



6 August 2004

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International All Sports Limited  
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**RE: ASX ANNOUNCEMENT**

Please find attached an ASX announcement addressing a merger agreement between International All Sports Limited ("IAS") and Canbet Limited ("CBT"). This is a joint announcement.

**Robert Edge**  
**Chief Executive**

ASX Announcement

6 August 2004

## International All Sports and Canbet join forces

Corporate bookmaking companies, International All Sports Ltd (ASX:IAS) and Canbet Limited (ASX:CBT), today signed a merger agreement whereby, subject to Federal Court of Australia and CBT shareholder approval, the businesses will operate under the IAS banner.

Announcing the merger agreement, Executive Chairman of IAS, Mark Read, said, "The synergies and expansion goals of both companies were the driving forces behind this merger. Both have a desire to expand their product ranges and their operations in other regions of the world.

Under the terms of the agreement signed today, IAS will provide a line of credit to CBT of \$1 million to assist the company with its immediate working operations. The credit facility will be secured by first mortgage over property held by CBT.

Immediately thereafter, IAS will subscribe for 51 million shares in the capital in CBT at a price of 2.04 cents per share (Total investment - \$1,040,400).

Then and subject to CBT shareholder agreement, every 25 CBT shares will be exchanged for one IAS share, thereby merging the two entities into IAS.

The merger process is expected to take approximately two months, and will be achieved by way of a scheme of arrangement.

Mr. Read said, "In the meantime, IAS will assume management and operation of Canbet from next Monday, 9 August 2004. At that point, our Chief Executive Officer, Robert Edge and I will become members of the CBT Board.

Following the merger process, Canbet will become a subsidiary of IAS.

Mark Read said, "This merger provides IAS with a number of benefits:

- • CBT has a substantial asset and operating base in the UK
- • The business specializes in sports betting which broadens our product base substantially beyond horse racing
- • CBT provides IAS entrée into the US sports betting arena
- • IAS will have control and ownership of a quality Internet betting business
- • It supports the Board's strategy to become a significant player in international betting

CBT Chairman, David De Campo said, "The Board of CBT welcomes this opportunity to benefit from the trading skills and product offerings of the IAS group. For example, until now we have not offered betting on horse racing to our clients.

“The merging of our capabilities will reduce joint overheads while providing clients of both companies with a greater product range from one betting agency offering superior Internet trading facilities.

Mr. Read said, “The united entity will have a turnover approaching \$1 billion on current trading activity (IAS in excess of \$500m and CBT over \$400m).

He said, “As a merged entity, IAS will have a diverse range of global products to offer to the international market.”

### **Enquiries**

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