



ASX: TTV

ASX RELEASE

31 January 2007

Quarterly Cash Flow Statement

Two Way lodges the attached Appendix 4C cash flow statement for the quarter ending December 2006.

Key financial details include:

Receipts from customers	\$304,000
Interest and other items	\$275,000
Total operating cash flow	(\$1,190,000)
Cash on hand	\$12,769,000

In the past quarter, Two Way has been working intensively on a number of major business opportunities, and on restructuring the business in line with the Company's strategic direction, as previously communicated to the market.

Two Way will update shareholders and the market shortly on the progress of these major initiatives for FY07.

For further information:

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ABOUT TWO WAY LIMITED (ASX: TTV)

Two Way is the leading provider of interactive applications and technology in Asia Pacific. Our competitive strengths include our patented technology, library of interactive applications, and exclusive content which can be deployed on TV, mobile or internet.

Our interactive wagering application offers an extensive range of bet types and form guides, and utilizes the latest synchronization technology to enhance the user



experience. This technology is now being applied to sports betting applications, including play for prizes and play for real.

Two Way has developed an extensive catalogue of casual games which are being deployed on Open TV and IPTV platforms, and will soon be available for mobile handsets and PCs via our casual games portal at www.way2play.com.

Two Way has rapidly grown its portfolio of mobile to TV interactive products for both casual games and wagering applications. Our Simcast product allows mobile phone users to interact with TV broadcasts in real time, without the need for a set top box, and gives the broadcaster complete flexibility.

Two Way's services are currently deployed by leading free to air and pay TV operators in Australia, New Zealand, Hong Kong, China and India. Our clients include Tabcorp, STAR Asia, PCCW, Foxtel, Sky New Zealand and Maginet.



Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

TWO WAY LIMITED

ABN

28 007 424 777

Quarter ended ("current quarter")

31 DECEMBER 2006

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	304	570
1.2 Payments for (a) staff costs	(938)	(1,967)
(b) advertising and marketing		
(c) research and development		
(d) leased assets	(3)	(4)
(e) other working capital		
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	275	485
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other – Licence Fees	(363)	(726)
Other - Consultants' Fees	(111)	(160)
Other – Rental Costs	(94)	(235)
Other Expenses	(260)	(433)
Net operating cash flows	(1,190)	(2,470)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,190)	(2,470)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(40)	(77)
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
Net investing cash flows	(40)	(77)
1.14 Total operating and investing cash flows	(1,230)	(2,547)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other (provide details if material)		
Net financing cash flows	0	0
Net increase (decrease) in cash held	(1,230)	(2,547)
1.21 Cash at beginning of quarter/year to date	13,999	15,316
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	12,769	12,769

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	102
1.25	Aggregate amount of loans to the parties included in item 1.11	N/A

1.26 Explanation necessary for an understanding of the transactions

<p>Included in Staff Costs in Item 1.2 are Board Fees paid to non-executive directors or their related entities amounting to \$82,000; and payments to an executive director (including PAYG tax, superannuation and a motor vehicle under novated lease).</p>
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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	N/A	
3.2	Credit standby arrangements	N/A	

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	218	165
4.2	Deposits at call	12,551	13,834
4.3	Bank overdraft	0	0
4.4	Other (provide details)	0	0
Total: cash at end of quarter (item 1.22)		12,769	13,999

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	
5.2	Place of incorporation or registration	
5.3	Consideration for acquisition or disposal	
5.4	Total net assets	
5.5	Nature of business	

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: ..31 January 2007....
 (Company Secretary)

Print name: Ben Reichel

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.