

ASX RELEASE

30 January 2013

Cash Flow Statement and Investor Update

Update on Corporate Restructure

The Company is now in the final stages of completing its merger with Donaco Singapore Pte Ltd, which owns a 75% interest in the Lao Cai International Hotel, a successful boutique casino in Vietnam. Shareholders overwhelmingly supported the transaction at the Company's AGM on 19 December 2012. The merger will create a larger, stronger, cash flow positive and profitable ASX-listed entity, with significant international exposure.

The Company's securities have now been consolidated on a 20 for 1 basis, and new holding statements have been mailed to shareholders.

Through its prospectus dated 13 December 2012, the Company has secured \$743,800 in new funds (before capital raising costs). The Company has also issued bonus options to existing shareholders on a 1 for 2 basis, at an exercise price of \$0.30 (post consolidation). This provides for up to an additional \$2,100,000 in funding if all options were exercised.

Conditional approval for re-admission been granted by the ASX. Re-admission is expected to occur on **1 February 2013**.

The Company's name will change on the ASX to **Donaco International Limited**. The ASX code will be **DNA**.

Cash flow statement for the quarter ending 31 December (attached)

The cash flow statement below relates to the old Two Way business, and does not yet reflect any positive changes from the Corporate Restructure outlined above.

Key details are as follows:

1. **Receipts from customers** \$517,000

Customer receipts were up 64% on the previous quarter.

Way2Bet receipts were up 109% on the previous quarter. The online and mobile sites recorded their strongest results to date, with significant increases in traffic arising from both the Spring Racing Carnival and ongoing growth as a result of effective search engine optimisation and social media campaigns during the quarter. This was further enhanced by the launch in August of the *Scorcher* multi-sport live scores application across the Triple M radio network.

TAB Active receipts were up 24% on the previous quarter. This was in line with expectations given the quarter included the Spring Racing Carnival.

New Zealand games service receipts were also up on previous quarter due to delayed receipt of July and August revenues in October. Monthly revenues remained essentially unchanged at approximately \$11,000 per month.

2. **Net operating cash flow** (\$122,000)

Reduced staff costs during the quarter reflected the flow-on effect of the management restructure in July, and a further general tightening of discretionary spend across all cost categories.

Advertising costs increased in the quarter and were solely directed at the Way2Bet online and mobile portal. The results of this spend were reflected in the increased receipts noted above.

A number of one-off costs associated with the Corporate Restructure and prospectus issue were incurred during the quarter. These costs have largely been deferred and will be settled from the proceeds of the capital raising.

3. **Total net cash flow** (\$122,000)

During the quarter, the Company successfully claimed a Research and Development tax incentive for the 2011/12 financial year, totalling \$226,000. This was due prior to the quarter end, but was not physically received until 9 January 2013.

4. **Cash on hand** **\$161,000**

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 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, www.bookiebestbet.com.au, www.rugbyleaguebestbet.com.au, www.aussierulesbestbet.com.au, www.footballbestbet.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, Sky New Zealand and LG Electronics.

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



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 2012

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	517	832
1.2 Payments for		
(a) staff costs	(320)	(669)
(b) advertising & marketing	(57)	(84)
(c) research & development	-	-
(d) leased assets	(1)	(2)
(e) other working capital		
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	2	4
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other – Telecommunications Costs	(95)	(190)
Other – Consultants' Fees	(62)	(159)
Other – Rental Costs	(27)	(52)
Other – Product Development	-	(27)
Other Expenses	(79)	(151)
Net operating cash flows	(122)	(498)

+ 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 (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(122)	(498)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
(f) short term deposit		
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		
(f) short term deposit		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other – loss on sale of deposits at call		
Net investing cash flows	0	0
1.14 Total operating and investing cash flows		
Cash flows related to financing activities		
1.15 Proceeds from capital raising	0	250
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 – share issue expenses	0	(17)
Net financing cash flows	0	233
Net increase (decrease) in cash held	(122)	(265)
1.21 Cash at beginning of quarter/year to date	283	426
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	161	161

+ 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	90
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

Included in Staff Costs in Item 1.2 are Board Fees paid to non-executive directors or their related entities amounting to \$89,748. Board fees for this quarter were higher than in previous quarters primarily due to payment in October of one director's outstanding board fees dating back to October 2011.

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

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

+ See chapter 19 for defined terms.

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

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	0	0
3.2 Credit standby arrangements	N/A	
3.3 Explanation necessary for understanding transactions		

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	161	283
4.2 Deposits at call	0	0
4.3 Bank overdraft	0	0
4.4 Other (provide details)	0	0
Total: cash at end of quarter (item 1.23)	161	283


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		

+ See chapter 19 for defined terms.

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: 30 January 2013
(Company Secretary)

Print name: Rointon Nugara