

ASX RELEASE

13 November 2008

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

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

2008 Annual General Meeting of Two Way Limited

Chairman's Address

Good morning ladies and gentlemen, my name is Stuart McGregor. Welcome to our third 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;
- Chris Grant-Foster; and
- Craig Connelly.

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

Also in attendance, are our incumbent auditor, Mr Ken Glynn of Grant Thornton; and Mr Leo Tutt, Director of William Buck, who subject to the outcome of one of the resolutions, will be the Company's new auditor.

Two Way started the 2008 financial year with a new and invigorated Board and management team. The result has been a clearly defined strategy and significantly improved operational performance, to the benefit of all shareholders.

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.

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

Certainly, the highlight of the year was the successful launch in Victoria of the Company's TV wagering service, Sky Racing ACTIVE, on 28 April 2008. The service has proved popular with punters due to its ease of use and convenience. In October (7th October to be exact), the Company launched the service to NSW, in time for the important Spring Racing Carnival. We continue to work hard to extend the service across Australia in the near future. Whilst we are genuinely pleased with the launch of the service, it must be noted that the extensive delays in launching the service (particularly those of a regulatory and political nature), have had a negative impact on the Company's earnings.

As most of you know, the TV wagering service is the fundamental opportunity that has attracted most of the investors in the Company.

During the year, the Company also successfully expanded the Way2Bet wagering and odds comparisons portal. All major online bookmakers, including the likes of Sportingbet, TAB Sportsbet, Centrebet and Luxbet, are clients of our site.

Two Way has also maintained its interactive games services in both Australia and New Zealand. This provides a steady revenue stream, particularly important as our Sky Racing Active and Way2Bet services establish themselves. Cost effective marketing initiatives are helping to increase subscriber numbers and provide greater value to our broadcasting partners.

As you may recall, in previous years we initiated a major push into the interactive media market in Asia. This was concentrated on Hong Kong with the establishment of a permanently staffed office. Important agreements were entered into with the region's major telecommunications operator PCCW for the provision of Pay TV games; and Star TV – part of News Corporation's Asian operations – to provide interactive TV services.

After a determined effort it was decided that the Asian business, which also included the exploration of opportunities in Singapore, Malaysia and India, was not sustainable. As a result, the Company shut down its Hong Kong operations in November 2007.

Finally, the Company has significantly reduced its operating cost base through a number of major initiatives, including:

- restructure of its workforce;
- relocation to smaller and more cost effective premises; and
- renegotiation and reduction of licence fees payable to third parties.

The 2008/09 financial year will see further reductions in operating costs, as a result of the flow-on effect of the above cost reductions; together with ongoing tight control of all expenditure.



Two Way Limited

2008 Annual General Meeting

Ben Reichel
Chief Executive Officer
& Managing Director



Our Business

Two Way creates advanced interactive media and gambling applications

★ Revenue Sources:

1. Sky Racing ACTIVE – TV wagering service in NSW and Victoria
2. Way2Bet – online and mobile wagering portal
3. Way2Play – interactive TV and online games services

★ Latest Developments:

1. TV wagering service taking bets in NSW from 7 October 2008
2. Spring Racing Carnival driving turnover in both Victoria and NSW
3. Actively seeking to deploy wagering service around Australia



TV Wagering Service



- ☆ Available on FOXTEL and Optus TV platforms
- ☆ Betting available in Victoria from 28 April; NSW from 7 October
- ☆ 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, and other products (eg. sports betting)

Runners(15)	\$59k / \$41k	
1 <input checked="" type="checkbox"/> Classic Mate	5.90	2.10
2 <input type="checkbox"/> Brave World	9.70	3.00
3 <input type="checkbox"/> Osca Eric	13	3.70
4 <input type="checkbox"/> Agents	SCR	
5 <input type="checkbox"/> Ain't No Mountain	4.60	1.70
6 <input type="checkbox"/> Kaliningrad	SCR	
7 <input type="checkbox"/> Bono	58	20
8 <input type="checkbox"/> Coronation Crystal	5.70	2.00
9 <input type="checkbox"/> Mary Goodnight	SCR	
10 <input type="checkbox"/> Moving On	8.30	2.70

Win: \$100.00
Place: \$0.00

Press 3 to place your bet

Wed, 31 Oct 07 14:24:07

Press 3 for next to go

Balaklava 4	-7 min
New Zealand 1	-3 min
Werribee 5	0 min
Sandown Park 9	4 min
Townsville 3	7 min

HOME HELP FULLSCREEN ACCOUNT LATEST RESULTS FOXTEL EXIT

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





TV Wagering Service – Performance

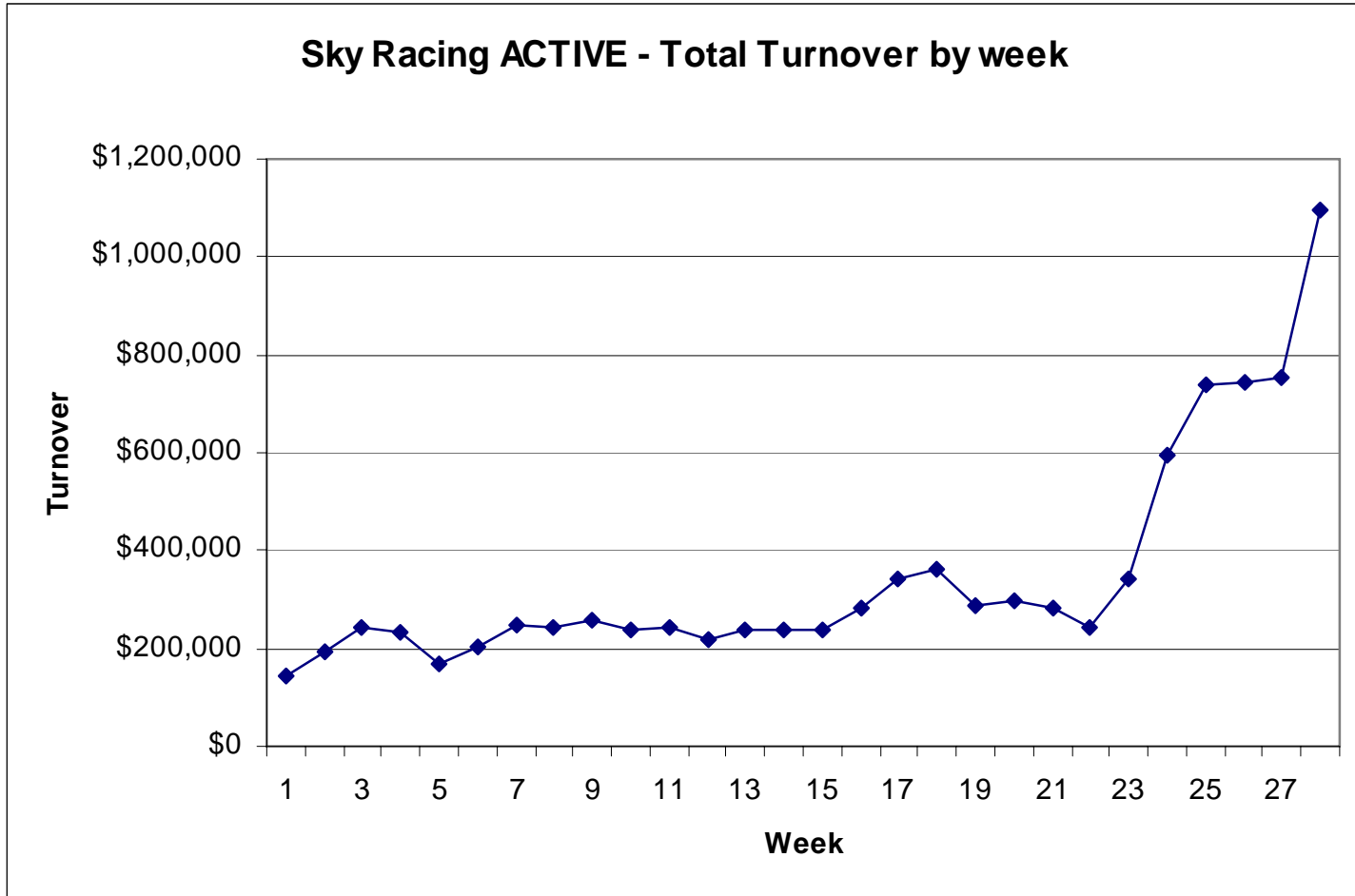
- ☆ Betting began in Victoria on 28 April; NSW on 7 October. As of 9 November:
 - ☆ More than 8,500 Tabcorp account holders had placed a bet via the service
 - ☆ More than 1,050,000 bets through the service in total
 - ☆ Average number of bets per day has increased from 2,000 per day in week 1, to almost 17,000 per day in week 28 (Melbourne Cup week)
 - ☆ Average bet size of \$9-\$10
- ☆ Limited marketing prior to 11 October (NSW launch)
- ☆ Highly positive feedback from our partners and users
- ☆ Betting transactions are safe, secure and encrypted
- ☆ Service includes extensive consumer safeguards

"It is the perfect tool for not only the serious punter but also the punting enthusiast like myself who enjoys the sport and punting as one would a hobby."



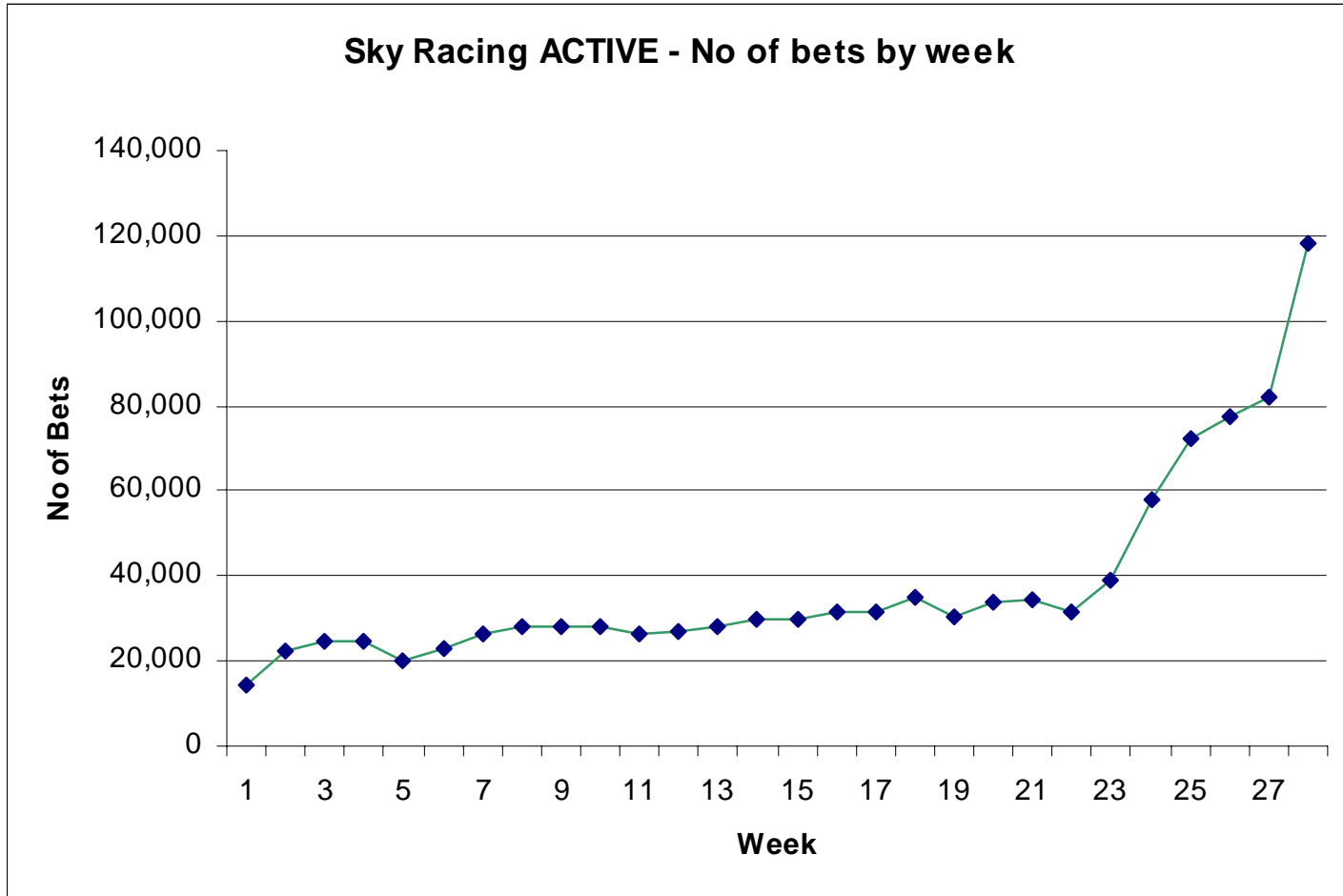


TV Wagering Service – Performance





TV Wagering Service – Performance





TV Wagering Service – Marketing

- ☆ Major Spring Racing Carnival promotion ends 16 November
 - ☆ First prize: \$15k trip for two to the Dubai World Cup
 - ☆ Second and third prizes: LG high definition LCD TVs
 - ☆ Every bet of \$10 or more via the service goes into the draw
- ☆ Multiple marketing initiatives
 - ☆ Emails to TAB account holders in NSW and Victoria
 - ☆ New TV commercials featuring Jo McKinnon on Sky Channel
 - ☆ New radio commercials on both Sport 927 (Victoria) and 2KY (NSW)
 - ☆ A new brochure mail-out to TAB account holders with Foxtel in both NSW and Victoria
 - ☆ A new website (www.skyracingactive.com.au) with full details on the service and the promotion
 - ☆ Online advertising on a range of websites (eg Triple M, Herald Sun, Daily Telegraph etc)
 - ☆ Limited print advertising (Sydney Morning Herald, etc)



Respected racing journalist Jo McKinnon is the “face” of Sky Racing ACTIVE





TV Wagering Service – Potential

- ☆ Revenue modelling based on detailed information from Tabcorp and FOXTEL
 - ☆ FOXTEL now has over 1.5m subscribers, growing at 8% in FY08
 - ☆ OzTam ratings figures for Sky Racing – average weekly reach (in Jan 08) of more than 500,000 people
 - ☆ Significant number of FOXTEL subscribers in Sydney and Melbourne have TAB wagering accounts
- ☆ Cross checked against data on size of market
 - ☆ Tabcorp's total wagering turnover exceeds \$9B per year (FY08: \$9028m)*
 - ☆ Internet and phone turnover exceeds \$2B per year (FY08: \$2175m)*
 - ☆ Tabcorp has over 400,000 wagering account holders in total
- ☆ Currently approx. 0.3% of Tabcorp's total turnover is flowing through our service

** Note: equine influenza cut turnover by \$344m*



TV Wagering Service – Opportunities

State	NSW [Live]	VIC [Live]	QLD	WA	SA	TAS	ACT	NT
TAB	Tabcorp	Tabcorp	UNITAB	RWWA	UNI TAB	Tote Tas	ACT TAB	UNI TAB
Racing turnover*	\$4,569m	\$3,486m	\$1,952m	\$1,326m	\$ 670m	\$315m	\$172m	\$124m
Share of turnover	36.14%	27.57%	15.44%	% 10.48	5.53 %	2.49%	1.36%	0.98%
Pay TV operator	FOXTEL (Sydney), Austar	FOXTEL (Melb), Austar	FOXTEL (Bris/GC), Austar	FOXTEL	FOXTEL (Adelaide), Austar	Austar	FOXTEL	Austar

- Green: Covered under existing contract
- Blue: Service carried on FOXTEL platform, but commercial agreement required with wagering operator

* Source: Australian Racing Factbook 2006. Does not include sports betting.



TV Wagering Service – Features

- ★ The most advanced interactive TV application ever deployed in this country
- ★ The first interactive TV application to allow users to log in to a secure personal account (using 128-bit SSL encryption), and conduct financial transactions
- ★ Robust enterprise-grade solution:
 - ★ automated
 - ★ high levels of availability
 - ★ multiple simultaneous transactions – highly scaleable
 - ★ remotely monitored and managed
 - ★ rule-based configuration
 - ★ operates with industry standard APIs
 - ★ interfaces with multiple data sources and multiple transaction engines

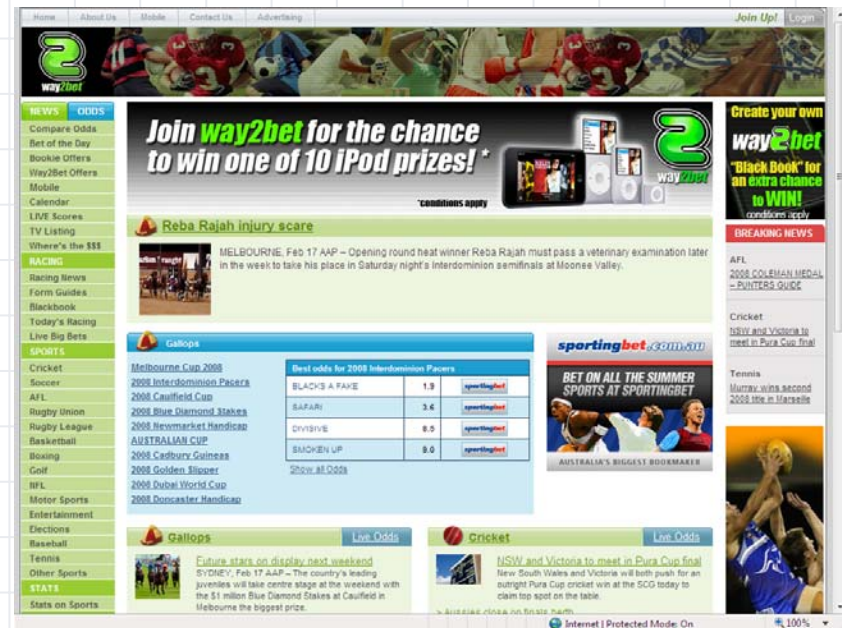




Way2Bet – Online and Mobile Portal



- ☆ www.way2bet.com.au launched April 07; way2bet.mobi launched June 07
- ☆ Wide range of information resources – inc. odds comparison engine for all sports and racing; free form guides; free tips; black book service
- ☆ Revenue sources include advertising, affiliate fees, and premium services
- ☆ Strategic marketing campaigns to drive traffic to the portal
- ☆ Constantly increasing levels of punter and bookmaker activity
- ☆ Clients now include every major wagering operator in Australia





Games Services



- ☆ Existing contracts with FOXTEL, Austar, and Sky New Zealand
- ☆ 25,000 subscribers pay a monthly fee for unlimited games
 - ☆ FOXTEL \$7, Austar \$5.95, Sky NZ\$5.95 – shared with broadcasters
- ☆ Additional 9,000 single plays per month, at \$1 per play (on FOXTEL)
- ☆ New branded trivia games added (AFL, NRL, Music MAX)
- ☆ Recently launched online trivia games on our new Way2Play.com games portal





High Level Strategy

☆ Remainder of FY09:

- ☆ 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
- ☆ Continue to explore sports betting and other interactive services

☆ FY10 and beyond:

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



Two Way Limited – The Opportunity

- ☆ Flagship TV wagering service now successfully launched in both Victoria and NSW
- ☆ Revenues are growing, and costs are tightly contained
- ☆ Wagering turnover tends to be quite resilient in tough economic times
- ☆ Further distribution opportunities for TV wagering technology, around Australia and overseas
- ☆ Opportunities to create new services which build on our IP and expertise

