ASX: TTV

A S X R E L E A S E

15 March 2006

HALF YEAR RESULTS – FY06

Key Points:

- **Results in line with FY06 guidance given in September 2005**
- **Revenues expected to flow shortly from Asian interactive TV deals**
- **Cash position continues to be strong**

Two Way TV Australia Limited announces a net loss of $1.9 million for the six months to 31 December 2005. This result reflects the substantial efforts undertaken by Two Way in commercializing its interactive TV technology in Australia, New Zealand and Asia.

Managing Director of Two Way, Mr Jim McKay, said "We are working with broadcasters and gambling operators across Asia to add interactive features to their content. We have positioned ourselves well to capitalize on the growing demand from these content owners for interactive entertainment services for their customers".

Revenues totaled just over $1 million for the half year. Operating revenue was derived primarily from Two Way's interactive TV games channels, deployed on Foxtel, Austar, and Sky New Zealand. The total number of subscribers to these channels was over 30,000 at the end of December 2005, and continues to grow steadily. Subscribers pay $5.95 per month (NZ$5.95 in New Zealand), which is shared with the pay TV carrier. In addition to this subscription service, pay-per-play opportunities are available on Foxtel, where subscribers typically pay $0.77 per game. Two Way is currently receiving revenue of approximately $82,000 per month from this subscriber base.

Two Way is in advanced discussions with three other pay TV carriers across Asia who are interested in taking the Company's games channels, and a number of other carriers have expressed an interest. Each deployment of a games channel on a new carrier allows Two Way to generate top-line growth at very little incremental cost.

In Australia, Two Way has focused its efforts on the interactive TV wagering opportunity with Tabcorp Holdings Limited. Two Way's deal with Tabcorp was recently extended to 30 June 2006, to give Two Way more time to conclude arrangements with a pay TV carrier to deploy the service. Further extensions may also be granted in Tabcorp's discretion, based on progress over the next few months.

Two Way's cash position remains strong, with a net cash balance of approximately $17.4 million as at 31 December 2005.

For further information:

Jim McKay, Managing Director	(02) 9017 7000 or 0414 591 064
Ben Reichel, Company Secretary	(02) 9017 7000 or 0412 060 281

ABOUT TWO WAY TV AUSTRALIA (ASX: TTV)

Two Way is the leading provider of interactive TV applications and technology in Australasia and Asia. Its competitive strengths include its patented technology, library of interactive applications, exclusive content deals and management team.

Two Way's exclusive and perpetual licence from Two Way Media Ltd in the United Kingdom gives automatic access to arguably the world's largest library of interactive applications for TV programs, as well as to the technology to deploy these applications for broadcasters within very rapid timeframes. Two Way is also the exclusive licensee of mobile and interactive TV games and gambling applications from key industry supplier Zone4Play, Inc.

Two Way's services are currently being deployed by leading free to air and pay TV operators in Australia, New Zealand and Hong Kong.

Appendix 4D

Half Year Report: 31 December 2005

(Previous corresponding period: 6 months to 31 December 2004)

Results for Announcement to the Market

Results

Consolidated Results	2005 $A	2004 $A	Change $A	%
Revenues from ordinary activities	1,017,696	254,529	763,167	276
Net profit (loss) from ordinary activities after tax attributable to members	(1,916,415)	(955,057)	(961,358)	99
Net profit (loss) attributable to members	(1,916,415)	(955,057)	(961,358)	99

The comparison is to the period ending 31 December 2004. The Company listed on the Australian Stock Exchange on 23 December 2004.

Net Tangible assets per security	2005	2004
Net tangible asset backing per ordinary security (cents)	20.8c	24.4c

Key Developments

The Company signed deals in September and December 2005 to deploy its interactive TV technology with free-to-air and pay TV broadcasters in Hong Kong, and launched its interactive TV games channel in New Zealand in September 2005.

In September 2005, the Company completed the acquisition of Holotype Pty Ltd, an entity specialising in interactive television software development. The shares of this entity were acquired for $1, with the Company agreeing to discharge the liabilities owed by the entity to a maximum of $200,000. Further consideration may be granted in the form of shares in the Company, which may be issued subject to the satisfaction of certain performance criteria.

Dividends (distributions)

No dividend payments are proposed and none were paid during the period.

TWO WAY TV AUSTRALIA LIMITED & CONTROLLED ENTITIES

ABN 28 007 424 777

Half-Year Financial Report

31 December 2005

Corporate Information
(as at 31 December 2005)

ABN 28 007 424 777

Directors
Mr Stuart James McGregor (Chairman)
Mr James Edward McKay (Managing Director)
Mr Marco Salvatore Carlei (Non-Executive Director)
Mr James David McKerlie (Non-Executive Director)
Mr Joshua Adam Mantello (Non-Executive Director)

Company Secretary
Mr Ben Reichel

Registered Office
Level 3, City West Centre
55 Pyrmont Bridge Road
Pyrmont NSW 2009

Principal Place of Business
Level 3, City West Centre
55 Pyrmont Bridge Road
Pyrmont NSW 2009

Bankers
ANZ Banking Group

Share Register
Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford Victoria 3067

Auditors
William Buck Chartered Accountants

Contents

Directors' Report

The Directors present their report on the consolidated entity consisting of Two Way TV Australia Limited (the Company) and its controlled entities for the half-year ended 31 December 2005.

Directors

The following persons were directors of Two Way TV Australia Limited during the whole of the half-year and up to the date of this report:

Mr Stuart James McGregor	Chairman
Mr James Edward McKay	Managing Director
Mr Marco Salvatore Carlei	Non-Executive Director
Mr James David McKerlie	Non-Executive Director
Mr Joshua Adam Mantello	Non-Executive Director

Review of operations

The Company continues to develop and implement its strategy to introduce interactive television into households in Australia, New Zealand and Asia.

The Company signed deals in September and December 2005 to deploy its interactive TV technology with free-to-air and pay TV broadcasters in Hong Kong, and launched its interactive TV games channel in New Zealand in September 2005.

In September 2005, the Company completed the acquisition of Holotype Pty Ltd, an entity specialising in interactive television software development. The shares of this entity were acquired for $1, with the Company agreeing to discharge the liabilities owed by the entity to a maximum of $200,000. Further consideration may be granted in the form of ordinary shares in the Company subject to the satisfaction of certain performance criteria.

Adoption of Australian Equivalents to IFRS

This interim financial report has been prepared under Australian equivalents to IFRS. A reconciliation of differences between previous GAAP and Australian equivalents to IFRS has been included in Note 2 of this report.

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 4 of this half -year ended 31 December 2005 report.

Signed in accordance with a resolution of the Directors:

S.J. McGregor

Mr S. J. McGregor
Director

Dated 15th March 2006

Auditor's Independence Declaration to the directors of Two Way TV Australia Limited

I declare that, to the best of my knowledge and belief, in relation to our review of Two Way TV Australia Limited for the half year ended 31 December 2005 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001; and

(ii) no contraventions of any applicable code of professional conduct.

William Buck
Chartered Accountants

Ken Glynn
Lead Audit Partner

Dated this 15th day of March 2006.
Melbourne, Australia.

Consolidated Income Statement
Half-Year ended 31 December 2005

	Economic	
	31.12.2005 $	31.12.2004 $
Revenue from ordinary activities	1,017,696	254,52
Employee benefits expense	(1,378,722)	(297,324
Depreciation and amortisation	(134,518	(25,069
Professional and consulting fees	(327,408	(288,055
Trave	(278,702	(153,952
Licence	(357,762	(125,000
Administration expenses	(314,516	(147,145
Borrowing costs	(3,316	(88,949
Other expenses from ordinary activities	(139,167	(84,091
Loss from ordinary activities before related income tax expense	(1,916,415)	(955,057
Income tax relating to ordinary activities	-	-
Loss from ordinary activities after related income tax expense	(1,916,415)	(955,057
Net	(1,916,415)	(955,057
Basic earnings per share (cents per share)	-2.13	-2.34
Diluted earnings per share (cents per share)	-2.13	-2.34

The Consolidated Income Statement is to be read in conjunction with the Notes to the Financial Statements.

Consolidated Balance Sheet
As at 31 December 2005

	Economic Entity	
	31.12.2005	30.06.2005
	$	$
Current Assets		
Cash	17,378,879	19,734,917
Trade & other receivables	206,272	142,836
Other	181,848	105,484
Total Current Assets	17,766,999	19,983,237
Non-Current Assets		
Plant & equipment	632,394	573,588
Intangible assets	11,185,233	11,012,185
Other	1,120,975	705,163
Total Non-Current Assets	12,938,602	12,290,936
Total Assets	30,705,601	32,274,173
Current Liabilities		
Payables	571,874	451,357
Provisions	192,199	200,062
Total Current Liabilities	764,073	651,419
Non-Current Liabilities		
Provisions	14,189	-
Total Non-Current Liabilities	14,189	-
Total Liabilities	778,262	651,419
Net Assets	29,927,339	31,622,754
Equity		
Contributed equity	52,908,875	52,813,875
Reserves	(7,356,387)	(7,482,387)
Accumulated losses	(15,625,149)	(13,708,734)
Total Equity	29,927,339	31,622,754

The Consolidated Balance Sheet is to be read in conjunction with the Notes to the Financial Statements.

Consolidated Statement of Changes in Equity
Half-Year ended 31 December 2005

	Contributed Equity	Retained Profits	Share Issue Expense Reserve	Employee Options Reserve	Total
	$	$	$	$	$
Balance at 1.7.2004	9,102,950	(11,372,429)			(2,269,479)
Profit/(loss) attributable to members of parent entity		(955,057)			(955,057)
Share issue expense reserve			(7,496,718)		(7,496,718)
Share entitlements	119,913				119,913
Options exercised	495,012				495,012
Share split (614.441417 for 1)	0				0
Share issue - AEP Trust Number 3 LP	3,096,000				3,096,000
Public Offer	40,000,000				40,000,000
Balance at 31.12.2004	52,813,875	(12,327,486)	(7,496,718)	0	32,989,671
Balance at 1.7.2005	52,813,875	(13,708,734)	(7,674,698)	192,311	31,622,754
Profit/(loss) attributable to members of parent entity		(1,916,415)			(1,916,415)
Shares Issued	95,000				95,000
Employee share options issued				126,000	126,000
Balance at 31.12.2005	52,908,875	(15,625,149)	(7,674,698)	318,311	29,927,339

The Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements.

Consolidated Statement of Cash Flows
Half-Year ended 31 December 2005

	Economic Entity	
	31.12.2005	31.12.2004
	$	$
Cash Flows From Operating Activities		
Receipts from customers	446,517	219,947
Payments to suppliers and employees	(3,015,659)	(1,689,450)
Interest received	513,854	34,964
Borrowing costs	-	(87,092)
Net cash provided by (used in) operating activities	(2,055,288)	(1,521,631)
Cash Flows From Investing Activities		
Purchase of plant and equipment	(127,395)	(57,350)
Purchase of intangibles	(173,355)	(10,476,471)
Net cash (used in) investing activities	(300,750)	(10,533,821)
Cash Flows From Financing Activities		
Proceeds from issue of shares and options	-	40,000,010
Proceeds from borrowings	-	140,941
Repayment of borrowings	-	(1,034,344)
Payment of share issue expenses	-	(3,750,087)
Net cash provided by (used in) financing actvities	-	35,356,520
Net increase (decrease) in cash held	(2,356,038)	23,301,069
Cash at 1 July	19,734,917	30,399
Cash at 31 December	17,378,879	23,331,468

The Consolidated Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements.

Notes to the Half-Year Financial Statements
31 December 2005

Note 1: Basis of Preparation

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standard AASB 134: Interim Financial Reporting, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2005 and any public announcements made by Two Way TV Australia Limited and its controlled entities during the half year in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

As this is the first interim financial report prepared under Australian equivalents to IFRS, the accounting policies applied are inconsistent with those applied in the 30 June 2005 annual report as this report was presented under Australian GAAP. Accordingly, a summary of the significant accounting policies under Australian equivalents to IFRS has been included below. A reconciliation of equity and profit and loss between previous GAAP and Australian equivalents to IFRS has been prepared per Note 2.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Two Way TV Australia Limited as at balance date and the results of all controlled entities for the half-year then ended. Two Way TV Australia Limited and its controlled entities together are referred to in this financial report as the “Group” or “Consolidated Entity”. The effects of all transactions between entities in the consolidated entity are eliminated in full.

(b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Note 1: Basis of Preparation (cont'd)

(b) Income Tax (cont'd)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Plant & Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Depreciation – the depreciable amount of all fixed assets is depreciated using the diminishing balance method over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The depreciation rate used for each class of depreciable asset is 40%.

Leases – lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(d) Development Expenditure

Development expenditure incurred, that is directly attributable to developing new or significant improvements to current products is capitalised and deferred to the extent that is assured beyond reasonable doubt from the generation of future economic benefits, and the expenditure can be reliably measured, as well as satisfying the other criteria in AASB138: Intangible Assets.

Capitalised development costs are amortised from the point of commercial production over the period during which benefits are expected to arise from the sale or use of the product created from the development activity.

Note 1: Basis of Preparation (cont'd)

(e) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Foreign Currency Transactions & Balances

Foreign currency transactions during the year are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date.

The gains and losses from conversion of assets and liabilities, whether realised or unrealised, are included in profit from ordinary activities as they arise.

The assets and liabilities of the overseas controlled entities, which are self-sustaining, are translated at year-end rates and operating results are translated at the rates ruling at the end of each month.

(g) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Options are issued to directors and executives as part of their remuneration. The options are not issued based on performance criteria, but are designed to align the objectives of directors and executives with the objectives of shareholders. Options issued under the Company's Option Plan have an exercise price of $1.00, which was the issue price in the Company's initial public offering. Options will not fully vest for two years, and no vested options may be exercised before 23 December 2006, which is the second anniversary of the Company's listing on the Australian Stock Exchange.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the consolidated entity's estimate of shares that will eventually vest.

Note 1: Basis of Preparation (cont'd)

(h) Cash and Cash Equivalents

Cash on hand and in banks and short term deposits are carried at face value of the amounts deposited or drawn.

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, short term deposits and money market investments readily convertible to cash within two working days net of outstanding bank overdrafts.

(i) Intangibles

Licenses

Represents options to obtain licences in relevant Asian Territories to exploit a number of interactive technology applications. The options are held by a 100% owned subsidiary.

At this point in time, it is expected that the requirements for the grant of the licence will be met, and that these licences will be held in perpetuity.

Goodwill

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

(j) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers, when the risks and rewards are substantially transferred.

All revenue is stated net of the amount of Good and Services Tax (GST).

(k) Good and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(l) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Note 2: First-Time Adoption of Australian Equivalents to International Financial Reporting Standards

	Note	Economic Entity		
		Previous GAPP at 30.06.2005	Adjustment on Introduction of Australian Equivalents to IFRS	Australian Equivalents to IFRS at 30.06.2005
		$	$	$
Reconciliation of Equity as at 30 June 2005				
Current Assets				
Cash		19,734,917	-	19,734,917
Trade & other receivables		142,836	-	142,836
Other		105,484	-	105,484
Total Current Assets		19,983,237	-	19,983,237
Non-Current Assets				
Plant & equipment		573,588	-	573,588
Intangible assets		11,012,185	-	11,012,185
Other		705,163	-	705,163
Total Non-Current Assets		12,290,936	-	12,290,936
Total Assets		32,274,173	-	32,274,173
Current Liabilities				
Payables		451,357	-	451,357
Provisions		200,062	-	200,062
Total Current Liabilities		651,419	-	651,419
Non -Current Liabilities				
Provisions		-	-	-
Total Non-Current Liabilities		-	-	-
Total Liabilities		651,419	-	651,419
Net Assets		31,622,754	-	31,622,754
Equity				
Contributed equity		52,813,875	-	52,813,875
Reserves	2a	(7,674,698)	192,311	(7,482,387)
Accumulated losses	2a	(13,516,423)	(192,311)	(13,708,734)
Total Equity		31,622,754	-	31,622,754

Note 2: First-Time Adoption of Australian Equivalents to International Financial Reporting Standards Cont.

		Economic Entity		
	Note	Previous GAAP	Effect of Transition to Australian Equivalents to IFRS	Australian Equivalents to IFRS
		$	$	$
Reconciliation of Profit or Loss Full Year to 30 June 2005				
Revenue from ordinary activities		1,249,430	-	1,249,430
Employee benefits expense	2a	(959,590)	(192,311)	(1,151,901)
Depreciation and amortisation		(112,804)	-	(112,804)
Professional and consulting fees		(712,539)	-	(712,539)
Travel		(457,176)	-	(457,176)
Licence fees		(285,878)	-	(285,878)
Administration expenses		(376,009)	-	(376,009)
Borrowing costs		(52,749)	-	(52,749)
Other expenses from ordinary activities		(436,799)	-	(436,799)
Loss from ordinary activities before tax		(2,144,114)	(192,311)	(2,336,425)
Income tax relating to ordinary activities		-		
Loss from ordinary activities after tax		(2,144,114)	(192,311)	(2,336,425)
Net loss		(2,144,114)	(192,311)	(2,336,425)

Notes to the reconciliation of equity and profit and loss at 30 June 2005

(a) Share based payments – the fair value of employee options are required to be expensed to the profit and loss and reflected in Employee Options Reserve.

(b) No other adjustments required to 1 July 2004 or 31 December 2004 results.

Note 3: Segment Reporting

i. Primary Reporting – Business Segments

The economic entity operates in a single business segment, being the management and development of interactive television applications.

ii. Secondary Reporting – Geographical Segments

	Segment Revenues		Carrying amount of Segment Assets		Acquisition of Non-Current Segment Assets	
	2005 $	2004 $	2005 $	2004 $	2005 $	2004 $
Aust / NZ	957,696	254,529	19,693,417	24,074,512	409,796	47,837
Asia	60,000	-	11,012,185	11,012,185	-	11,012,185
	1,017,696	254,529	30,705,602	35,086,697	409,796	11,060,022

iii. Accounting Policies

Segment revenues and expenses are those directly attributable to the segments. Segment assets include equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of accounts payable and accrued expenses.

Segment assets and liabilities do not include deferred income taxes.

Note 4: Acquisition & Disposal of Subsidiaries & Restructuring

In September, the Company acquired the shares of Holotype Pty Ltd for $1, with the Company agreeing to discharge Holotype's liabilities to a maximum of $200,000. The purchase price was allocated as follows:

Cash Consideration	$200,000
Assets	$ 26,953
Goodwill	$173,047
Total	$200,000

Further consideration may be granted in the form of ordinary shares in the Company, which may be issued subject to the satisfaction of certain performance criteria. At the date of this report, the performance criteria had not yet been satisfied.

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes as set out on pages 5 - 15:

  (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and

  (b) Give a true and fair view of the economic entity's financial position as at 31 December 2005 and of its performance for the half-year ended on that date.

2. In the Director's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director ______________________________

S. J. McGregor

Dated this 15th day of March 2006

William Buck
Business Advisors
Chartered Accountants

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF TWO WAY TV AUSTRALIA LIMITED

Scope

We have reviewed the half year financial report of Two Way TV Australia Limited for the half year ended 31 December 2005 comprising the comprising the balance sheet, income statement, statement of changes in equity, cash flow statement, notes to and forming part of the financial statements and the Directors' Declaration.

The half year financial report includes the financial statements of the consolidated entity comprising the Two Way TV Australia Limited (the company) and the entities it controlled at the end of the half-year or from time to time during the half-year. The company's directors are responsible for the half year financial report.

We have performed an independent review of the half year financial report in order to state whether, on the basis of procedures described, anything has come to our attention that would indicate that the half year financial report is not presented fairly in accordance with Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to meet its obligations to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report, as defined in the scope section of Two Way TV Australia Limited is not in accordance with:

- the Corporations Act 2001, including:
  - giving a true and fair view of the consolidated entity's financial position as at 31 December 2005 and of its performance for the half-year ended on that date; and
  - complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- other mandatory professional reporting requirements in Australia.

William Buck
Chartered Accountants

Ken Glynn
Partner

Dated this 15th of March 2006.