a shareholder is automatically revoked if after the direct vote is received, the Company receives a proxy form, an instrument under which an attorney is appointed to act, or a corporate representative is appointed to act for that shareholder if both the direct vote and the appointment cannot be validly exercised at the meeting.

Rules relating to direct voting have been determined by the Board and can be accessed by visiting www.tattsgroup.com/investors/agm

Proxies

A shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy. A proxy can be an individual or a body corporate. A proxy need not be a shareholder. If a shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the shareholder appoints two proxies and the proportion or the number of the shareholder's votes each proxy may exercise is not specified, each proxy may exercise half the votes. If more than one proxy for a shareholder is present at the meeting, neither may vote on a show of hands. A proxy need not vote on a show of hands nor a poll (except if the proxy is the chair of the meeting) but if the proxy does so, the proxy must vote as directed. If you require a second proxy form, please contact Computershare Investor Services Pty Limited from within Australia on 1300 367 346 and from outside Australia on +61 3 9415 4199.

Completion of Voting Form

A Voting Form for appointment of a proxy or direct voting must be signed by the shareholder or the shareholder's attorney. In the case of shares held jointly by two or more persons, all joint holders must sign the Voting Form. Electronic Voting Forms do not need to be signed as they will be authenticated electronically. Where a paper Voting Form is executed by an attorney, the relevant Power of Attorney (or a certified copy of the Power of Attorney) must be received by the Company's Share Registry or the Company not less than 48 hours before the commencement of the meeting or any adjournment of the meeting (refer lodgement details below). A Voting Form cannot be completed online if it is completed under Power of Attorney or similar authority.

Lodgement

A Voting Form for appointment of a proxy or direct voting is enclosed. To be valid, your voting instructions must be received by one of the following methods not less than 48 hours before the commencement of the meeting or any adjournment of the meeting:

- (a) electronically, by visiting www.tattsgroup.com/investors/agm and selecting the AGM Voting link and following the instructions provided;

Important notes continued

(b) by sending the Voting Form by mail or lodging the Voting Form in person to the registered office of the Company or to the Company's Share Registry, Computershare Investor Services Pty Limited:

By mail:
GPO Box 242
Melbourne Victoria 3001
Australia

or

In person:
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067
Australia;

(c) by sending the Voting Form by facsimile to the Company's Share Registry on 1800 783 447 within Australia or +61 3 9473 2555 from outside Australia or to the Company on +61 3 8517 7752; or

(d) for certain intermediaries (such as custodians, nominees and broker participants) who subscribe to the intermediary online service – electronically, by visiting www.intermediaryonline.com and following the instructions provided.

Bodies corporate

A shareholder of the Company which is a body corporate and which is entitled to attend and vote at the meeting, or a proxy which is a body corporate and which is appointed by a shareholder of the Company entitled to attend and vote at the meeting, may appoint a person to act as its representative at the meeting by providing that person with a 'Certificate of Appointment of Representative'.

A proforma of this certificate can be obtained by calling 1300 367 346 within Australia and from outside Australia on +61 3 9415 4199 or at www.computershare.com.au. A copy of the signed Certificate of Appointment of Representative, or other evidence satisfactory to the Chairman of the meeting, must be produced prior to admission to the meeting.

Voting entitlements

Pursuant to Regulation 7.11.37 of the Corporations Regulations, the Directors have determined that the shareholding of each shareholder for the purposes of ascertaining voting entitlements for the AGM will be as it appears in the share register at 7.00pm (Melbourne time) on Tuesday 25 October 2011.

Explanatory memorandum

Introduction

This Explanatory Memorandum provides information for shareholders in respect of Items 2 to 5 to be considered at the AGM of the Company to be held in the Banquet Hall at the SMC Conference & Function Centre, 66 Goulburn Street, Sydney, New South Wales on Thursday 27 October, 2011 commencing at 2.00pm (Sydney time).

Item 2 – Financial Reports

The *Corporations Act 2001* (Cth) (Corporations Act) requires the Financial Report, Directors' Report and Auditor's Report to be laid before the meeting. There is no requirement in the Corporations Act or the Company's Constitution for shareholders to vote on, approve or adopt these reports. Shareholders will have a reasonable opportunity at the meeting to ask questions and make comments on these reports and on the management of the Company.

The auditor of the Company is required to attend the meeting and will be available to take shareholders' questions and comments about the conduct of the audit and the content of the Auditor's Report. Shareholders may submit questions to the auditor on these matters for response at the meeting. To lodge online, visit www.tattsgroup.com/investors/agm and select the 'Lodge an AGM question online' link. Alternatively, shareholders may forward written questions on the enclosed form which should be returned in the enclosed reply paid envelope.

Questions may be submitted up to five business days before the meeting. The Company is required by law to forward all questions to the auditor and the auditor is required to prepare a list of questions that the auditor considers are relevant to the conduct of the audit and the content of the Auditor's Report. The auditor may omit questions that are the same in substance as other questions and questions that are not received in a timely manner. At the meeting, the Chairman will give the auditor a reasonable opportunity to answer the questions on the question list. The list of questions prepared by the auditor will be available from the Company's website, www.tattsgroup.com/investors/agm, prior to the meeting. In addition, copies of the list of questions will be available at the meeting.

The auditor of the Company will also be available to take shareholders' questions at the meeting regarding accounting policies adopted by the Company in relation to the preparation of the financial statements, the preparation and content of the Auditor's Report and the independence of the auditor in relation to the conduct of the audit.

Item 3 – Re-election of Directors

The Company's Constitution results in a requirement that two Directors must retire at this year's AGM. The Directors to retire are those who have been in office the longest since their last election. In addition, no Director can stay in office longer than the later of the third AGM of the Company or three years after last being elected. Accordingly, the Directors to retire at this AGM are Messrs Julien Ployoust and Kevin Seymour, each of whom offers themselves for re-election.

Messrs Julien Ployoust and Kevin Seymour were both last elected to the Board on 19 November 2008.

Following are details in relation to the individuals standing for re-election.

Julien Ployoust

Member of the Board since 21 November 2005.

Julien is Managing Director of AEH Group, a private investment company. His professional career includes Andersen Consulting and Accenture and he works across various sectors in capital structuring, mergers and acquisitions, strategy, change, technology and supply-chain programs.

Julien is a Member of the Australian Institute of Company Directors, Australian Institute of Management, Royal Australian Institute of Architects and The Executive Connection. Julien holds a Masters of Business Administration from AGSM, Bachelor of Architecture, First Class Honours and Bachelor of Science from Sydney University, and a Company Director Course Diploma from Australian Institute of Company Directors.

Other current directorships

Julien is Chairman of MCM Entertainment Group Limited (Director since May 2010) and a Non-executive Director of Australian Renewable Fuels Limited (Director since April 2009), both ASX listed companies. He is a Director of private equity company MGB Equity Growth Pty Limited. He is also Trustee of the Art Gallery NSW Foundation, Director of the National Gallery of Australia Foundation and on the Advisory Board of The Nature Conservancy.

Special responsibilities

Chairman of the Remuneration Committee.

Member of the Audit, Risk and Compliance Committee.

Member of the Governance and Nomination Committee.

Explanatory memorandum continued

Kevin Seymour AM

Member of the Board since 12 October 2006, previously having been appointed to TattsBet's (formerly UNiTAB) Board in September 2000.

Kevin is Executive Chairman of Seymour Group, which is one of the largest private property development and investment companies in Queensland. He has substantial experience in the equities market in Australia. Kevin also has extensive management and business experience, including company restructuring. Kevin was previously the independent Chairman of the Queensland Government and Brisbane City Council's Brisbane Housing Company Limited and Chairman of QCTV (formerly Briz31 Community TV) and has served on the Lord Mayor's Drugs Taskforce and is an Honorary Ambassador for the City of Brisbane.

Other current directorships

Kevin is Chairman of Watpac Limited (Director since May 1996) and Deputy Chairman of Ariadne Australia Limited (Director since December 1992), both ASX listed companies. He also holds board positions with several private companies in Australia.

Special responsibilities

Member of the Audit, Risk and Compliance Committee.

Member of the Governance and Nomination Committee.

Recommendation

The Directors who are the subject of each resolution have abstained from making a recommendation in relation to their own re-election. A review of the retiring Directors' performance during the period of their directorship has been undertaken by the other Directors. As a consequence, the Directors not directly involved in each resolution recommend that shareholders vote in favour of resolutions 3(a) and 3(b).

The Chairman of the meeting intends to vote undirected proxies in favour of each of resolutions 3(a) and 3(b).

Item 4 – Remuneration Report

The Corporations Act requires a resolution in relation to the Remuneration Report to be included in the business of the AGM. There will be an opportunity for shareholders at the meeting to comment on, and ask questions about, the 2011 Remuneration Report. The Remuneration Report is available on pages 33 to 49 of the 2011 Annual Report. It can also be accessed at www.tattsgroup.com/investors/agm

The Corporations Act states that a vote on the Remuneration Report is advisory only and will not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Voting exclusions apply to this resolution as specified in the Notice of AGM and the Voting Form.

The Chairman of the meeting intends to vote all available proxies in favour of adoption of the Remuneration Report.

Item 5 – Non-executive Directors' fee pool

Directors' fees are paid from a pool, the maximum size of which must be approved by shareholders. The present pool size of \$1,500,000 per annum (inclusive of statutory superannuation contributions) was set in the Company's Constitution in 2005, when the Company was listed on the ASX, and has not been increased since.

Since that time the operations of the Company have expanded considerably through the merger with UNiTAB Limited (2006) and the acquisitions of Golden Casket (2007), Talarius (2007) and NSW Lotteries (2010), as have the responsibilities of the Directors. The aggregate of current Directors' fees is approaching the pool size of \$1,500,000 per annum.

In recommending an increase to the Non-executive Director fee pool to take it to \$2,000,000 per annum, the Board has considered:

- The additional responsibilities and commitments of Directors at both a Board and Committee level arising from the expansion of the Company's operations, as well as changes to compliance and governance obligations;
- The increased time commitment and the complexity of work undertaken by Directors serving on Board Committees;
- The need to ensure the Company maintains the ability to remunerate competitively and is able to attract and retain Directors with appropriate skills and experience; and
- The need for adequate funding for the appointment of additional Directors, if considered to be appropriate.

It is not intended that the full amount of the proposed maximum cap be used immediately, but rather that it be set at a level to allow for growth in Non-executive Director fees over time to reflect market competitiveness and to provide the Board with flexibility to manage any future changes in Board responsibilities, membership and composition, as appropriate.

ASX Listing Rule 10.17 and Article 6.5(a) of the Company's Constitution require shareholder approval to be obtained for any proposed increase in the maximum total amount of fees which the Company may pay to Non-executive Directors.

Recommendation

As the Non-executive Directors have an interest in the outcome of this item, the Board makes no recommendation as to how shareholders should vote in relation to this resolution.

The Chairman of the meeting intends to vote undirected proxies in favour of the increase in the pool size from which Non-executive Directors' fees are paid.

Location map



