

**ASX RELEASE**

**15 March 2011**

**Investor Presentation**

Two Way Limited files the attached investor presentation, which provides an overview of the Company and updates the market on recent initiatives. This will form the basis of a series of presentations to brokers and potential investors in the coming weeks.

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For further information:

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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 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 TattsBet 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](http://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, TattsBet, Sportingbet, Betfair, FOXTEL, Austar, Optus TV and Sky New Zealand.

To learn more about Two Way visit [www.twowaytv.com.au](http://www.twowaytv.com.au)

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# Two Way Overview

April 2011

Ben Reichel  
Chief Executive Officer  
& Managing Director



“advanced interactive media and gambling applications”

# What We Offer

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- ☆ **Long term (5 year) contracts with blue chip clients**
  - ☆ Tabcorp, Tatts (UNiTAB), RWWA, Sportingbet, Betfair
- ☆ **Unique positioning**
  - ☆ The only company with a live betting service linked to the betting engines of all the TABs
  - ☆ Exclusive relationships with Tabcorp, Sportingbet & Betfair
- ☆ **Unique product and IP**
  - ☆ Australia's first and only TV wagering service
- ☆ **Rapid growth**
- ☆ **International opportunities**

# Key Products and Clients



☆ All TABs pay a % of turnover

☆ Most bookies pay a % of gross profit

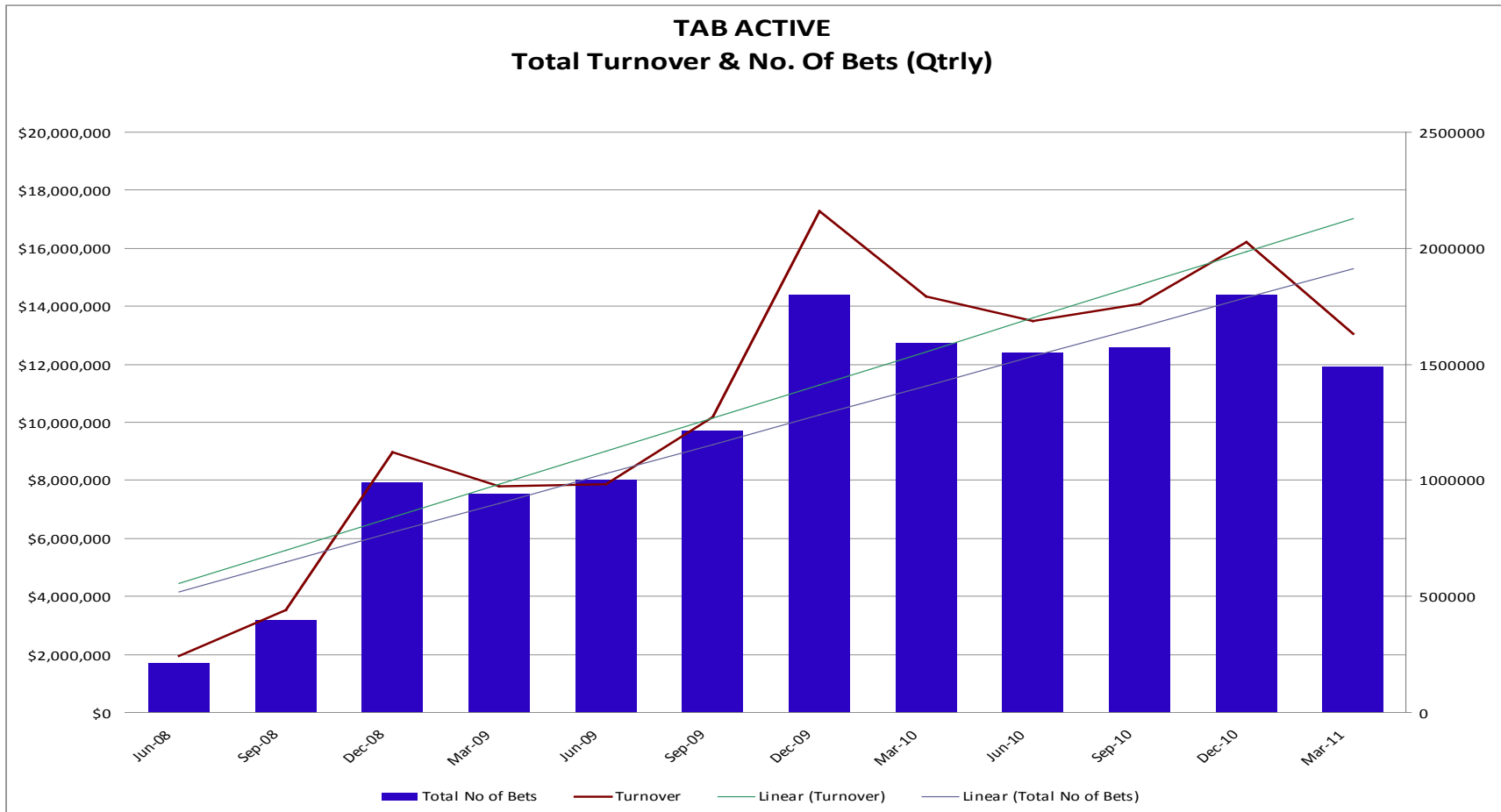


# TV Wagering



- ☆ We have an exclusive arrangement with Tabcorp for interactive wagering on racing events, via any form of TV (including IPTV and free to air TV)
- ☆ Our TAB ACTIVE interactive TV service on the Foxtel platform is Tabcorp's fastest-growing wagering channel (up 96% in FY10)
- ☆ Since launch on 28 April 2008 (Victoria) and 7 October 2008 (NSW):
  - ☆ More than 25,000 users have placed at least one bet
  - ☆ More than 14.6 million bets in total
  - ☆ Total turnover exceeds \$130 million
  - ☆ Currently around 4,000 users betting each week
- ☆ These statistics relate only to metropolitan Sydney and Melbourne
- ☆ Now approved in Queensland; South Australia expected soon
- ☆ Betting service will launch in Western Australia (whole State) in July 2011

# Performance



# Fixed Odds Race Betting



Today's Gallops

12:40 Sky Racing Mdn Hcp 1000m

#	Runners (20)	WIN	TOTE	FIXED
1	Shranap	15	16.5	
2	Bold Pride	55	56	
3	Divorce Me	8.10	8.30	
4	Maoulida	47	44	
5	Avondale	19	16	
6	Lester Quercus	15	15	
7	Mana Glint	13	13	
8	Testa More	17	17	
9	Sagamana	59	63	
10	Queen Margot	22	24	

Horse: Shranap  
 Jockey: F Prat (60.0)  
 Trainer: J Artu  
 Form: 0156 Win: \$ 486  
 Status: Open Plc: \$ 342  
 Updated: 01:14:41 Tri: \$ 446

10:44:05 Next To Go

Wanganui 3	0 min
Cambridge 4	9 min
Cambridge 5	26 min
Wingatui 4	35 min
Cambridge 6	44 min

SRW SKY1 SKY Racing 2

Ch+ Switch Channels

1 HOME HELP FULLSCREEN ACCOUNT LATEST RESULTS FOXTEL EXIT

- ☆ Fixed odds betting is now generating all of Tabcorp's turnover growth – we have been missing out!
- ☆ Now live on TAB ACTIVE (10 March)
- ☆ Viewers can switch between tote and fixed odds
- ☆ Viewers can also compare the tote and fixed odds available for win bets

# Early Fixed Odds Results



- ☆ Fixed Odds betting option launched on 10 March 2011
- ☆ Early indications are promising, and mirror the strong growth in fixed odds betting across Tabcorp's other betting channels
- ☆ Early statistics (10-31 March):
  - ☆ \$265,759 in turnover from fixed odds betting
  - ☆ More than 10,000 fixed odds bets placed
  - ☆ Average bet size **\$26.20** – almost 3 times the average parimutuel bet size of \$9.17
  - ☆ Majority of bets placed were for thoroughbred races; currently only limited number of fixed odds races for greyhounds and harness

# National Market



State	NSW [Live]	VIC [Live]	QLD [April]	WA [July]	SA [May-?]	TAS	ACT	NT
TAB operator	Tabcorp	Tabcorp	TattsBet	RWWA	TattsBet	Tote Tas	ACT TAB	TattsBet
Racing turnover*	\$4,890m	\$4,024m	\$2,217m	\$1,580m	\$ 771m	\$735m	\$163m	\$171m
Sports turnover*	\$643m	\$418m	\$147m	\$161m	\$49m	\$30m	\$16m	\$9m
% of natl TAB T/O	34.5%	27.7%	14.8%	10.9%	5.1%	4.8%	1.1%	1.1%
Pay TV operator	FOXTEL (Sydney), Austar	FOXTEL (Melb), Austar	FOXTEL (Bris/GC), Austar	FOXTEL (whole state)	FOXTEL (Adelaide), Austar	Austar	FOXTEL	Austar

Green: Contract signed and regulatory approval received

Blue: Contract signed, awaiting regulatory approval

\* Source: Australian Racing Factbook 2010

# Revenue Potential



- ☆ Current Australian TAB turnover is \$16 billion pa – predicted\* to climb to \$19 billion pa by FY15 (\*source: Centrebet)
  - ☆ We are currently capturing 0.53% of Tabcorp's turnover (NSW & Vic only)
  - ☆ This provides revenue of approx. \$1.1m pa via TAB ACTIVE
  - ☆ National expansion (inc. Austar) will lead to substantial growth in revenue
  - ☆ If national TAB turnover climbs to \$19b, then revenue from TAB ACTIVE in Australia alone will be approximately:
    - ☆ \$3.8m if we can capture 2% of national TAB turnover (Target)
    - ☆ \$9.5m if we can capture 5% of national TAB turnover (Stretch Target)
- ☆ This does not include other revenues (eg. Way2Bet); or any new business (eg. our deals with Sportingbet and Betfair); or international deployments

# Connected TVs

**betfair** Username: Nameupto20characters Balance: £99999.99 18+

**YOUR BET**  
England v Spain

Correct Score

1 - 0	35/1
Stake	£99
Potential Profit	£99.999

Place Bet  
Responsible Gambling  
Full Rules

Would you like to confirm this bet?

**FREE £20 BET\* ON SIGN UP!**

**BETFAIR ON SAMSUNG TV FREE £20 BET! QUOTE PROMO CODE SAM001 JOIN NOW!**

**C** About **D** Menu Move highlight Choose Return

# Connected TVs cont.

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- ☆ Betfair TV wagering application for Samsung internet connected TVs
- ☆ Developed by our sister company (Two Way Media) in the UK
- ☆ Currently being deployed in the UK & Europe
- ☆ Ideal service for recreational punters watching sport
- ☆ We are developing similar applications for other bookmakers
- ☆ Our first client is Sportingbet – Australia’s largest bookmaker, with annual turnover exceeding A\$1.5 billion
- ☆ Our second client is Betfair – Australia’s only betting exchange
- ☆ We are the exclusive provider to both Sportingbet and Betfair of TV wagering services (on sport), via any form of TV
- ☆ We are currently in discussions with major TV manufacturers to deploy this service in Australia

# Connected TVs cont.

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- ☆ Samsung is spending US\$70m promoting their connected TV platform this year
- ☆ Already more than 2 million apps have been downloaded from the Samsung App Store
- ☆ LG has similar plans to promote connected TVs – this year’s launch will be the biggest they have ever done in Australia
- ☆ Sony and Panasonic also selling connected TV devices
- ☆ Major Chinese manufacturers (eg. Hisense) planning to follow suit
- ☆ Feature set also being added to Blu-ray players – dramatically expands the market
- ☆ Samsung alone expects to have 3 million connected TV devices in the Australian market alone by end 2011

# Online & Mobile



- ☆ Way2Bet – online and mobile sports and racing portal
- ☆ Wide range of information resources, inc. odds comparison engine for all sports and racing; free form guides; free tips; black book service
- ☆ Revenue from bookie commissions, advertising, and new account bounties
- ☆ New premium ratings service – now earning revenue directly from users
- ☆ Constantly increasing levels of punter and bookmaker activity
- ☆ Clients include all major bookmakers in Australia, as well as Tabcorp and Betfair
- ☆ iPhone & connected TV deployments planned



# IPTV and Games Expertise

- ☆ Two Way built the first ever interactive TV games service for PCCW (the world's largest IPTV platform) in 2005
- ☆ We designed and implemented the game serving environment, including architecting the games servers, and provided the games
- ☆ We built the system to handle multi-player games
- ☆ We are currently running IPTV games on the MagiNet platform
  - ☆ Hotel in-room entertainment service (owned by NTT DOCOMO)
  - ☆ Currently available to 5,000 rooms across 30 properties



# Games – Commercials

- ☆ We have a huge library of games for TV platforms (including IPTV)
- ☆ We operate a TV games services on the Sky New Zealand platform
  - ☆ Sold on a subscription basis for NZ\$6 per month – split with Sky
  - ☆ We refresh the content weekly, including new trivia questions
  - ☆ Joint marketing initiatives have been very successful
- ☆ Also operate an IPTV games service on the MagiNet platform
  - ☆ Sold for \$3.95 per hour, or \$6.95 per day



# Other Interactive Apps

- ☆ Two Way has built a multitude of interactive TV applications over the past 10 years – covering all channels and program types (eg. FOX8, History Channel, TV1, Disney, Sky News, MAX Music, etc)



- ☆ Substantial expertise in TV navigation, response times, design, colours, etc
- ☆ Award winning chat app on FOX8 (“ANTM”) and on MTV

# Latest (Half Year) Results

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- ☆ Results are the strongest in the Company's history
- ☆ Substantial improvement in both the operating result and the net result, compared to the previous corresponding period
- ☆ **Key metrics:** revenues ▲ 6%, operating result ▲ 12%, net result ▲ 78%
- ☆ Solid growth in flagship TV wagering service revenues ▲ 16%
- ☆ And other key revenue lines: Way2Bet ▲ 76%, bespoke development ▲ 52%
- ☆ Ongoing licence fees eliminated, saving \$250k pa. Perpetual licence now in place
- ☆ Other operating costs reflect ongoing and effective cost control
- ☆ Effects of the above will see a marked improvement in operating cash flow

# Latest (March Qtr 11) Cash Flow

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- ★ Receipts from customers for quarter \$423,000
- ★ Net operating cash flow for quarter (\$267,000)
  - ★ Adjusted to exclude final licence fee payable (\$183,000)
  - ★ This represents the best quarterly cash flow result since the Company listed on the ASX
- ★ Total net cash flow for quarter (\$279,000)
- ★ Cash balance at 31 March \$484,000

# Capital Structure

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- ★ 209.9m ordinary shares on issue
- ★ 608 shareholders, of which the top 20 hold 54% of the issued capital
- ★ 1.890m options issued to staff through Employee Options Plan (potential dilution <1%)
- ★ Company is debt free

# Summary

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- ☆ Two Way creates advanced interactive media and gambling applications
- ☆ We are the leading provider of interactive TV wagering services in the Asia / Pacific region
- ☆ We have unique and exclusive relationships with the major wagering operators in Australia
- ☆ We have more than 10 years of interactive TV and IPTV expertise
- ☆ Performance of TAB ACTIVE shows that users respond to a service that is well designed, easy to use, fast and secure
- ☆ National deployment of TAB ACTIVE will lead to significant increase in revenues
- ☆ Actively working on international opportunities to deploy our technology and expertise