



ASX: TTV

## **ASX RELEASE**

13 September 2005

### **INVESTOR PRESENTATION**

Two Way TV Australia Limited lodges the attached presentation given to investors on Tuesday, 13 September 2005 by Managing Director, Jim McKay.

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# TWO WAY TV AUSTRALIA LIMITED

Jim McKay – Managing Director

September 2005

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# 2005 – building the foundations

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- 2005 result in line with guidance
  - Cash flow stronger than forecast
  - Year of strategic development
  - Asian business development
    - Ahead of expectations
    - Total investment to date lower than expected
  - Acquired mobile gaming & gambling licences
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# Our Scorecard – vs Prospectus



	Prospectus	Actual
Asian options	Secure options over licences in 14 countries/territories	Secured options over 26 countries/territories
Games	Foxtel and Austar  Launch PPP in FY06	Foxtel and Austar  To launch in Dec 06 qtr
Interactive racing	Integrate with TAB's NSW systems  Secure broadcast agreement  Launch in FY 06	Integration with TAB NSW complete  In discussions with broadcaster

# Developments not in Prospectus



	<b>Development not in the Prospectus</b>
Interactive racing	<ul style="list-style-type: none"><li>• Victoria – integration with Tabcorp’s systems underway</li><li>• NZ – aim to secure contract &amp; launch in Jun qtr 06</li></ul>
Games	<ul style="list-style-type: none"><li>• NZ channel launched</li><li>• Successful technical trial with PCCW in Hong Kong (IPTV)</li></ul>
Simcast	Contracts with: <ul style="list-style-type: none"><li>• Sky News Australia</li><li>• Prime Television NZ</li><li>• ATV, Hong Kong</li></ul> Successful technical trial with Star TV in India
Gaming and gambling	<ul style="list-style-type: none"><li>• rights to play for fun or live gambling products</li><li>• Distribution on TV or 2.5G/3G mobile</li></ul>
Asia	<ul style="list-style-type: none"><li>• Contract with ATV</li><li>• Successful trials in Hong Kong and India</li></ul>

# Asia – the key growth driver

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- Business development at least 12 months ahead of prospectus schedule
  - Mobile games and gambling to become increasingly important
  - First contract signed – ATV, for a pre-game soccer program
    - Competitions, voting, chat
    - Participate via mobile, cost is ≈\$.33 in Hong Kong, A\$0.16 in mainland China
    - Approximately 600k viewers in Hong Kong and 4.0m in Guangdong
    - Assume participation: 3-6%, net revenue to TTV = \$170K-\$430k for series
    - Typical profile of a Simcast contract
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# Asia – the key growth driver

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- Successful technical trial with Star TV in India
    - Interactive voting on Channel V
    - In discussions re similar services on other channels in India with Star
  - In active discussions with a number of broadcasters including iCable (Hong Kong) for products including:
    - Simcast
    - Games
    - Interactive racing
  - 2006 will be a formative year, expect a number of contracts to be signed by year end
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# Interactive Racing

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## Victoria

- Integration with betting systems required Tabcorp to participate in significant probity checks/regulatory clearances
- Tabcorp
  - Successful proof of concept
  - Progress despite broadcast delay

## New Zealand

- Positive discussions with Sky NZ and NZ Racing Board
  - Aim to secure contract and launch June quarter 2006
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# Games Channels

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## New Zealand

- Channel launched on Sky New Zealand in September 2005
- Sky has approximately 540k digital users
- Very similar product/pricing to Australian channels
- Run from Sydney ∴ low cost

## Hong Kong

- Successful technical trial with PCCW
  - In active discussions, aiming for commercial launch
  - IPTV platform – new IPTV experience important for Asia
  - In active discussions with other broadcasters
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# Simcast

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- Mobile to TV platform: use mobile phone as television remote
  - Allows non-digital broadcasters to offer interactivity
    - Broadens Two Way's potential customer base
    - Very important tool in Asian markets (mobile penetration high, digital tv penetration lower)
  - Contracts in New Zealand, Australia and Hong Kong (all revenue share based)
  - Trial with Star TV
  - In active discussions in Australia and Hong Kong for additional services
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# Gaming and Gambling

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- Zone4Play - suite of live gambling and “play for fun” products (licenced for Australia / NZ and first and last rights in Asian territories)
  - Casino style games, lotteries, sports betting and racing products
  - Delivery via TV or 2.5G/ 3G mobile
  - Business model:
    - Viewer charged fee to participate and/or to download game
    - Revenue sharing between licensor, licenced gaming operator, broadcaster/telco, and Two Way
  - Key focus for 2006: monetise these products
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# Looking forward

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- 2006 to build on foundations laid in 2005
  - Asia will remain key focus of investment and business development
  - Expect a number of contracts to be finalised in Asia in 2006
    - 2007 revenue will begin to reflect these
    - Development costs lower than forecast in Prospectus
  - Cash position ahead of forecast
  - Will continue to pursue broadcast deal for interactive racing in Australia and New Zealand
  - Will seek to monetise Zone4Play products
  - Directors aim to reach breakeven during 2007
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