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9 February 2009

Australian Stock Exchange Limited ("ASX")
Company Announcements Office
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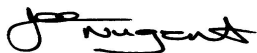
INTERNATIONAL ALL SPORTS LIMITED

**Appendix 4D
Half Year Report
Lodged with the ASX under Listing Rule 4.2A.3**

Half Year Ended 31 December 2008
(Previous corresponding period – Half Year Ended 31 December 2007)

The Directors of International All Sports Limited ("IAS") attach the half year results for the period ended 31 December 2008.

Enquiries can be directed to John Nugent, Chief Financial Officer & Company Secretary, International All Sports Limited on +61 3 9948 9948.



JOHN NUGENT
Chief Financial Officer & Company Secretary

Appendix 4D
Half Year Report
Lodged with the ASX under Listing Rule 4.2A.3

Half Year Ended 31 December 2008
(Previous corresponding period – Half Year Ended 31 December 2007)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Table 1 - Summary Income Statement for the Half Year ended 31 December 2008

	1st Half 2008 (\$m)	1st Half 2007 (\$m)	Change %
Wagering Turnover	599.44	583.41	2.75
Operating Revenue	28.84	23.29	23.85
EBITDA	5.02	1.92	161.17
Net Profit before tax	3.68	0.48	664.34
Profit after tax from continuing operations	1.35	0.29	359.29
Profit attributable to members of the parent entity	1.35	0.36	275.90

Table 2 - Earnings per Share

	1st Half 2008 (cps)	1st Half 2007 (cps)	Change %
Basic Earnings per share	2.03	0.54	275.90
Diluted Earnings per share	1.98	0.53	273.82
Dividend per share	0.00	0.00	

Table 3 - Assets per Security

	1st Half 2008 (cps)	1st Half 2007 (cps)	Change %
Net Assets per Security	0.51	0.54	(5.53)
Net Tangible Assets per Security	0.22	0.23	(5.35)

**INTERNATIONAL ALL SPORTS LIMITED
AND CONTROLLED ENTITIES**

A.C.N. 066 967 502

**INTERIM FINANCIAL REPORT
HALF YEAR ENDED
31 DECEMBER 2008**

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DIRECTORS REPORT

The Directors submit their report on the Company and its controlled entities for the six months ended 31 December 2008.

DIRECTORS

The names of Directors of the Company in office at any time during or since the end of the interim period are:

Mr. Mark Read
Mr. Barry Coulter
Mr. Peter Woodhead

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

OPERATING RESULTS

After recognising an income tax expense of \$2,329,746 (2007: \$188,000) and eliminating all minority interests, the consolidated profit of the Company amounted to \$1,346,000 (2007: \$358,000).

DIVIDENDS PAID OR RECOMMENDED

No dividends were declared or paid for the interim period ended 31 December 2008 (2007: nil). The Directors do not recommend the payment of an interim dividend in respect of the period ended 31 December 2008.

REVIEW OF OPERATIONS

The International All Sports ("IAS") Board of Directors are pleased to report the Company has achieved a profitable outcome for the six months ended 31 December 2008. Highlights for the first half of the 2009 financial year were:

- An overall profit from operations before income tax of \$3.68M. This result compares to a profit of \$0.48M for the half year ending December 2007.
- Strong EBITDA result of \$5.02M for the half year ending 31 December 2008. This represents a 161% increase on the \$1.92M for the corresponding period last year.

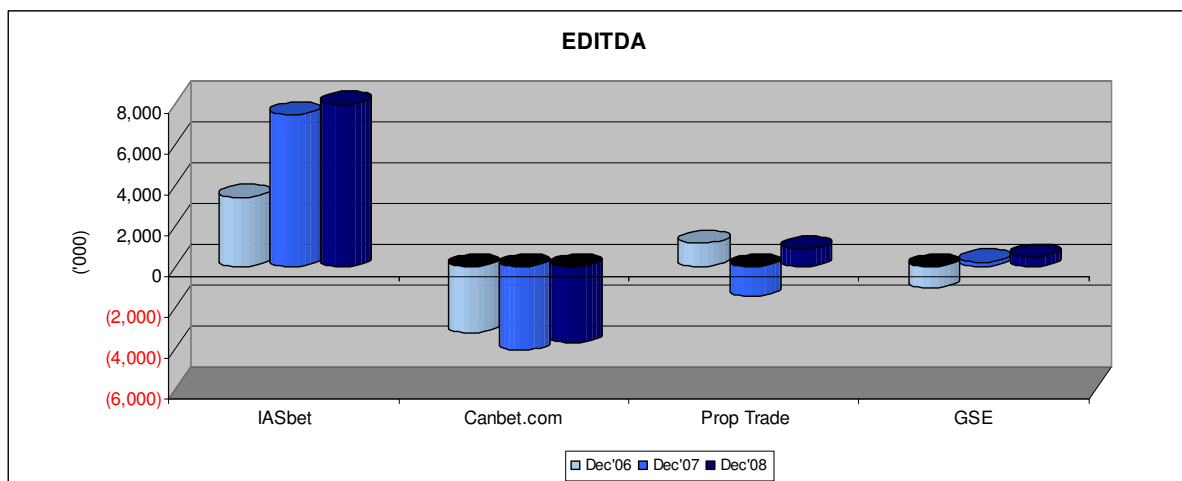
Company turnover only increased by 2.75% as the business model continued to evolve. The business model focuses on retail recreational customers and continues to move away from a dependence on high staking professionals and credit customers for turnover. The result was a substantial 23.85% increase in operating revenue. The main factors behind the increase in operating revenue were:

- The Company's core business IASbet.com, achieved a 12% increase in revenue for the period due to an above industry win rate of 7.55%. The win rate of 7.55% is a pleasing result and the elevated win rate is expected to continue in the second half of the 2009 financial year.
- The Proprietary Trade business unit increased its revenue by 75.29% to \$3.02M. This large increase was due to a full review of the business unit and the introduction of new hedging strategies in the second half of the 2008 financial year.
- After moving onto the Microgaming platform in late 2008 the Casino and Poker business unit continues to grow. This maturing business unit contributed an additional \$0.82M to operating revenue in the first half of 2009 compared to the previous year.

The Company was able to effectively control operating expenses (excluding depreciation and abnormals) as a percentage of turnover to 3.94% (3.66% in prior year). Although the operating expenses have increased in the first half of the 2009 financial year, there were a number of additional industry wide costs the Company had to bear:

- The introduction of Product Fees on NSW thoroughbred racing levied at 1.5% of turnover on NSW races. This new fee commenced 1 September 2008 and added an additional \$0.53M to the Company's operating expenses (IAS continues to pay this fee under duress and has commenced legal action to resolve this issue).
- The Company's marketing expenses increased by \$2.17M due to the timing of marketing campaigns and initiatives. The timing of these promotions coincided with the relaxing of the advertising laws in NSW and Victoria which allowed the Company to compete with the TAB's for the first time.

Business Unit Performance



Again the Company's overall performance was dominated by the core Australian business unit of IASbet.com. The major business unit highlights for the 6 months ending 31 December 2008 were:

- IASbet.com achieved an EBITDA of \$7.98M for the 6 months ending 31st December 2008. This was a 6.76% increase on the prior year and was an encouraging result considering the additional operating costs associated with NSW Product Fees.
- The Canbet business unit, although reporting an EBITDA loss of (\$3.72M) improved by 8.85% compared to the previous financial year. Due to the current economic climate in Europe it is becoming increasingly difficult to turn the Canbet business into a profitable operation.
- The Proprietary Trade business unit returned an EBITDA of \$0.88M. This was an exceptional result driven by the Company's unique intellectual property applications.
- GSE, which is the Company's Asian facing sports and wagering business increased its EBITDA by \$0.25M in the 6 months ending December 31 2008. This improvement was a direct result of an increased win rate margin of 2.70% (2.28% in prior year).
- The Company's other business units, Austote, Poker & Casino and Read Rating continue to report small losses comparable to the prior year. These business units are constantly being reviewed with the aim of returning them to profitability in the second half of the 2009 financial year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 19.

ROUNDING OF AMOUNTS

The Company is a kind referred to in Class Order 98/100, issued by the Australia Securities and Investment Commission, relating to the "rounding off" of amounts in the Director's Report and Financial Report. Amounts in the Director's Report and the Financial Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed in accordance with a Resolution of the Board of Directors.

MARK READ
Director

PETER WOODHEAD
Director

Dated this 9 February, 2009

DIRECTORS' DECLARATION

The Directors of International All Sports Limited declare that:

1. the interim financial statements and notes, as set out on pages 5 to 18 are in accordance with the Corporations Act 2001:
 - a. comply with Australian Accounting Standard AASB 134 *Interim Financial Reports* and the Corporations Act 2001; and
 - b. give a true and fair view of the financial position as at 31 December 2008 and performance for the period ended on that date of the economic entity;
2. the Chief Financial Officer has declared that:
 - a. the financial records of the Company for the interim period have been properly maintained in accordance with Section 288 of the Corporations Act 2001;
 - b. the interim financial statements and notes comply with Australian Accounting Standard AASB 134 *Interim Financial Reports*; and
 - c. the financial statements and notes for the financial year give a true and fair view.
3. in the directors' 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.

Signed in accordance with a Resolution of the Board of Directors.

On behalf of the Directors



MARK READ
Director



PETER WOODHEAD
Director

Dated this 9 February, 2009

INTERNATIONAL ALL SPORTS LIMITED A.C.N 066 967 502
And Controlled Entities

Interim Income Statement
Period ended 31 December 2008

	Note	Economic Entity	
		2008 \$'000	2007 \$'000
Wagering turnover		599,437	583,406
Comprising:			
- Wagering by customers		489,719	457,521
- Wagering investments		109,718	125,885
Revenue from operations			
Wagering – customers		24,890	20,260
Wagering – investments		3,022	1,724
Sales revenue		263	481
Interest revenue		501	390
Other revenue		167	433
Total revenue from operations		28,843	23,288
Expenses from operations			
Direct costs		(4,550)	(4,792)
Information technology and systems development		(1,693)	(2,041)
Employee benefits	3(a)	(6,526)	(6,719)
Administration expenses	3(b)	(2,778)	(2,171)
Depreciation and amortisation	3(a)	(1,348)	(1,443)
Travel and transportation		(335)	(312)
Occupancy		(898)	(973)
Borrowing costs	3(a)	(34)	-
Marketing		(5,106)	(2,934)
GST expense		(1,899)	(1,422)
Total expenses from operations		(25,167)	(22,807)
Profit/(loss) from operations before income tax		3,676	481
Income tax (expense)/benefit	4	(2,330)	(188)
Profit/(loss) from operations after income tax expense/(benefit)		1,346	293
(Profit)/loss attributable to minority interests		-	65
Profit/(loss) attributable to members		1,346	358
Basic earnings per share (cents)		2.03	0.54
Diluted earnings per share (cents)		1.98	0.53
Dividends per share (cents)		N/A	N/A

This statement should be read in conjunction with the accompanying notes.

INTERNATIONAL ALL SPORTS LIMITED A.C.N 066 967 502
And Controlled Entities

Interim Balance Sheet
As at 31 December 2008

	Economic Entity	
	December	June
	2008	2008
	\$'000	\$'000
Current Assets		
Cash	26,488	26,218
Receivables	2,042	2,286
Inventories	16	16
Other	734	700
Total Current Assets	29,280	29,220
Non-Current Assets		
Property, plant and equipment	2,148	2,264
Deferred tax assets	8,843	8,631
Intangibles	19,420	19,901
Total Non-Current Assets	30,411	30,796
Total Assets	59,691	60,016
Current Liabilities		
Payables	21,511	24,643
Current Tax Payable	1,993	-
Interest bearing liabilities	279	220
Provisions - employee entitlements	1,560	2,381
Total Current Liabilities	25,343	27,244
Non-Current Liabilities		
Interest bearing liabilities	325	472
Provisions - employee entitlements	147	124
Total Non-Current Liabilities	472	596
Total Liabilities	25,815	27,840
Net Assets	33,876	32,176
Equity		
Contributed equity	44,723	44,723
Reserves	(980)	(1,334)
Retained profits (losses)	(9,867)	(11,213)
Parent Entity Interest	33,876	32,176
Outside equity interests	-	-
Total Equity	33,876	32,176

This statement should be read in conjunction with the accompanying notes.

**INTERNATIONAL ALL SPORTS LIMITED A.C.N 066 967 502
And Controlled Entities**

**Interim Cash Flow Statement
Period ended 31 December 2008**

	Economic Entity	
	2008	2007
	\$'000	\$'000
Cash flow from operating activities		
Cash received in course of operations	599,437	641,747
Cash payments in course of operations	(597,620)	(637,330)
Interest received	488	390
Interest paid	-	-
Commonwealth Bank refund (paid)	(1,000)	(1,000)
Income tax refund (paid)	(486)	-
Net cash movement from operating activities	819	3,807
Cash flows from investing activities		
Purchase of property, plant and equipment	(438)	(1,335)
Purchase of intangible assets	(313)	-
Movement in security deposits	-	-
Loans intercompany	-	-
Receipts from sale of property, plant and equipment	-	-
Net cash movement from investing activities	(751)	(1,335)
Cash flows from financing activities		
Proceeds from finance leases	-	-
Repayment of finance leases	(88)	-
Dividends paid	-	-
Dividends received	-	-
Net cash movement from financing activities	(88)	-
Net cash increase / (decrease)	(20)	2,472
Cash at beginning of period	26,218	25,168
Effect of exchange rates on cash holdings of foreign currencies	290	825
Cash at end of period	26,488	28,465

This statement should be read in conjunction with the accompanying notes.

INTERNATIONAL ALL SPORTS LIMITED A.C.N 066 967 502
And Controlled Entities

Interim Statement of Changes in Equity
Period ended 31 December 2008

Attributable to equity holders of the parent

CONSOLIDATED	Issued Capital \$'000	Retained Earnings \$'000	Other Reserves \$'000	Total \$'000	Minority Interests \$'000	Total Equity \$'000
As at 1 July 2007						
Opening balance	44,723	(8,560)	(1,065)	35,098	-	35,098
Currency translation differences	-	-	(359)	(359)	-	(359)
Profit/(loss) for the period	-	(2,653)	-	(2,653)	-	(2,653)
Cost of share-based payment	-	-	90	90	-	90
Equity dividends	-	-	-	-	-	-
As at 30 June 2008	44,723	(11,213)	(1,334)	32,176	-	32,176
As at 1 July 2008						
Opening balance	44,723	(11,213)	(1,334)	32,176	-	32,176
Currency translation differences	-	-	354	354	-	354
Profit/(loss) for the period	-	1,346	-	1,346	-	1,346
Cost of share-based payment	-	-	-	-	-	-
Equity dividends	-	-	-	-	-	-
As at 31 December 2008	44,723	(9,867)	(980)	33,876	-	33,876

This statement should be read in conjunction with the accompanying notes.

INTERNATIONAL ALL SPORTS LIMITED A.C.N 066 967 502

And Controlled Entities

Notes to the Interim Financial Statements

For the period ended 31 December 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The interim financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is also recommended that the interim financial report be considered together with any public announcements made by International All Sports Limited and its controlled entities during the half year ended 31 December 2008 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The interim financial report covers the Group of International All Sports Limited and controlled entities. International All Sports Limited is a listed public company incorporated and domiciled in Australia.

The interim financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Company under ASIC Class Order 98/1000. The Company is an entity to which the class order applies.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Statement of Compliance

The interim financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reports* and the Corporations Act 2001. The report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

(b) Principles of Consolidation

A controlled entity is any entity controlled by International All Sports Limited. Control exists where International All Sports Limited has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so that the other entity operates with International All Sports Limited to achieve the objectives of International All Sports Limited.

All intercompany balances and transactions between entities in the Group, including unrealised profits or losses, have been eliminated on consolidation.

(c) Property, Plant and Equipment

Property, plant and equipment are brought to account at cost less where applicable, any accumulated depreciation or amortisation.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating-unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

INTERNATIONAL ALL SPORTS LIMITED A.C.N 066 967 502
And Controlled Entities

Notes to the Interim Financial Statements
For the period ended 31 December 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, are depreciated on a straight line basis over their estimated useful lives to the entity, commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

All items of property, plant and equipment other than freehold land are depreciated using the straight-line method at the following rates:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	10% - 33%
Motor Vehicles	15%
Leased Assets	25% – 33%

(d) Foreign Currency

The interim financial statements are presented in Australian dollars (A\$), which is the Group's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

The functional currency of the foreign operations is the currency in circulation in the country they each reside in. As at the reporting date, the assets and liabilities of these subsidiaries are translated into the Group's presentation currency (A\$) at the rate of exchange ruling at the balance sheet date, and their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to the foreign currency translation reserve within equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the Income Statement.

(e) Inventories

Inventories represent the stock of computers and component parts used in the delivery of Racepack and Read Rating technology to the Company's customers. Inventory is measured at the lower of cost and net realisable value.

(f) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entities within the Group are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

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

**INTERNATIONAL ALL SPORTS LIMITED A.C.N 066 967 502
And Controlled Entities**

**Notes to the Interim Financial Statements
For the period ended 31 December 2008**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(g) Revenue Recognition

- 1) Wagering Turnover comprises:
 - Wagering by clients – which represents the value of bets received from clients and settled on completed events during the year; and
 - Wagering investments – which represents the value of bets placed with other bookmakers and TAB's.
- 2) Wagering Revenue is the net of wagering wins and losses and is recognised at the point when the event to which the wager relates is officially completed and settled. Settlement by the Group usually takes place within one day of the events completion.
- 3) Sales Revenue represents subscription revenues from Racepack and Read Ratings.

(h) Intangibles

Intellectual Property:

The intangible asset relates to copyright of the "Read Rating Form Database" and other databases that have been acquired or developed over a period of time. The databases are continually refreshed with new information and consequently represent intangible assets with an indefinite life. The assets are measured at cost less any accumulated impairment losses and are not amortised. Impairment is assessed annually or when there is an indicator that impairment exists.

Goodwill:

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses and is not amortised. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Software Development:

Significant items of carry forward expenditure described as Software Development, which have a benefit enduring for more than one year are capitalised as an intangible asset. The assets have a finite useful life and accordingly expenditure is being amortised on a straight-line basis over a period not exceeding 5 years beginning when the benefits resulting from the asset's use are first derived. Impairment is assessed annually or when there is an indicator that impairment exists.

(i) Receivables

Trade accounts receivable, amounts due from related parties and other receivables represent the principal amounts due at balance date plus accrued interest and less where applicable, any specific provision for doubtful debts.

**INTERNATIONAL ALL SPORTS LIMITED A.C.N 066 967 502
And Controlled Entities**

**Notes to the Interim Financial Statements
For the period ended 31 December 2008**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(j) Accounts Payable

Accounts payable represent the principal amounts outstanding at balance date plus where applicable, any accrued interest.

In relation to income from bookmaking, some sports bets are received well in advance of the event to which they relate. These amounts received from punters are recorded as a deferred income liability and the resulting profit and loss is recognised in the period in which the results of the event are finalised and settled.

Amounts received 30 days or more in advance of the event are held in a separate bank account and are included as cash at bank.

(k) Income Tax

Current tax:

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax:

Deferred income tax is provided on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carried-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

**INTERNATIONAL ALL SPORTS LIMITED A.C.N 066 967 502
And Controlled Entities**

**Notes to the Interim Financial Statements
For the period ended 31 December 2008**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

International All Sports Limited and its wholly-owned subsidiaries have formed an income tax consolidated group under the tax consolidation regime. International All Sports Limited is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidated group. The tax consolidated group has entered a tax sharing arrangement whereby each company in the Group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(l) Employee Entitlements

Provision is made for the Group's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave that will be settled after one year have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

(n) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash includes cash on hand and at call deposits with banks, financial institutions, TAB's, and other corporate bookmakers, net of bank overdrafts.

(o) Goods and Services Tax

Goods and Services Tax (GST) is payable on wagering revenue and as such is an expense to the Economic Entity. GST associated with wagering revenue is brought to account in the income statement as an expense item.

Other revenues, expenses and assets are recognised net of the amount of GST except where:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition; and
- receivables and payables are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

INTERNATIONAL ALL SPORTS LIMITED A.C.N 066 967 502 And Controlled Entities

Notes to the Interim Financial Statements For the period ended 31 December 2008

NOTE 2: DIVIDENDS PAID AND PROPOSED

No dividends were declared or paid for the interim period ended 31 December 2008 (2007: nil). The Directors do not recommend the payment of an interim dividend in respect of the interim period ended 31 December 2008.

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities before income tax has been determined after:

	Economic Entity	
	2008	2007
	\$'000	\$'000
(a) Expenses		
Depreciation and amortisation	1,348	1,443
Employee benefits	6,526	6,719
Rental of properties occupied by the group	678	802
Borrowing costs:		
- Finance lease charges	34	-
(b) ** Significant items of revenue and (expense):	\$'000	\$'000
Bad and doubtful debts (recovery)/expense	(114)	343
Foreign currency translation (profits)/losses	(188)	118
Business development project	200	119
	(102)	580

** These significant revenue and expense items are relevant in explaining the financial performance:

NOTE 4 TAX EXPENSE

	Economic Entity	
	2008	2007
	\$'000	\$'000
The components of tax expense comprise:		
Current Tax	985	356
Deferred Tax	239	(141)
(Over) / Under provision in prior years	1,106	(27)
	2,330	188

Australian Tax Office Audit

The Australian Taxation Office ("ATO") has commenced an audit of the International All Sports Limited Consolidated Tax Group and controlled foreign entities. The initial focus of the audit is on the formation of the International All Sports Limited Consolidated Tax Group.

At the time of this report the audit is in process and all information requested by ATO is being supplied. The IAS Board of Directors is currently not aware of any significant risks or exposures associated with this audit.

**INTERNATIONAL ALL SPORTS LIMITED A.C.N 066 967 502
And Controlled Entities**

**Notes to the Interim Financial Statements
For the period ended 31 December 2008**

NOTE 5: EVENTS SUBSEQUENT TO BALANCE DATE

Deferred Wagers

The results of events held to which deferred wagers existed at balance date have been reviewed and no provision for loss is considered necessary at the date of signing these accounts. Not all events for which deferred wagers were received have been concluded.

Takeover Offer

As reported at the 2007 Annual General Meeting, the Board commenced a formal sales process following initial unsolicited approaches that were made to the Company by potential bidders.

The Board, through its sale agents VMC Global Pty Ltd and Torch Partners Corporate Finance Limited, conducted an exhaustive process both domestically and internationally in search of potential bidders for its principal business, namely the IASbet.com business.

During the sales process the Board received further indicative expressions of interest for the business with some interested parties performing an intensive due diligence on IASbet.com.

The Sales Committee reviewed each indicative expression of interest for the business, however, in all instances either the price offered or conditions being sought by prospective purchasers would not have been in the best interests of the Company or its shareholders.

Accordingly, the Board resolved to withdraw the Australian operations from sale on 3 November 2008.

On 2 February 2009, Centerbet International Limited ("Centrebet") launched a proposed takeover offer to acquire all of the shares in IAS at \$0.28 per share and increasing to \$0.33 per share if Centrebet acquires 90% of the shares in IAS and moves to compulsory acquisition of all outstanding shares of IAS.

The Board notes that the Proposal is subject to a number of qualifications and conditions, including a more than 50% minimum level of acceptances and Centrebet being released from the confidentiality and standstill obligations that Centrebet voluntarily entered into as part of the sale process conducted last year when IAS invited interested parties to review and provide indicative offers for its Australian business, IASBet.com.

The Board of IAS has refused Centrebet's request to release it from the confidentiality and standstill obligations which were agreed to by Centrebet. IAS will vigorously defend any application by Centrebet to the Takeovers Panel, and is considering its rights and remedies in relation to Centrebet's flagrant breach of the confidentiality and standstill deed.

The Board of IAS considers that the Proposal significantly undervalues the shares of IAS.

At the time of this report no further information is known on the proposed takeover offer by Centrebet.

**INTERNATIONAL ALL SPORTS LIMITED A.C.N 066 967 502
And Controlled Entities**

**Notes to the Interim Financial Statements
For the period ended 31 December 2008**

NOTE 6: CONTINGENT LIABILITIES

Bookmaking Activity

A contingent liability at balance date, not quantifiable or provided for in the financial statements, is the potential for a controlled entity to lose money on uncovered bets in its bookmaking activity. Although attempts are made to manage and limit this exposure, it remains an inherent risk of the wagering industry.

Deferred Wagers

A contingent liability also exists in respect to the potential pay out on deferred wagers where monies are received prior to year end, but the event has not yet been held or finalised (2008: \$384,418; 2007: \$601,379). The nature of these wagers is such that the potential loss may exceed this amount.

Ferncourt Pty Ltd

A contingent asset at balance date exists for Ferncourt Pty Ltd ("Ferncourt"), a wholly owned subsidiary of International All Sports, who commenced legal proceedings in the Supreme Court of Victoria in Melbourne against Gregory Kym Manuel, alleging misuse of Ferncourt's intellectual property. At the time of signing this report, a decision on this case had not been reached.

Takeover Offer

A contingent liability also exists in respect of legal expenses and associated costs relating to the proposed takeover by Centrebet. At balance date this contingent liability is not quantifiable or provided for in the financial statements.

**INTERNATIONAL ALL SPORTS LIMITED A.C.N 066 967 502
And Controlled Entities**

**Notes to the Interim Financial Statements
For the period ended 31 December 2008**

NOTE 7: SEGMENT REPORTING
Primary Reporting – Business Segments

For the six months ended 31 December 2008:

For the six months ended 31 December 2008									
	IASbet \$'000	Canbet.com \$'000	Proprietary Trade \$'000	GSE \$'000	Austote \$'000	Poker & Casino \$'000	Read Rating \$'000	Unallocated \$'000	Total \$'000
Turnover	266,155	63,418	109,718	123,935	590	35,621	-	-	599,437
Revenue	20,108	970	3,022	3,337	62	1,133	263	(52)	28,843
Total Costs	12,119	4,698	2,136	2,843	244	1,363	268	(52)	23,619
EBITDA	7,989	(3,728)	886	494	(182)	(230)	(5)	-	5,224
Depreciation	1,079	244	19	-	-	-	6	-	1,348
Abnormals	200	-	-	-	-	-	-	-	200
Net Profit/(Loss) before Tax	6,710	(3,972)	867	494	(182)	(230)	(11)	-	3,676

Segment reporting incorporates the allocation of Corporate overheads.

**INTERNATIONAL ALL SPORTS LIMITED A.C.N 066 967 502
And Controlled Entities**

**Notes to the Interim Financial Statements
For the period ended 31 December 2008**

NOTE 7: SEGMENT REPORTING (CONT)
Primary Reporting – Business Segments

For the six months ended 31 December 2007:

For the six months ended 31 December 2007									
	IASbet \$'000	Canbet.com \$'000	Proprietary Trade \$'000	GSE \$'000	Austote \$'000	Poker & Casino \$'000	Read Rating \$'000	Unallocated \$'000	Total \$'000
Turnover	235,145	88,147	125,885	127,322	2,269	7,499	-	(2,861)	583,406
Revenue	17,912	(354)	1,724	2,905	132	310	486	173	23,288
Total Costs	10,429	3,736	3,135	2,669	257	744	354	40	21,364
EBITDA	7,483	(4,090)	(1,411)	236	(125)	(434)	132	133	1,924
Depreciation	1,198	218	23	-	-	-	6	(2)	1,443
Abnormals	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) before Tax	6,285	(4,308)	(1,434)	236	(125)	(434)	126	135	481

Segment reporting incorporates the allocation of Corporate overheads.

**INTERNATIONAL ALL SPORTS LIMITED A.C.N 066 967 502
And Controlled Entities**

**Auditor's Independence Declaration
For the period ended 31 December 2008**



9 February 2009

The Directors
International All Sports Ltd
Level 33, South Rialto Tower
525 Collins Street
Melbourne VIC 3000

**AUDITOR'S INDEPENDENCE DECLARATION TO
INTERNATIONAL ALL SPORTS LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of International All Sports Limited.

As lead audit partner for the review of International All Sports Ltd for the half- year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review

Yours faithfully,

WHK Horwath Melbourne


Hilton Miller
Partner

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INTERNATIONAL ALL SPORTS LIMITED A.C.N 066 967 502 And Controlled Entities

Independent Review Report For the period ended 31 December 2008



Independent Review Report

To the members of International All Sports Limited

Scope

The financial report and directors' responsibility

The financial report comprises the balance sheet, income statement, statement of changes in equity and accompanying notes to the financial statements for the consolidated entity comprising both International All Sports Limited (the company) and the entities it controlled during the half-year, and the director's declaration for the company, for the half-year ended 31 December 2008.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the consolidated entity, and that complies with Accounting Standard AASB 134 "Interim Financial Reporting", in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review Approach

We conducted an independent review of the financial report in order to make a statement about it to the members of the company, and in order for the company to lodge the financial report with the Australian Stock Exchange and the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the *Corporations Act 2001*, Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and of its performance as represented by the results of its operations and cash flows.

A review is limited primarily to inquiries of company 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.

Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Director's Report.

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Total Financial Solutions

A WHK Group firm

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**INTERNATIONAL ALL SPORTS LIMITED A.C.N 066 967 502
And Controlled Entities**

**Independent Review Report
For the period ended 31 December 2008**



Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of the consolidated entity, comprising International All Sports Limited and the entities it controlled during the half-year is not in accordance with:

- (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity at 31 December 2008 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.

WHK Horwath Melbourne

Hilton Miller
Partner

Date: 9 February 2009

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