

ASX RELEASE

19 November 2009

Chairman's Address & CEO's Presentation

The attached Chairman's Address and Chief Executive Officer's Presentation will be delivered at today's Annual General Meeting of Two Way Limited.

For further information:

Ben Reichel
Chief Executive Officer and Managing Director
Phone: +612 9017 7000 or 0412 060 281

ABOUT TWO WAY LIMITED (ASX: TTV)

Two Way creates advanced interactive media and gambling applications. Our competitive strengths include our specialised expertise, patented technology, and library of interactive applications, which can be deployed on TV, mobile or internet.

Two Way has developed an award-winning interactive TV wagering service with Tabcorp Holdings Limited (ASX:TAH) and Foxtel, with the potential to establish similar relationships with other wagering and broadcasting partners throughout Australia and overseas.

Our interactive wagering technology offers advanced betting features and related information, and utilises the latest synchronisation techniques to enhance the user experience. This technology can be applied to both racing and sports betting applications.

Our Way2Bet wagering portal offers an extensive range of information resources to help punters bet better. These services are available via online and mobile devices at www.way2bet.com.au and way2bet.mobi.

Our Way2Play casual games portal complements and extends our interactive TV games channels.

Two Way's products are currently being deployed by leading wagering and interactive TV operators in Australia and New Zealand. Our clients include Tabcorp, Foxtel, Austar and Sky New Zealand.

To learn more about Two Way visit www.twowaytv.com.au

2009 Annual General Meeting of Two Way Limited

Chairman's Address

Good morning ladies and gentlemen, my name is Stuart McGregor. Welcome to our fifth Annual General Meeting of Two Way Limited.

As Chairman of Two Way and together with my fellow Directors – thank you for taking the time to be with us this morning.

I would like to introduce our Board of Directors.

- Our Chief Executive Officer and Managing Director, Ben Reichel;and
- Chris Grant-Foster;

I would also like to introduce our company secretary, Rointon Nugara.

Also in attendance are Mr Leo Tutt and Mr Neil Esho, from the Company's auditors, William Buck.

Both Ben and I welcome this opportunity to review Two Way's recent operational and financial developments and highlights; as well as outline our strategy for the future.

This year for the first time we have started to see the potential of this business become a reality. For five years we have battled the odds;

Poor management

Limited strategy

Interminable delays

Government in action

Bureaucratic lethargy

Yet we have now reached a point where we can see a very bright future.

We have had the support of two fulltime brokerage houses in E L & C Bailleau and now Bell Potter.

Bailleau's saw the vision and have been magnificent in staying the course. We all owe Robert Ward a great debt and now our largest shareholder.

And in some very dark days Bell Potter through the foresight of John Murray stepped up when we needed them most.

This year saw a significant sorting out of the share registry. We now have a shareholder base that understands the vision and one supporting the strategy.

In this regard we have had great support from Craig Connelly and A R Capital business as a director and shareholder.

We have consolidated the business.

We have proven the wagering model.

We have become a key part of Tabcorp's business.

And we are on the cusp of becoming a timely and national business.

There are of course some specific resolutions that need to be addressed.

Each shareholder who registered today would have received a BLUE voting card. On a show of hands I will ask you to raise the voting card to assist the counting of votes.

Operational Highlights & Financial Review

The 2009 financial year saw Two Way Limited continue to pursue its strategy of developing and launching its world-class interactive technology and services.

The Company's flagship TV wagering service, recently rebranded as TAB ACTIVE, continues to perform strongly in NSW and Victoria (on the Foxtel and Optus TV platforms).

Formal regulatory approval to launch the service in Western Australia was received in May 2009. However, commercial launch is not expected in that state until the 2nd quarter of the 2010 calendar year, due to the timing of a major technical project undertaken by the customer there.

The Company continues to experience significant delays in expanding the service to other Australian jurisdictions but is working patiently through the relevant issues.

Certainly, one of the operational highlights for the year was the successful launch, in October 2008, of the TV wagering service in NSW. The timing of the launch enabled NSW punters who have a Foxtel or Optus TV service, to enjoy most of the 2008 Spring Racing Carnival, as was evidenced by a dramatic increase in revenue from the service during this period.

Turnover and revenue figures from the TV wagering service grew in line with management's expectations, and interestingly performed strongly over the traditionally quiet winter period.

The strong growth trend continues into the 2009/10 financial year, as evidenced with the latest monthly results for October 2009, where turnover exceeded \$6m for the first time. This can be attributable to the impact of the Spring Racing Carnival, and the Company's new marketing Campaign, which commenced in early September.

We are pleased to advise there have been few technical problems with the service, despite the increase in demand.

The Way2Bet odds comparison portal also recorded solid growth during the 2008/09 fiscal year. The service now includes all of the major bookmakers in Australia as clients. The popularity of the site, and the revenue from it, continue to grow steadily.

The Company's interactive games service continues to generate revenues, albeit at a reduced level as a result of Foxtel's decision to terminate all of its games offering on 30 June 2009.

The Company and its shareholders continued to benefit from another year of stability at Board and senior management level.

It is therefore, with regret, that I advise that Craig Connelly has recently tendered his resignation from the Board due to other

work related commitments. Craig remains an important shareholder of the Company. I would like to take this opportunity on behalf of the rest of the Board, to thank Craig for his considerable and valuable contribution to the Company over the past two years.

At the operating level, the Company's performance improved substantially from the previous year, as a result of increasing revenues but more significantly, from a 35% reduction in operating costs (excluding non-cash charges).

Despite the Company improving its net cash flow by 90% over the previous year (due in part by the absence of a number of significant one-off payments in the 2007/08 year which are no longer required), it is yet to achieve a cash flow positive state.

However, the Company will continue to work hard to generate positive cash flow and profit from growth in revenues from the TV Wagering service and other sources; together with effective cost control, with the ultimate goal of paying regular dividends.

In Mar/Apr 09, the Company successfully raised \$1.1m (before capital raising costs) through a Non-renounceable Rights Issue to fund working capital and the continued roll out of the TV wagering service. This was no mean feat given the prevailing and unprecedented economic downturn and the poor state of the capital markets at that time.

Just recently the Company completed a further Non-renounceable Rights Issue, again raising approximately \$1.1 m (before capital raising costs). Importantly, the Rights Issue was oversubscribed by 54%, reflecting, a continued and strong belief in, the Company and its cutting edge products.

Thank you.



Annual General Meeting November 2009

Ben Reichel
Chief Executive Officer
& Managing Director



“advanced interactive media and gambling applications”

Our Business

Two Way creates advanced interactive media and gambling applications

☆ Revenue Sources:

1. TAB ACTIVE – TV wagering service
2. Way2Bet – online and mobile wagering portal
3. Way2Play – interactive TV and online games services

☆ Latest Developments:

1. TV wagering service performing strongly in NSW and Victoria, driven by comprehensive marketing campaign
2. Memorandum of Understanding signed to deploy TV wagering service in Queensland and South Australia
 - Technical work for Qld/SA deployment complete
3. MOU signed and regulatory approval granted to launch service in Western Australia
4. TAB ACTIVE to expand on to two new Sky Racing channels in early 2010

TV Wagering Service

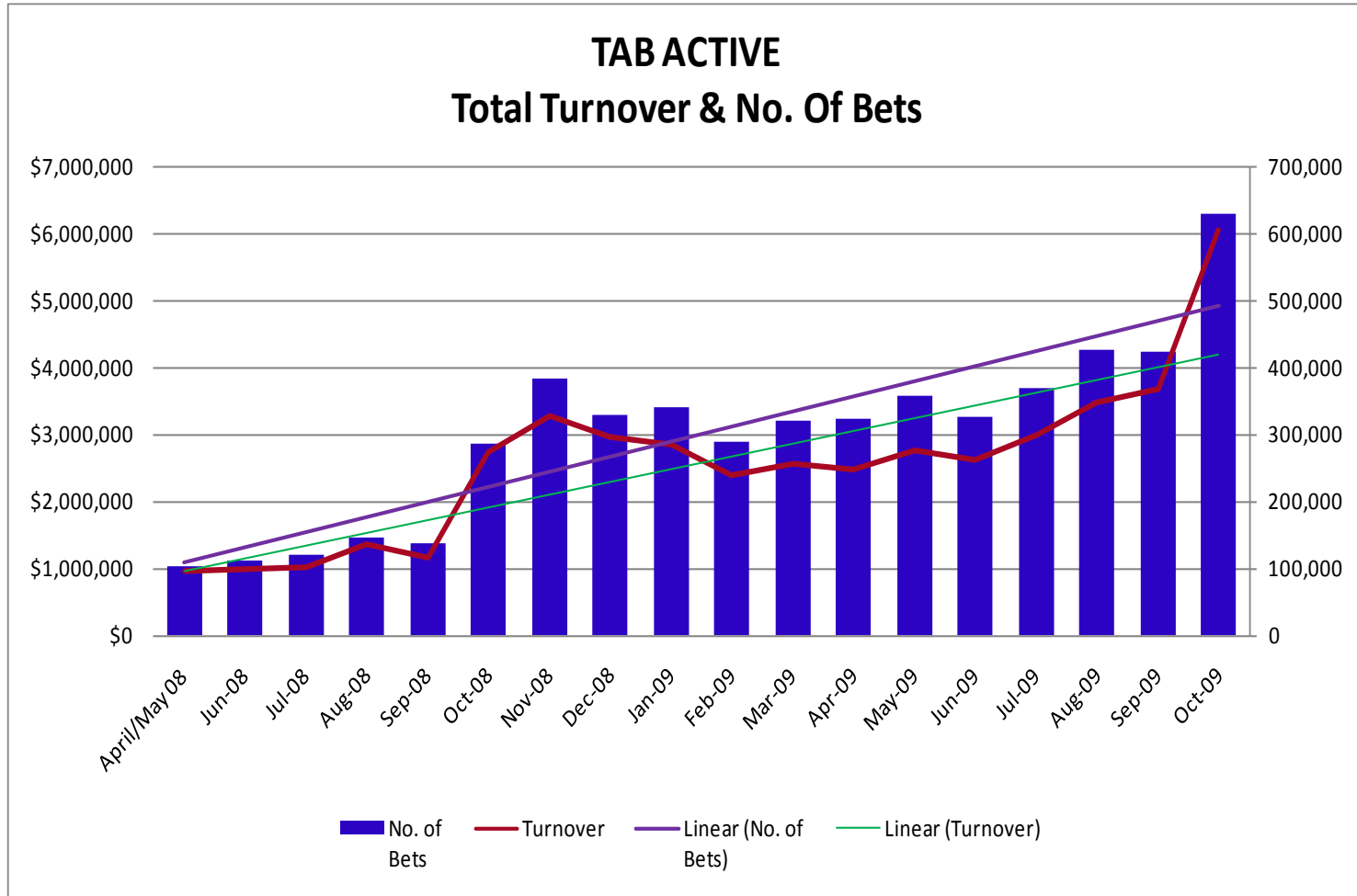


- ☆ Available on FOXTEL and Optus TV
- ☆ Betting available in Victoria from 28 April; NSW from 7 October 2008
- ☆ Two Way earns a fee derived from wagering turnover through the service
- ☆ Technology can be extended to other States, other pay TV carriers, other channels (inc. new Sky Racing channels), and other products (eg. sports betting)
- ☆ Innovation patent granted

A screenshot of the 'tab active' TV wagering interface. The main display shows a race card for 'MR 7 - Win & Place' at 15:00 Geelong 7 (1140m). The race card lists 13 runners with their names, odds, and status. The runner 'Langly Miss' is highlighted with a yellow checkmark and has odds of 4.60 to 1.60. To the right of the race card is a live video feed of the race. Below the race card, there are betting controls for 'Win' and 'Place' bets, both set to \$5.00. A 'Hint: Right to jump to Bet Amount' is displayed. At the bottom, there are navigation buttons for 'HOME', 'HELP', 'FULLSCREEN', 'ACCOUNT', 'LATEST RESULTS', and 'EXIT'. The interface also shows the date 'Fri, 11 Sep 09' and the time '11:55:29'. A red banner at the bottom right says 'Press 3 for next to go' and lists upcoming races: 'Te Rapa 6' (54 min), 'Mackay 1' (54 min), 'Casino 3' (58 min), 'Taree 2' (62 min), and 'Kilmore 1' (66 min).

Two Way is the only company with a live service linked into the Tabcorp wagering engine

Performance



Performance cont.



- ☆ Record levels of usage and turnover in 2010 Melbourne Cup week*
- ☆ Total turnover of \$2.206 million – increase of 57% from previous record (and more than 100% higher than 2009 Melbourne Cup week)
- ☆ More than 209,000 bets placed – increase of 45% from previous record
- ☆ Average bet size of \$10.55 – 22% higher than the average since launch
- ☆ Total unique users 5,384 – increase of 32% from previous record
- ☆ Almost 750 new users in Melbourne Cup week alone
- ☆ Total number of unique users since launch is now 18,400
- ☆ Our service is currently live only in metropolitan Sydney and Melbourne (Foxtel and Optus TV service areas)

* Melbourne Cup week: Mon 2 to Sun 8 November. Previous record was Derby Day week: Mon 26 Oct to Sun 1 Nov

Marketing



“Bring it home!”

- ☆ Service rebranded to TAB ACTIVE
 - ☆ Provides immediate recognition that it is a TAB betting channel
- ☆ Marketing campaign timed to coincide with Spring Racing Carnival
- ☆ TV commercials on Fox Sports 1, 2 and 3; Fox Sports News; ESPN; Fox 8; and Sky Racing
- ☆ Radio commercials running on Sky Sports Radio (NSW) and Sport 927 (Vic)
- ☆ Press ads published in The Sportsman newspaper
- ☆ Direct mail to Tabcorp account holders who subscribe to Foxtel
- ☆ Online banner ads on AAP Racing and Sports, Racenet, and Way2Bet
 - ☆ Driving traffic to new website at www.tabactive.com.au
- ☆ Electronic direct mail

Marketing cont.



Turn your TV into a TAB



PUNTING AT HOME HAS NEVER BEEN EASIER!

TAB ACTIVE is the latest, fastest, easiest and most convenient way to bet with the TAB. Using your FOXTEL remote you can place bets, view fields, form, latest markets and results in real time. All you need is a NSW or VIC TAB account and your FOXTEL set-top box connected to your phone line and you are ready to bet via TAB ACTIVE. It's that easy! Simply press the **RED button** on your FOXTEL remote control when you're watching Sky Racing to launch TAB ACTIVE. **Bring it home!**



Currently available on FOXTEL and Optus in NSW & VIC only. TAB account and fixed telephone line required to bet. For more information visit tabactive.com.au or call 131 802. THINK ABOUT YOUR CHOICES. Call your state based gambling help services on 1800 858 858. In NSW call Gambling Help on 1800 858 858 or visit www.gamblinghelp.nsw.gov.au. Gamble responsibly.

Opportunities



State	NSW [Live]	VIC [Live]	QLD	WA [Approved]	SA	TAS	ACT	NT
TAB	Tabcorp	Tabcorp	UNiTAB	RWWA	UNiTAB	Tote Tas	ACT TAB	UNiTAB
Racing turnover*	\$4,423m	\$3,736m	\$2,081m	\$1,516m	\$711m	\$480m	\$211m	\$158m
% of Aust tote pool	33.21%	27.72%	15.63%	11.38%	5.34%	3.60%	1.58%	1.18%
Pay TV operator	FOXTEL (Sydney), Austar	FOXTEL (Melb), Austar	FOXTEL (Bris/GC), Austar	FOXTEL	FOXTEL (Adelaide), Austar	Austar	FOXTEL	Austar

Green: Service now live

Red: MOU signed, regulatory approval granted

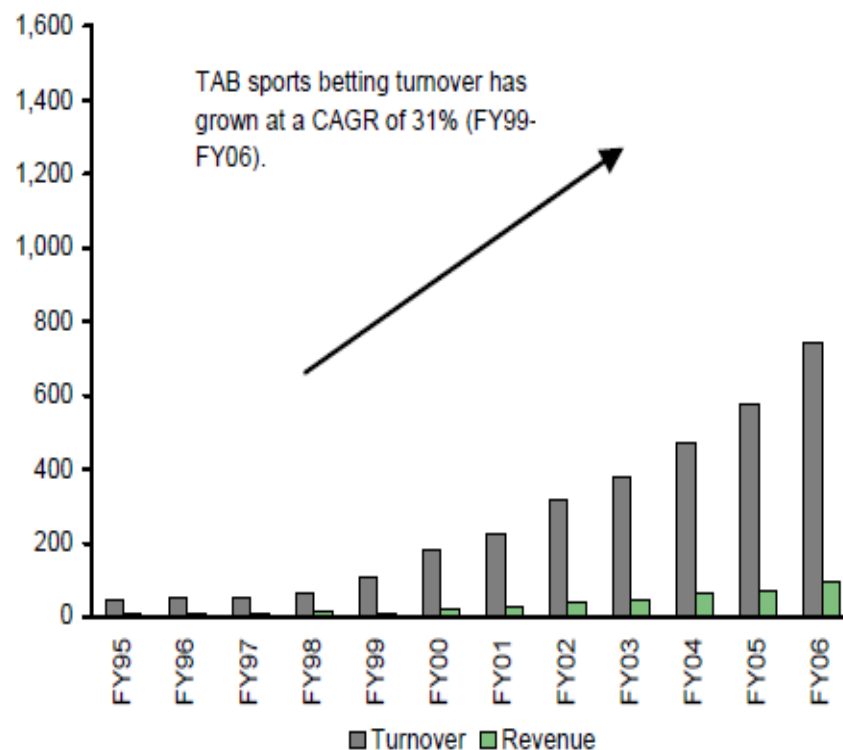
Blue: MOU signed, technical work completed

* Source: Australian Racing Factbook 2007-08. Parimutuel (tote) racing turnover only. Does not include sportsbetting.

Potential



- ☆ Currently less than 0.4% of Tabcorp's total turnover is flowing through our service [Internet 14.9%; Phone 10.2%]
- ☆ Sports betting and fixed odds race betting can be added readily (our service is already integrated into Tabcorp's betting engine)
- ☆ Tabcorp is the leader in fixed odds sports betting (est. 32% market share – nearest competitor has 13%)
- ☆ Tabcorp has opportunity in fixed odds race betting (est. 3% market share – leading competitor has 26%)



Source: Australian Gambling Statistics, ABN AMRO

Other Revenue Sources



- ☆ Way2Bet online and mobile wagering portal
 - ☆ Odds comparison, free form guides, tips, etc.
 - ☆ Revenue from advertising, new account bounties, commission, and premium services
 - ☆ Increasing levels of punter and bookmaker activity
 - ☆ All major bookmakers in Australia are clients
- ☆ Way2Play interactive TV and online games
 - ☆ 15,000 subscribers on Austar and Sky New Zealand
 - ☆ Subscription fees of \$5.95 per month – shared with broadcasters
- ☆ Bespoke development work for interactive TV



High Level Strategy



☆ Remainder of FY10:

- ☆ Expand targeted marketing campaigns, in conjunction with Tabcorp and FOXTEL
 - ☆ To be scaled up as wagering service expands around Australia
- ☆ Finalise agreements to expand wagering service into other States
- ☆ Commercial launch of wagering service in other States
- ☆ Expand TAB ACTIVE on to two new Sky Racing channels
- ☆ Continue to explore sports betting and other interactive services

☆ FY11 and beyond:

- ☆ Explore deployment of wagering service outside Australia
- ☆ Add new interactive services, based on wagering platform