

ASX RELEASE

10 June 2010

Conference Presentation

Two Way Limited files the attached presentation to be given today by Mr Ben Reichel, Chief Executive Officer and Managing Director, at the Gambling Reform Summit in Sydney.

The presentation provides an update on the performance of Two Way's flagship product, TAB ACTIVE, and also gives an insight into the future of interactive TV gambling applications.

For further information:

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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 award-winning interactive TV wagering service with Tabcorp Holdings Limited (ASX:TAH) and FOXTEL, which has now been extended to include Racing and Wagering Western Australia (RWWA) and UNiTAB Limited (ASX:TTS). Two Way has 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, RWWA, UNiTAB, FOXTEL, Austar, Optus TV and Sky New Zealand.

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



The Future of Interactive Wagering

June 2010

Ben Reichel
Chief Executive Officer
& Managing Director



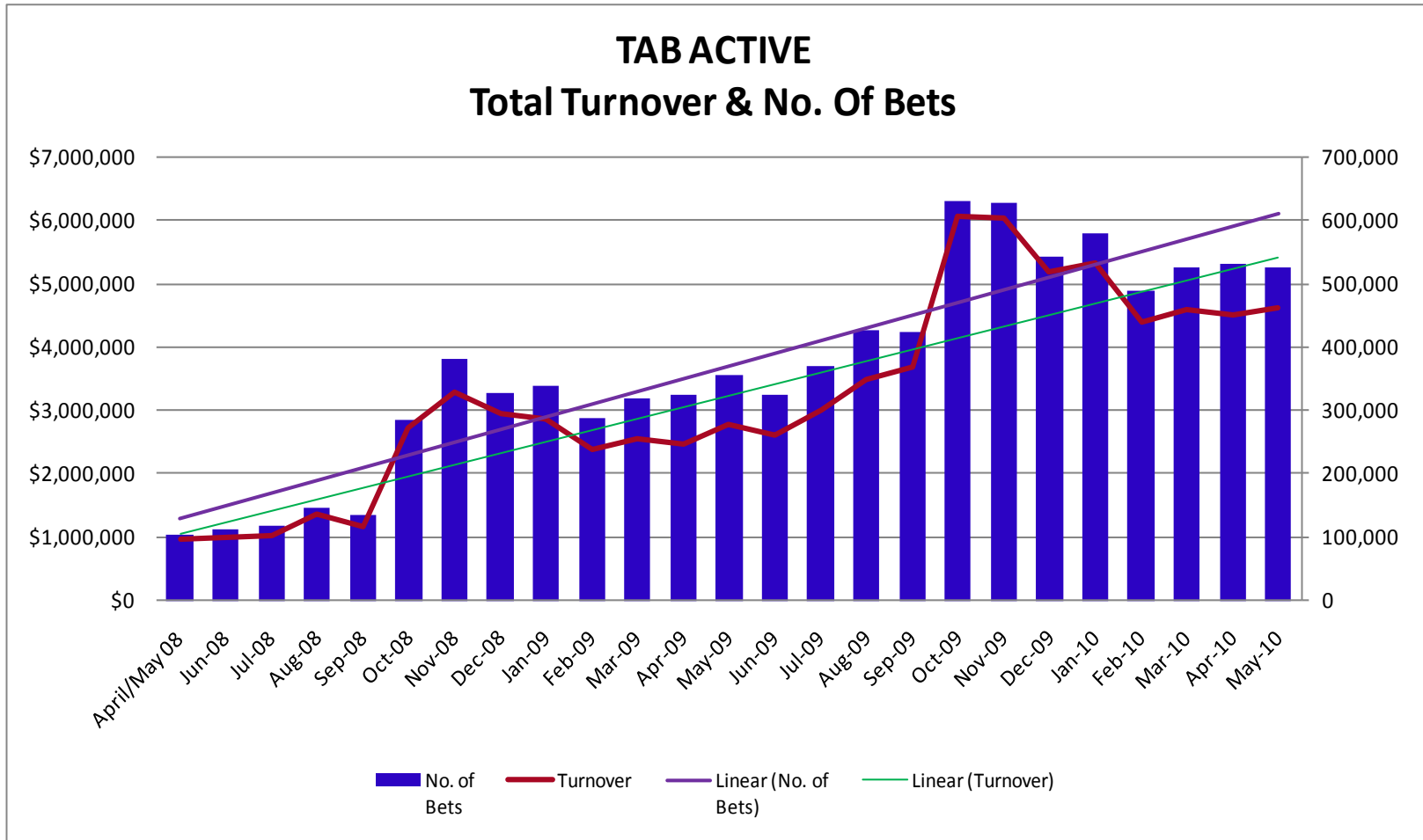
“advanced interactive media and gambling applications”

Overview



- ☆ Two Way creates advanced interactive media and gambling applications
- ☆ Our TAB ACTIVE interactive TV service is Tabcorp's fastest-growing wagering channel
- ☆ Since launch on 28 April 2008 (Victoria) and 7 October 2008 (NSW):
 - ☆ More than 22,400 users have placed at least one bet
 - ☆ More than 9.2 million bets in total
 - ☆ Average bet size of \$8.77
 - ☆ Total turnover exceeds \$81 million
 - ☆ Currently more than 3,000 users betting each week
- ☆ Betting currently available only in metropolitan Sydney and Melbourne
- ☆ All features other than betting available in Queensland and South Australia
- ☆ Full service (with betting) will launch in Western Australia in late 2010

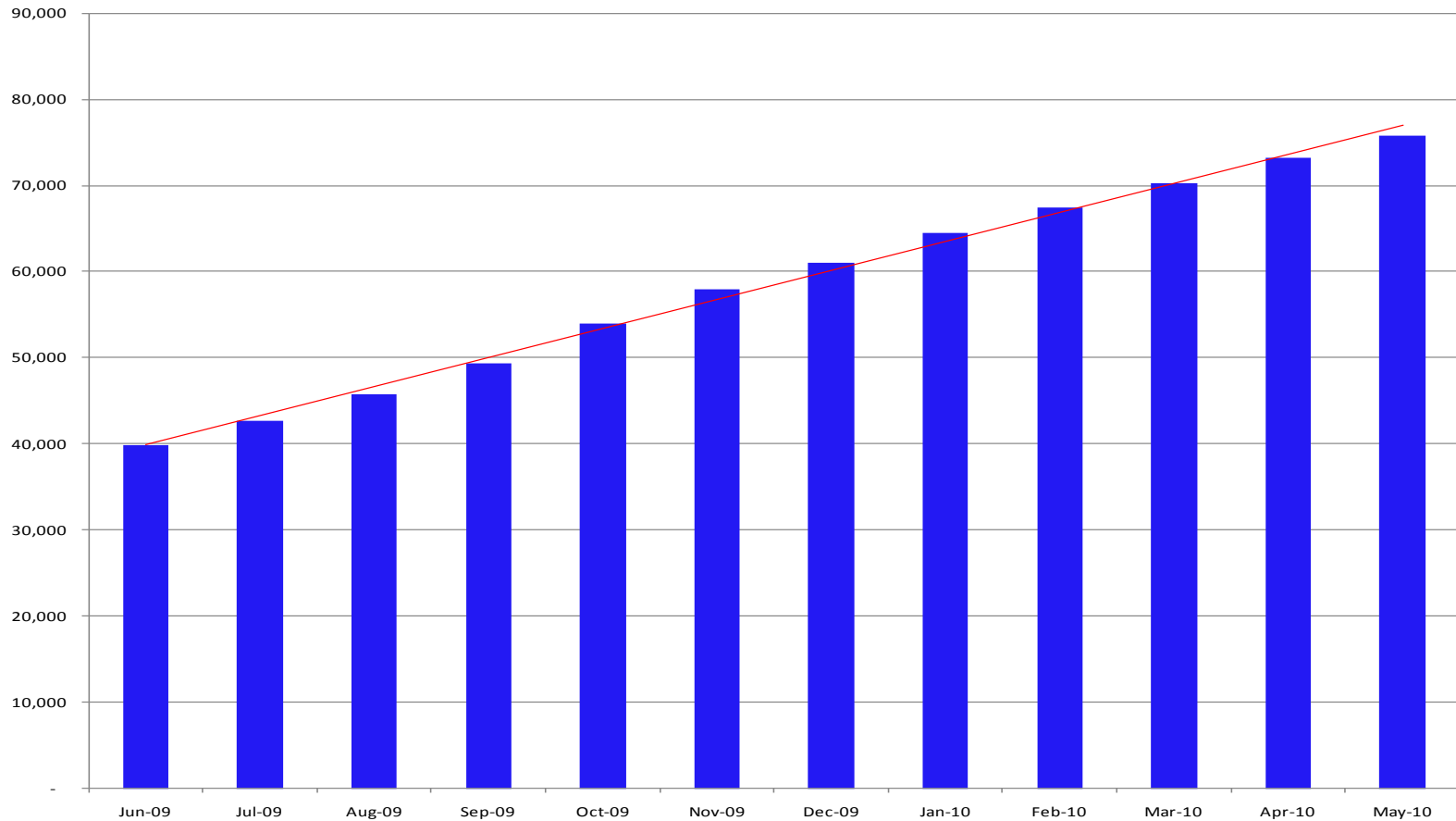
Performance



Performance cont.



TAB ACTIVE Revenues - 12 Month Rolling Average



Features



- ☆ Our wagering service is the first (and only) interactive TV service in this country to allow users to log in securely to a personal account, and conduct financial transactions
 - ☆ Two Way has been granted Australian innovation patents
 - ☆ The service won an ASTRA Award for “Most Outstanding Use of Interactive Television”
- ☆ Robust enterprise-grade solution
 - ☆ Secured by 128 bit SSL encryption
 - ☆ Very high levels of availability
 - ☆ Multiple simultaneous transactions – highly scalable
 - ☆ Interfaces with multiple data sources and multiple transaction engines
- ☆ Two Way operates the return path network used to place bets

Multi-Channel Support



Today's Gallops

	Venue	Next Race
MR	Bendigo	None
SR	Randwick	None
BR	Eagle Farm	None
AR	Morphettville	None
WR	Belmont	None
YR	Avondale	None
LR	Deauville	8 at 01:45
TH	Clairwood	None
LH	Hamilton Pk	6 at 01:50
EH	York Uk	6 at 01:40

Connected | tab active | TAB

Select Meeting Navigate | BET NOW

Venue: Randwick
Track: Dead
Weather: Fine
Info: D-d 5, 7 Qad 4,5,6,7 Ffr All

14:24:38 | Next To Go

Vincennes 8	3 mins
York UK 6	6 mins
Deauville 8	12 mins
Hamilton Pk 6	13 mins
Ascot Pk 10	22 mins

Ch+ Switch Channels

1 HOME | HELP | FULLSCREEN | ACCOUNT | LATEST RESULTS | FOXTEL | EXIT

- ☆ Sky Racing now has three racing channels
- ☆ Channels can be switched from within our service, without disconnecting from the betting engine
- ☆ Channels can be in different subscriber packages
- ☆ The service tells viewers which race is next to go, and on which channel – ensuring that viewers never miss a race



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!**



tab active

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.

Responsible Wagering

tab
active

The screenshot displays the TAB Active TV betting interface. At the top, it says "Getting Started" and "Disconnected". The main text reads: "TAB ACTIVE is available to all Cable & Satellite subscribers. To bet via this service, you need: 1. A TAB Betting Account. If you don't have a TAB betting account, call TAB Customer Support on 131 802 to open an account. 2. Your FOXTEL Set Top Box (STB) connected to your phone line. If this is not already set up, connect a phone cord from the modem connection on the back of the STB to your phone outlet. If a problem still exists, call FOXTEL Customer Support on 131 999 or your Service Provider." Below this is a "GAMBLER'S HELP" section with the phone number 1800 858 858, "24 HOURS 7 DAYS" availability, and "FREE AND CONFIDENTIAL" service. The website www.problemgambling.vic.gov.au is also listed. At the bottom, there are navigation buttons for HOME, HELP, FULLSCREEN, ACCOUNT, LATEST RESULTS, FOXTEL, and EXIT.

- ☆ TV betting introduces more prominent responsible wagering messages into the home (compare online or phone betting)
- ☆ Two messages provided each time users seek to place a bet
- ☆ Detailed responsible wagering information available via the Help button

iTV vs. Mobile – PMU Case Study

- ☆ Pari Mutuel Urbain (French tote monopoly) launched a mobile phone betting service (PMU Mobile) in June 2006
- ☆ PMU Mobile turnover in first full year (2007) was 8.3m Euros
- ☆ PMU Mobile turnover in second year (2008) **declined** to 5.9m Euros
- ☆ PMU's interactive TV wagering service (on Equidia racing channel) had **five times** the turnover of PMU Mobile in 2008 (31.7m Euros)
- ☆ PMU's interactive TV wagering service had 4.3% of total remote betting turnover in 2008
- ☆ TAB ACTIVE is currently available only in Sydney and Melbourne – but is already generating around 2% of Tabcorp's remote betting turnover

Future Enhancements

- ☆ Sports betting is a natural fit and a massive opportunity
 - ☆ Stand-alone or enhanced TV application
 - ☆ Can cover all available events, markets, betting options and odds
 - ☆ Or provide simplified options for casual punters
- ☆ Broadband connectivity to set-top box is the next big step
 - ☆ “Always on” connection (possibly wireless)
 - ☆ Race replays; Video form guide; Premium ratings; Horse tracking; Social networking; etc
 - ☆ The ultimate multimedia wagering experience!



New Platforms



- ☆ Multiple new interactive platforms from both ISPs and CE manufacturers (and in one case, a free to air broadcaster)



New Platforms cont.



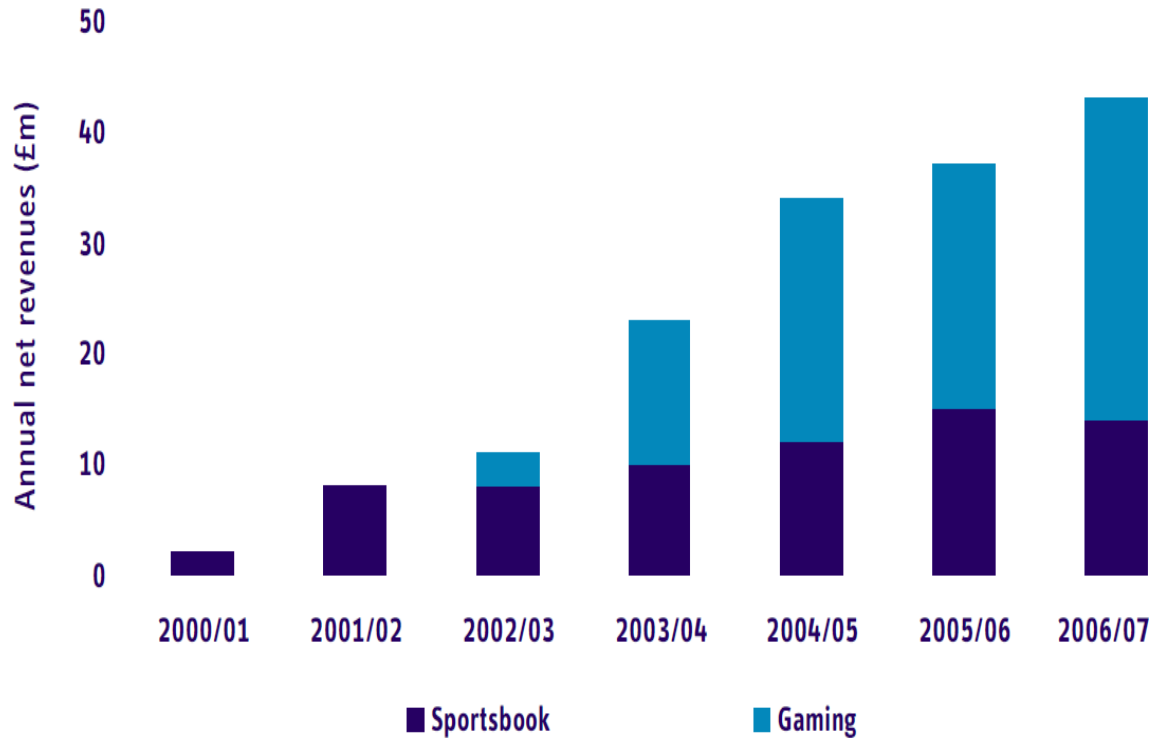
- ☆ Is this “online betting” or “TV betting”?
- ☆ How is it possible to distinguish between them??

Regulatory Developments

- ☆ Interactive Gambling Act 2001:
 - ☆ Only wagering and lotteries permitted via online and interactive TV platforms
 - ☆ No interactive wagering on sports after event has started (“in the run betting”)
- ☆ Productivity Commission draft report (Oct 2009) recommended:
 - ☆ Interactive Gambling Act be repealed
 - ☆ Interactive gambling via all platforms (TV, online, mobile, etc) be permitted
 - ☆ National regulatory body and framework for interactive gambling
- ☆ Likely outcomes if recommendations adopted:
 - ☆ Online casinos and poker will proliferate
 - ☆ In the run sports betting will be heavily promoted
 - ☆ Opportunities for compelling new enhanced TV services

UK Experience

SKY BET NET REVENUES



- ☆ BSkyB bought a small bookmaker (Surrey Sports) in 2000
- ☆ Racing now 20% of all turnover (2000: 76%)
- ☆ Gaming now 60% of margins (2000: nil)

Potential New Services – TV Shows



- ☆ Betting products based on TV shows (eg. Deal or No Deal)
- ☆ Live vision not required – leverages popular TV program brand

Potential New Services – Virtual Racing

- ☆ Trackside – Tabcorp’s fixed odds animated racing game – has limited availability (Victoria – Tabarets; NSW – Star City casino)
- ☆ Virtual racing available online and via interactive TV in the UK



Potential New Services – Keno



- ☆ Lotteries are legal under IGA
- ☆ Keno also legal under IGA (subject to any regulations – none passed yet)
- ☆ State licence restrictions apply

Potential New Services – Bingo

- ☆ Repeal of IGA would allow more compelling TV-based games
- ☆ Live play-along TV game shows with strong community element
- ☆ Play via remote or telephone – integrated with online games



Potential New Services – Roulette



- ☆ Roulette Nation (live interactive fixed odds show)
- ☆ High levels of viewer involvement and engagement
- ☆ Live croupiers, leaderboards, on-air chat, etc.

Potential New Services – Poker



- ☆ Full screen animated games – automated or with live voice-over
- ☆ Or live players in TV studio – play-along at home via remote
- ☆ Or full live play-along game show



Summary



- ☆ Successful interactive TV services maximise the synergies between vision and transaction
- ☆ Performance of TAB ACTIVE shows that users respond to a service that is:
 - ☆ Well designed (creative aspects include navigation, fonts, colours etc)
 - ☆ Easy to use
 - ☆ Fast and secure
- ☆ Priceless competitive and marketing advantage for innovative gambling operators
- ☆ Increases loyalty via more convenient and more enjoyable punting
- ☆ Demonstrates technology leadership and reaches new customers
- ☆ Repeal of Interactive Gambling Act would create exciting new opportunities