

3 June 2009

Australian Stock Exchange Limited ("ASX")
Company Announcements Office
10th Floor
20 Bond Street
SYDNEY NSW 2000

IAS - ASX ANNOUNCEMENT / MEDIA RELEASE

Sportsbet makes a cash offer priced at A\$0.60 per share to acquire the shares in International All Sports by way of a Scheme of Arrangement

International All Sports unanimously recommends the transaction to its shareholders

Wednesday 3 June 2009; International All Sports Limited (ASX: IAS) and Sportsbet Pty Ltd (Sportsbet) have entered into an agreement (the Implementation Deed) whereby IAS will submit a scheme of arrangement to its shareholders under which Sportsbet agrees to acquire all of the shares in IAS that Sportsbet does not own for cash consideration of A\$0.60 per share. This offer values IAS at approximately A\$40million.

On 14 May 2009, Paddy Power plc (Paddy Power) entered into an agreement to acquire a 51% shareholding in Sportsbet. Paddy Power is the largest provider of online betting and gaming services in Ireland and a leading provider of such services in the UK. It operates over 250 retail licensed betting offices across Ireland and the UK. Paddy Power is listed on the Dublin and London Stock Exchanges and is capitalised at €820.3million (A\$1.5billion).

Commenting on the proposed acquisition, Barry Coulter, Chairman of IAS, said *"The IAS Board believes this transaction realises significant value for the shareholders and in the absence of a superior offer unanimously recommends it to shareholders"*.

Mark Read, Managing Director and major shareholder of IAS, added *"Since starting the business in 1995, I have worked very hard to ensure the business is a success. To that extent I am very proud that Sportsbet and Paddy Power believe that IAS will be a valuable addition to their existing businesses. I am excited about the future for a merged IAS/Sportsbet business."*

Matthew Tripp, Managing Director of Sportsbet, stated *"We are delighted to have reached an agreement with the IAS Board and see this transaction as a core part of the growth strategy for our business."*

The scheme is conditional on a number of matters including regulatory approvals which includes the Northern Territory Racing Commission. The scheme booklet, anticipated to be issued to IAS shareholders during August 2009, will provide shareholders with relevant details regarding the transaction, including an independent expert's report. The shareholder meeting to approve the scheme is expected to be held in late September 2009. A summary timetable of the expected key dates for the implementation of the transaction is set out below.

The Board of Directors of IAS unanimously recommends that IAS shareholders accept and vote in favour of the Scheme in the absence of a superior offer and subject to an Independent Expert concluding that the Scheme is in the best interests of the IAS shareholders. The Board of Directors of IAS, including Mark Read, intend to vote all of the shares in which they or their associates have a relevant interest in favour of the Scheme in the absence of a superior offer.

The transaction, as proposed, values each IAS share at A\$0.60 per share, which represents a premium on the Volume Weighted Average Price ("VWAP") of IAS shares over the last thirty trading days, up to and including 2 June 2009, of 30% and a premium of 231% on the VWAP of IAS shares over the last thirty trading days preceding Centrebet's announcement of an intention to make a takeover offer on 2 February 2009.

IAS' financial advisor for the transaction is Credit Suisse (Australia) Limited with Norton Gledhill as legal advisor. Sportsbet's financial advisor is Canterbury Partners with Minter Ellison as legal advisor. Paddy Power's financial advisor is Baron Partners with Gilbert & Tobin as legal advisor.

Expected Key Dates:

Event	Expected Date
Announcement of Scheme	3 June 2009
Finalise Scheme Booklet	4 August 2009
Obtain Court orders for an IAS EGM to be held to consider the Scheme	7 August 2009
Despatch the Scheme Booklet to the shareholders of IAS	13 August 2009
Hold the Court ordered meeting of shareholders of IAS to consider the Scheme	14 September 2009
Obtain from the Court an order approving the Scheme	25 September 2009
Lodge with ASIC an office copy of the Court order approving the Scheme	28 September 2009
Record Date	5 October 2009
Implementation Date	8 October 2009

Note: All dates above other than the announcement of the Scheme are indicative only and are subject to change without notice.

For further information contact:

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IAS Limited

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Summary of Scheme of Arrangement

Summary

International All Sports Limited (**IAS**) and Sportsbet Pty Ltd (**Sportsbet**) have entered into a scheme implementation deed (**Implementation Deed**).

The Implementation Deed sets out the obligations of IAS and Sportsbet in relation to a scheme of arrangement to be proposed to IAS Shareholders offering A\$0.60 cash for each share acquired under the scheme on the terms set out in a scheme of arrangement deed (**Scheme Deed**). A copy of the Implementation Deed (which may be without its schedules and immaterial content) and Scheme Deed will be set out in the Scheme Booklet that is to be provided to IAS Shareholders prior to the Scheme Meeting. A summary of some of the key terms of the Implementation Deed is set out below.

Conditions

Implementation of the Scheme is subject to the satisfaction or waiver of a number of conditions precedent including the following:

- any regulatory approvals required to implement the Scheme are obtained, such as the Northern Territory Racing Commission, the ACCC, ASIC, ASX, FIRB;
- no IAS or Sportsbet Material Adverse Event occurs between the date of signing the Implementation Deed and 8.00am on the Second Court Date;
- no IAS or Sportsbet Prescribed Occurrence occurs between the date of the Implementation Deed and 8.00am on the Second Court Date;
- no change of IAS Board recommendation between the date of the Implementation Deed and the date of the Scheme Meeting;
- IAS Shareholders approve the Scheme at the Scheme Meeting. The resolution for the Scheme must be passed by a majority in number of IAS Shareholders present and voting (in person or in proxy) and whose votes represent at least 75% of the total votes cast at the meeting; and
- the scheme is approved by the Supreme Court of Victoria.

Certain (but not all) of the conditions may be waived.

Material Adverse Event

An IAS Material Adverse Event includes:

- where one or more events or circumstances will have or has had individually or when aggregated with all such events or circumstances the result that IAS' EBITDA for its core businesses for the financial year ending 30 June 2009 is less than \$8,700,000; and
- IAS or any subsidiary charging or encumbering its assets.

An IAS or Sportsbet Material Adverse Event also includes if either Company or a subsidiary or controlled entity of that Company is wound up or an administrator or liquidator is appointed.

Prescribed Occurrence

An IAS Prescribed Occurrence includes any of the following events occurring on or after the date of the Implementation Deed:

- any issue of shares, options, rights to be issued securities or similar rights or any reorganisation of IAS' share capital;
- IAS declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its members;
- any member of the IAS Group making any change to its constitution;
- any member of the IAS Group agreeing to any loans or Encumbrances over the whole, or a substantial part, of its business or property; and
- an Insolvency Event occurring in relation to any member of the IAS Group.

A Sportsbet Prescribed Occurrence is limited to an Insolvency Event or the occurrence of any event that has caused or is likely to cause Sportsbet to be unable to pay the Scheme consideration

Termination

The Implementation Deed may be terminated prior to the Second Court Date if:

- there is a failure of a condition;
 - either IAS or Sportsbet is in material breach of the Implementation Deed;
 - the Scheme is not approved by the required majority of IAS Shareholders;
 - the Independent Expert opines that the Scheme is not in the best interests of IAS Shareholders;
 - by mutual agreement;
 - a Superior Proposal is recommended by the IAS Board; or
 - the Scheme has not occurred by 31 October 2009 (or such other agreed date)
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Exclusivity

Under the Implementation Deed, IAS has agreed to the following exclusivity arrangements until the Scheme is implemented or the deed is terminated (exclusivity period).

No shop

During the exclusivity period, IAS must not, and must ensure that none of its representatives, solicit, initiate or invite any discussions or proposals in relation to, or which may reasonably be expected to lead to, a Competing Proposal.

No talk

During the exclusivity period, IAS must not enter into or participate in any negotiations, discussions or agreement with any other person in relation to, or which may reasonably be expected to lead to, a Competing Proposal or potential Competing Proposal (other than making reference to the terms of this announcement of the Scheme),

including allowing or facilitating access to non-public information of the IAS Group or other due diligence investigations which might lead to a Competing Proposal, unless:

- IAS has received a bona fide Competing Proposal that was not solicited in breach of the deed;
- the Competing Proposal is in writing from a person the IAS Board reasonably believes has the financial capacity to implement such a proposal;
- the Competing Proposal could reasonably be expected to be a Superior Proposal to the scheme proposal; and
- the Board has formed the view that not taking the relevant actions outlined above would be reasonably likely to constitute a breach of their fiduciary or statutory duties.

Notification

IAS is also required to notify Sportsbet of the details of any approaches made to IAS that could reasonably be expected to lead to a Competing Proposal. IAS has agreed that within 2 Business Days after such notification is made, it will not agree to such Competing Proposal but will provide Sportsbet the opportunity to put forward a counterproposal (which if more favourable than the Competing Proposal will then, subject to the IAS Board's fiduciary and statutory duties, be implemented).

Break Fee

A break fee of 1% of the scheme consideration will be payable by IAS if:

- there is a change or withdrawal of the Board's recommendation
- a Superior Proposal is recommended by the IAS Board;
- Mark Read or his Associates vote against the Scheme; or
- a third party acquires a relevant interest in at least 25.1% of the IAS Shares or the whole or a substantial part of IAS' assets, business or property.

Competing Proposal

Competing Proposal means any proposal of possible transaction that may result in a person directly or indirectly acquiring 25.1% of the IAS shares (other than Sportsbet or Paddy Power or their related bodies corporate or associates).

Superior Proposal

Superior Proposal means a bona fide competing proposal that in the determination of the IAS Board acting in good faith is reasonably capable of being financed and completed within a reasonable period of time and which would, if completed, be likely to result in a transaction more favourable to the IAS shareholders than the Scheme or any Sportsbet Counterproposal, if any.
