

Centrebet signs Cooperation Agreement and Strategic Alliance with Deutsche Traberliga International

(Accredited German Trotting Association)

March 2007



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1. Executive Summary

- Centrebet signed a 10-year exclusive agreement with the Deutsche Traberliga International (German Trotting Association) to provide a new lottery/jackpot style betting product to the German trotting market termed “V75”¹ for the purpose of this announcement. The agreement was signed on the morning of Friday, 23 March 2007.
- This is a new betting product to revive the German trotting industry, adopting the same successful strategy used in the Swedish market
- All promotions and branding of the new product will be branded “Centrebet”
- Agreements have been signed with Berlin-Karlshorst, Pfaffenhofen and Hamburg racetracks with the intention to reach agreements with the eight other main German trotting racetracks
- The Pfaffenhofen and Hamburg racetracks will be re-branded “Centrebet Arena” with the Berlin-Karlshorst racetrack having 150-metres of Centrebet advertising signage along the home straight, all for a minimum period of 2-years
- Distribution channels will include on-course, off-course betting outlets, internet and mobile



Notes:

¹ “V75” is a trademark of ATG Sweden for their betting product.



1. Executive Summary (continued)

- Centrebet, Traberliga and the racetracks have the joint broadcasting rights within Germany, with Centrebet having the exclusive International broadcasting rights
- Centrebet are required to provide the technology to support and operate the “V75” product.
- This agreement will significantly strengthen the Centrebet brand in Germany and across the EU. Centrebet will be pursuing other German and European joint ventures / strategic alliances to continue to grow market share in European markets



2. The “V75” product

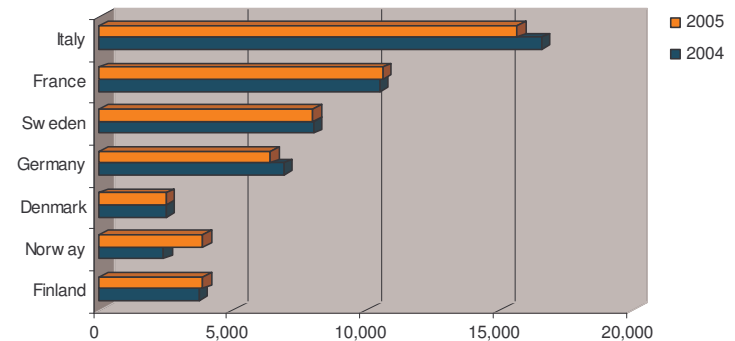
- The “V75” racing jackpot bet is a cross between a 7 leg accumulator (with multiple selections possible in each leg) and a lotto type bet with four prize pools:
 - Division 1 Bonus Jackpot = 7 winners
(with only one individual winning ticket)
 - Division 1 = all 7 winners
 - Division 2 = first 6 winners
 - Division 3 = first 5 winners
- The winning dividend is based on the net prize pool in each division (after deductions and jackpots are applied) and the number of winning tickets in each division.

3. The German Marketplace

	Population 2006 (est)	GDP 2006 US\$ (b)	Mobile Users 2005	Internet Users 2007
Germany	82,422,299	2,600	79,200,000	50,471,212
Sweden	9,016,596	285	8,430,000	5,097,822
Australia	20,264,082	666	18,420,000	14,729,191

Source: CIA Factbook & InternetWorldStats.com

No. of Trotting Races per year



- Features of the Germany market:
 - Large population base
 - Strong economy
 - Member of European Union
 - Significant Internet and mobile users
 - Developed online market



4. German Trotting Industry

Racecourse	Total Races		Tote Turnover	
	2005	2006	2005 (€)	2006 (€)
* Berlin-Karlshorst	454	475	3,104,646	3,116,130
Berlin-Mariendorf	630	646	7,728,964	7,442,975
Dinslaken	614	630	9,106,218	7,603,596
Elmshorn	375	104	2,030,756	567,969
Gelsenkirchen	794	466	10,429,812	5,171,903
* Hamburg	1054	905	10,721,310	7,301,252
Mönchengladbach	603	360	4,870,331	2,424,729
München-Daglfing	420	403	4,488,156	3,552,629
* Pfaffenhofen	380	386	3,709,613	3,108,730
Pfarrkirchen	22	23	201,111	203,783
Recklinghausen	587	409	5,619,688	3,581,186
Straubing	421	293	2,744,586	1,486,490
	6,354	5,100	64,755,191	45,561,372

Source: www.trot-online.de

* Signatories to the Accession Agreement

- “the market for betting on horses will revive as soon as the changes in strategy ... are implemented and once extensive cooperative arrangements with TV stations and foreign market leaders .. take hold.”
- “The online betting market is becoming more and more important ... traditional retail businesses are beginning to add Internet offers to their line of sales channels”

Source: Media & Entertainment Consulting Network - “The German Betting Market in Transition”, Sept 2005



5. Market Potential for the “V75” product

Trotting Betting in 2005 (€m)

Country	On course betting	Off course betting	Total Betting
Germany	26.8	38.0	64.8
Finland	28.6	221.1	249.7
Norway	32.9	292.7	325.6
Sweden	147.4	1,077.7	1,225.1
Italy	104.6	1,619.0	1,723.6
France	123.3	4,118.9	4,242.2

Source: Union of European Trotting (UET)

	Population	V75 turnover
Sweden	9 m	€ 694 m
Germany	82 m	New product

Source: Pop. - CIA Factbook / Turnover - ATG

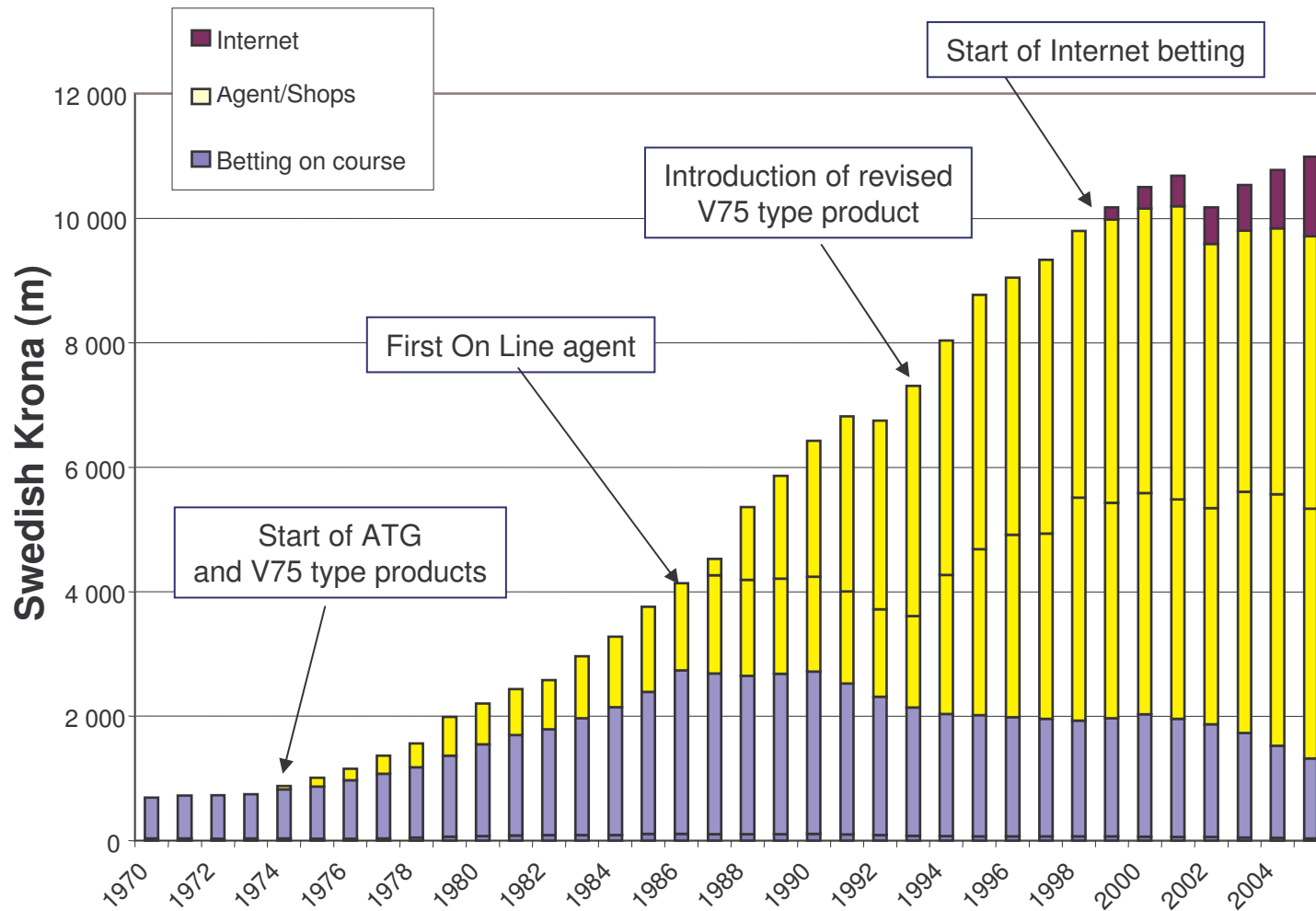
- Germany has a strong propensity for “lottery” style bets, spending more than €5 billion in 2005

Source: *lotteryinsider.com.au*

- Europe’s most successful betting countries on trotting products are those who have developed a successful off course distribution network
- Major success factor of Sweden’s V75 product is from off-track betting
 - “V75” jackpot trotting products supported by broadcast and media
 - Increased distribution channels



Swedish Racing & Trotting (ATG) 1974 – 2005



- In 2005, the V75 products accounted for 57% of total trotting turnover.
- Success has been driven by agencies, with recent growth generated from the Internet
- “Popularity is attributed to the relationship between the media and the “V75” wager.”

Source: Horse Racing in Sweden: John Forbes 2005



\$1 AUD = 5.6 Swedish Krona

6. Rewards to the industry

- New services and revenue for the racetracks
 - Earnings for modernisation of racetracks and upgrading technology
- Development and realisation of new sales channels and new customers
- Product exposure to Centrebet's existing customers
- Increased race prize money
- New returns for German trotting (direct advantages for breeders, owners, drivers)
- Stronger racing fields
- National and International promotion of the industry

7. Centrebet's approach

- Operate under full compliance with the laws of Germany and the European Union
- Work with Traberliga to build and expand the agency network and other distribution channels for the “V75” product
- Together with Traberliga, develop media and broadcast partnerships for “V75” racing to increase coverage and customers
- Cross sell “V75” to all Centrebet European clients, especially to Swedish, Danish and Norwegian markets where there is an existing awareness and strong appetite for the “V75” bet type
- Target international agents, including other wagering operators, to promote and sell the “V75” product. Agency agreements will include the option to broadcast the “V75” product
- Explore other German and European joint ventures, strategic alliances and cooperative partnerships



8. Traberliga Snapshot

Registered Association

- Registered non-profit association
- Accredited breeding association
- German trotting industry supervising body

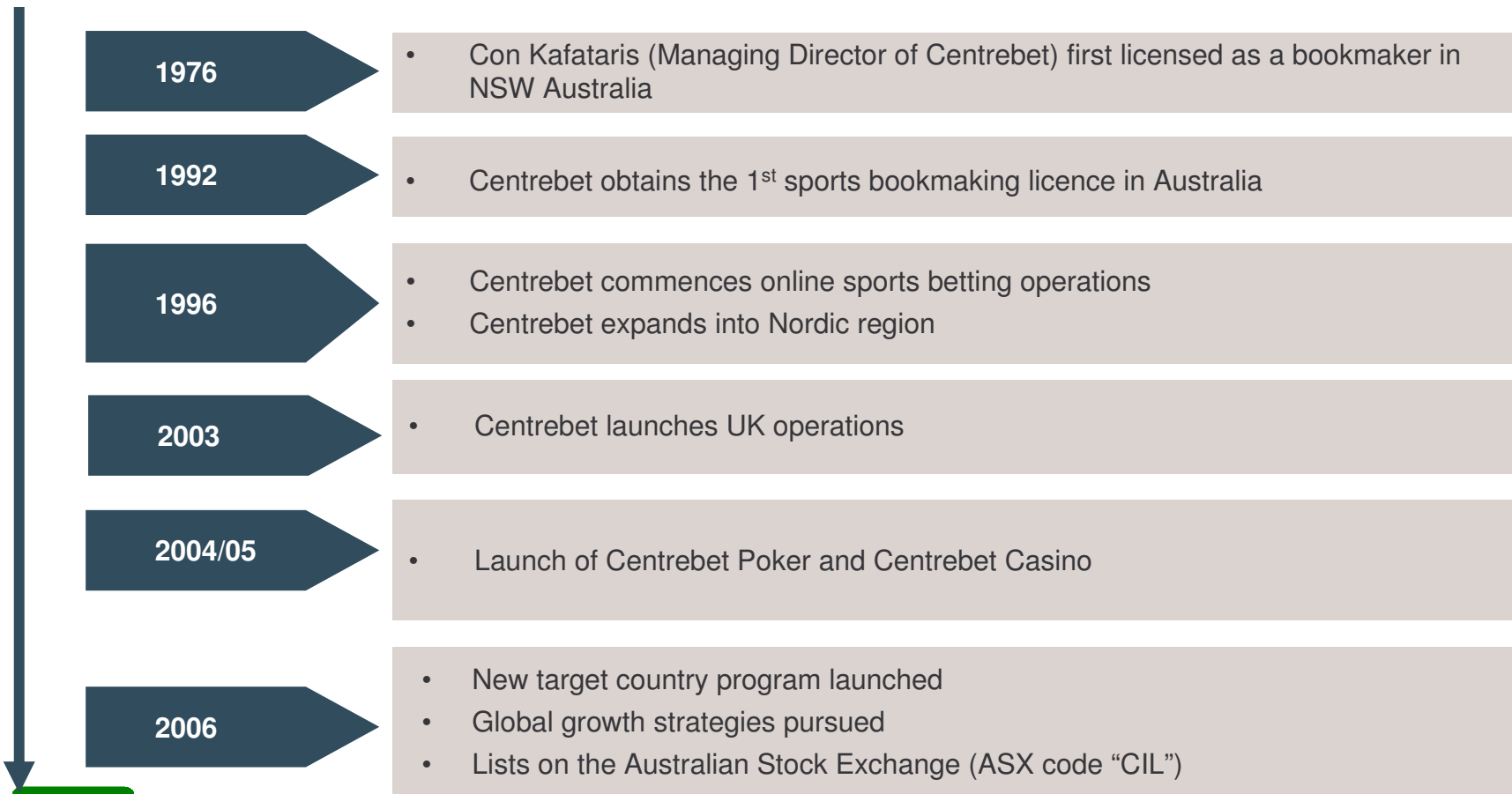
Membership

- Associations and racetracks
- Owners and breeders
- Activists and supports of German trotting and breeding

Racetracks

- Hamburg
- Berlin-Karlshorst
- Pfaffenhofen

9. Centrebet Snapshot



9. Centrebet Snapshot (continued)

Sports Wagering

- Team of 37 experienced bookmakers
- Sports include European football leagues, baseball, basketball, ice hockey, tennis and many other sports
- Centrebet offers in excess of 7,400 individual betting events on a weekly basis

Racing Wagering

- Team of 30 experienced bookmakers and analysts
- Covers over 1,400 races on average per week, across 8 countries
- Covers horses, greyhounds and harness/trotting

Experience & Opportunities

- Numerous new market opportunities identified
- Mobile betting platform for V75 product
- Significant marketing initiatives
- Affiliates Program utilising business to business agreements with other online operators to promote V75 and drive customer participation
- Experienced Customer Relationship Management team to provide excellence in customer service
- Leverage off the integrity of the Centrebet brand and client base

10. Centrebet Team

Employees by function	
Bookmakers (sports and racing)	67
Operations & HR	70
IT & Business Development	23
Finance	13
Marketing	13
Gaming	8
Management	11
Total	205



11. Contact Details

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