

# Australia's Tatts Group, Tabcorp in trading halt on gaming licence restructuring

Sydney (Thomson Financial) – Australian gaming groups Tatts Group Ltd, renamed from Tattersalls Group Ltd., and Tabcorp Holdings Ltd. said on Thursday that trading in the shares of the two companies had been suspended following a decision by the state government of Victoria which could affect a key source of revenue for the two groups.

The government of the southeast Australian state announced plans to abolish the two companies' duopoly in the state's slot poker machine licences and will allow hotels and clubs to directly bid for licences beyond 2012.

Tatts and Tabcorp hold licences over the state's 27,500 poker machines outside machines owned by Crown Ltd's Crown Casino in Melbourne which operates under a different licensing arrangement.

Crown will not be able to apply for the new licences but Woolworths Ltd, one of Australia's largest hotel owners in joint venture with the privately held Bruce Mathieson Group, will be able to bid.

Under new arrangements after 2012, venues will be able to own and operate their own gaming machines under 10-year licences.

State Premier John Brumby said the government would enforce a cap on ownership so that no single venue operator could own more than 35 percent of machines available to hotels.

He said the reshaping of the industry would improve diversity and competition and create more direct connection with communities.

There will be no increase in the number of machines under the new structure, with the 27,500 to be split evenly between clubs and hotels.

Both Tatts and Tabcorp said they would make statements on the changed arrangements following the government's announcement.

On Wednesday Tatts' shares closed at AUD 3.66 while Tabcorp was at USD14.37.