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Press release

IAS STRONG AUSTRALIAN RESULT OVERCOMES OFFSHORE LOSSES

The outstanding performance of IASbet.com, Australia's first corporate bookmaker and the flagship of International All Sports (ASX Code: IAS), has underpinned the group's before income tax profit of \$481,000 for the six months to 31 December 2007. This result compares with a loss of \$8.73 million that included abnormals of \$7.93 million in the previous corresponding half.

The normalized EBITDA for this latest half was \$1.92 million compared with \$2.55 million in the previous corresponding half.

IASbet.com, the core Australian business of IAS, achieved 119% increase in EBITDA to \$7.48 million compared with \$3.41 million.

This strong result continues the growth in EBITDA that has come with scale; betting turnover has doubled over the past three years and IASbet.com's cost to revenue ratio has dropped from 80% in 2004-05 to 60% in the last half year.

On an annualised basis, IASbet.com's EBITDA has grown from \$3.35 million in 2004-05 to \$7.84 million in 2006- 07 and \$7.48 million in the first half year of 2007-08.

Managing Director Mark Read said: "It has taken a decade for IASbet.com, Australia's pioneer corporate bookmaker, to achieve critical mass in an often hostile and restrictive environment created by vested interests who hoped for bookmakers to become an extinct species.

"The Australian public has given the corporate bookmaker sector the 'thumbs up' and appreciates the better services and employment of today's information technology. The Dark Ages of wagering stagnation and loss of market share to gaming just before and 10 years after the privatisation of TAB has given way to sustained growth in all sectors of the wagering industry as TAB has lifted its game because of competition."

IASbet.com grew turnover 12% from \$210 million to \$235 million compared with the previous corresponding six-month period despite losing an estimated \$30 million because of the crippling effects of Equine Influenza ("EI") in the key New South Wales and Queensland markets.

IASbet.com's maturity is further demonstrated by its consistent above industry win rate. The average win rate over the past seven half years is 6.55%. The half year to 31 December 2007 saw this rise to 7.23%, an increase of 10.4% above the IASbet.com average margin.

Mr Read said: "IASbet.com win rate in the last period was helped by a good Melbourne Cup result, a major event that has incurred a considerable loss in the each of the past four years.

"The underlying predominant influence is a focused marketing drive for online recreational customers in conjunction with the promotion of higher yielding betting products."

IAS consolidated EBITDA was heavily reduced by results from the group's offshore business Canbet.com. For the half year to 31 December 2007, Canbet.com had an EBITDA loss of \$4.1 million.

Canbet.com, which was acquired by IAS in December 2004, was well established in the US market offering American sports and online gaming products.

But the forced closure of the US market to Canbet.com in late 2006 after the implementation of the *US Unlawful Internet Gaming Act* meant that IAS's international aspirations through Canbet.com would need to be realized with different products, markets and significant reorganization.

Mr Read said: "Through calendar year 2007 the Canbet.com focus was to develop international soccer and racing products and acquire gaming and poker platforms suitable for entry into new markets in Europe and Asia.

"There has been a heavy investment in the reinvention of Canbet.com as reflected by a negative EBITDA of \$4.1 million. There has been highly promising, above-budget turnover growth each month amounting to a first half figure of \$87 million. However, the immaturity of the business means there has been no margin to offset costs.

"These problems are common to a start-up wagering business and were similarly encountered in the initial phase of IASbet.com's development. Nonetheless the board is disappointed with Canbet.com's performance and the business plan is being reviewed."

IAS has other operating divisions that have reported mixed results for the six months to 31 December 2007. The hedging and proprietary trading arms, Global Sports Entertainment (GSE), Proprietary Trading and Ferncourt, had a combined loss of \$1.2 million. The other three businesses of Austote, Read Rating and International Poker and Casino had a combined loss of \$400,000.

IAS has announced that it has received approaches to acquire shares and or assets of IAS. IAS has appointed VMC Global Pty Ltd to assist in a sale process and produce an Information Memorandum in conjunction with the London-based Torch Partners Corporate Finance Ltd. IAS has appointed a Sales Committee to oversee the sale process and ensure the market remains fully informed.

The group's cash position remains strong with a balance of \$28.5 million of which \$19.7 million represents client funds deposited with IASbet.com or Canbet.com for future wagering.

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