



Unit 13, 112-118 Talavera Road, North Ryde, NSW, 2113, Australia

Phone : + 61 2 88174700 Fax : + 61 2 88174770

www.ebetgroup.com

eBet Limited

ABN : 59 056 210 774

APPENDIX 4E

Consolidated Preliminary Financial Statements

For the Year ended 30 June 2009

eBet Limited

ABN : 59 056 210 774

Appendix 4E - Preliminary Financial Report

Reporting period

Year ended 30 June 2009

Previous reporting period

Year ended 30 June 2008

Results for Announcement to the Market

	2009 000's	2008 000's	% Change
Revenue	25,270	29,081	-13.10% down
Net profit / (loss) after related income tax attributable to members of the parent entity	1,526	(158)	*

* A profit of \$1,526,000 was recorded for the current year and a loss of \$158,000 was recorded for the prior year. The change from loss to profit prevents a meaningful percentage change

Dividends

No dividends were paid or made payable during the year ended or since 30 June 2009

Brief explanation of any of any of the above necessary to enable the figures to be understood

Refer to Managing Director / CEO's report.

Net Tangible Asset Backing

	2009	2008
Net tangible asset / (liability) backing per ordinary security	(\$0.01)	(\$0.00)

Other Information

Control gained over entities having a material effect

Not applicable

Loss of control over entities having a material effect

Not applicable

Dividend or distribution reinvestment plans

Not applicable

Details of associates & joint venture entities

Name of group of entities:

Gaming Solutions Pty Limited (ACN 125 503 853)

Percentage held:

2009 2008

Share of profit (\$'000):

50% N/A

- N/A

eBet Online Inc (incorporated in Canada 002164016)

Percentage held:

Share of profit (\$'000):

50% N/A

- N/A

eBet Technologies Inc (incorporated in the USA E0418412008-5)

Percentage held:

Share of profit (\$'000):

50% N/A

- N/A

Audit status

This report is based on accounts which are in the process of being audited

Attachments

Any additional appendix 4E disclosure requirements can be found in the notes to the attached Consolidated Preliminary Financial Statements and the Managing Director / CEO's report.

Signed By



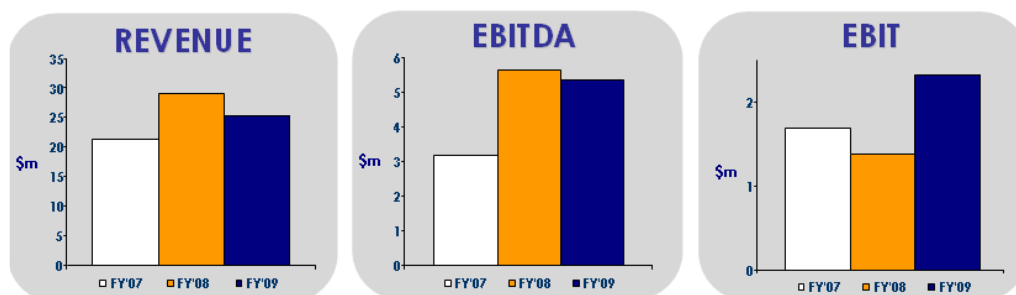
Tony Toohy - Managing Director / CEO

20 August 2009

Managing Director's Commentary

eBet's Full Year result for the period ended 30 June, 2009 was a \$1.588m Net Operating Profit against revenues of \$25.270m.

Key points in comparison to the prior corresponding period include:



Revenue

The 13% decrease in overall revenue is directly attributable to the impact of the external financial environment which has had a negative impact on the gaming industry. Many venues have suffered reduced top line revenues as a direct result of the introduction of smoking bans in NSW gaming venues and reduced capital expenditure capacity due to major capital expenditure commitments to address the new anti-smoking regime, and this has adversely affected their ability to finance major capital purchases.

However, there are signs this is changing for the better, and it is anticipated that venues will have increased capacity to spend on major capital purchases in FY 2010.

Recurring revenues increased by some 39% and contributed some 42% of the Group's total revenue. This result reflects the Group's continued focus on achieving a greater percentage of revenues from recurring sources through its licensed products and support services.

The Bounty group of companies contributed revenues of \$4.695m.

Expenses

The decrease in revenue was more than offset by the 18% decrease in expenses for FY 2009. The Group will continue to monitor its expense levels in FY 2010.

Gaming Systems

The Gaming Systems division continues to be the largest and core contributing division to eBet's revenues.

The Gaming Systems business will continue to concentrate on sales of the new EPS 3.0 operating system and IGMI interface. In addition, eBet has developed a unique migration path for legacy system customers, enabling them to migrate their gaming floor to the latest systems functionality in a staged process in accordance with their capital expenditure budgets. This migration path offers a unique solution for venues that may not have the capacity to purchase a new floor-wide solution upfront.

Final regulatory approval for release of eBet's unique Tikit™ ticket-based solution for older style poker machines was received in 3Q FY 2009. This product enables venues to offer a ticket-based (as opposed to cash) solution across their entire gaming floor, thereby enhancing player appeal and reducing venue operating costs. This product is expected to contribute to sales in FY 2010.

International sales revenue decreased to \$1.582m from \$1.912m (PCP), again a direct reflection of the global financial crisis. However, demand for the Group's products in international markets is expected to be significantly stronger in FY 2010, and the Group is well placed to increase revenues from this area.

eBet is reviewing the potential of opening a regional office in Asia to drive our international sales growth.

Online Division (Wagering)

The Online Division in the United States contributed reduced revenue of 19% from \$1.082m (PCP) to \$0.876m. The Online Division now contributes only some 3.5% of total revenue.

During FY 2008, eBet announced the formation of a joint venture company, eBet Online Inc, with the Toronto-based Woodham Group. eBet completed the joint venture negotiations and eBet Online Inc commenced as a new operating company on 1 July, 2009. During the year, eBet Online focused on enhancing and improving its online interface and increasing its functionality. This interface was completed in 3Q FY 2009. The launch with Penn National provided some very positive user feedback. The new interface has enabled eBet Online to expand its offering to a number of new tracks and affiliated sites in the USA. The Group has a positive outlook for its online operations in FY 2010.

Cash Flow

Cashflows from operations was \$6.939m due to increased recurring revenue, combined with cost restraints. This positive cash flow enabled the continued investment in future development and, most importantly, a continued focus on debt reduction resulting in the repayment of \$5.54m throughout FY 2009.

In addition, \$3m was spent on the acquisition of a perpetual licence from Sona Mobile Holdings Corp of the US over certain gaming and wagering software.

Financing

The Company expects to repay the remaining \$500k of debt owed to Causeway Financial by the end of 1Q FY 2010.

The Company is currently negotiating a refinancing package with St. George Bank Limited. The Company is confident of a positive outcome in the near future. The approved renegotiation of finance will be announced once final approval has been received.

Subsequent events

The Company recently announced the execution of a distribution and services agreement with US based WMS Gaming Inc. to distribute and support the Bluebird™ range of poker (slot) machines and games.

The current distribution territories are NSW (including Star City Casino), ACT and the Burswood Casino in WA. Field trials of the Bluebird™ range of poker machines have commenced at Dee Why RSL Club, and the results to date indicate a very high rate of customer acceptance. The 2nd stage of field trials will commence shortly at Dee Why RSL Club, Mounties (Mount Pritchard Community Club) and the Bulldogs (Canterbury) League Club.

eBet's proprietary translator device enables the conversion of the WMS SAS protocol poker (slot) machines so they can communicate with governing X-series protocol in NSW.

eBet will establish a new supply and distribution division and expects this division to become a major contributor to the Group's future revenues, given eBet's current market share of the gaming systems market in NSW.

eBet Limited

Consolidated Income Statement for the year ended 30 June 2009

	Notes	Consolidated Entity	
		2009 \$000	2008 \$000
Revenue			
Sales - Gaming Systems & Equipment		13,464	19,719
Service Revenue		10,601	7,635
US Links		-	215
Online & Professional Services		648	1,014
Other Revenue		557	498
Total Revenue	2	25,270	29,081
Expenditure			
Cost of Sales	3	(9,430)	(12,484)
Licence Fees & Commission		-	(67)
Employee Expenses		(6,741)	(7,080)
Borrowing Costs		(741)	(1,272)
Professional Fees		(409)	(592)
Telecommunications		(129)	(157)
Bad & Doubtful Debts		24	200
Travel & Entertainment Expenses		(427)	(451)
Motor Vehicle Expenses		(267)	(229)
Insurance Expenses		(278)	(253)
Occupancy & Equipment Rental Expenses		(919)	(890)
Directors Fees & Related Expenses		(185)	(208)
Depreciation & Amortisation	3	(3,016)	(2,578)
Write down of acquisition costs	3	-	(1,681)
Audit & Accounting Fees		(381)	(327)
Other Expenses		(783)	(900)
Total expenses		(23,682)	(28,969)
Profit before income tax		1,588	112
Income tax expense		(62)	(270)
Net profit / (loss) after related income tax attributable to members of the parent entity		1,526	(158)
Profit / (loss) for the year	4	1,526	(158)
Basic earnings per share (cents per share)	4	0.70	(0.07)
Diluted earnings per share (cents per share)	4	0.70	(0.07)

The above income statement should be read in conjunction with the accompanying notes

eBet Limited

Consolidated Balance Sheet for the year ended 30 June 2009

		Consolidated Entity	
	Notes	2009	2008
		\$000	\$000
Current Assets			
Cash and cash equivalents		40	331
Trade and other receivables		5,743	7,427
Inventories		1,576	2,123
Financial assets	5	-	3,965
Current tax assets		15	28
Other current assets		213	195
<i>Total Current Assets</i>		7,587	14,069
Non-Current Assets			
Trade and other receivables		1,048	1,318
Property, plant & equipment		890	1,547
Deferred tax asset		255	254
Intangible assets	6	20,423	17,241
<i>Total Non-Current Assets</i>		22,616	20,360
Total Assets		30,203	34,429
Current Liabilities			
Trade and other payables		2,220	2,546
Borrowings	7	3,401	9,013
Provisions		1,135	1,129
Other Liabilities		1,423	1,348
<i>Total Current Liabilities</i>		8,179	14,036
Non-Current Liabilities			
Financial liabilities		3,090	3,018
Provisions		183	188
<i>Total Non-Current Liabilities</i>		3,273	3,206
Total Liabilities		11,452	17,242
Net Assets		18,751	17,187
Equity			
Contributed equity	9	50,234	50,234
Reserves		184	168
Accumulated losses		(31,667)	(33,215)
Total Equity		18,751	17,187

The above balance sheet should be read in conjunction with the accompanying notes

eBet Limited

Consolidated Statement of Changes in Equity for the year ended 30 June 2009

Consolidated Entity						
	Contributed	Accumulated	Options	Exchange	Total	
Notes	Equity	Losses	Reserve	Variation		
	\$000	\$000	\$000	\$000	\$000	
Balance at 1 July 2007	50,075	(33,078)	42	(33)	17,006	
Options issued	-	-	279	-	279	
Transfer options expired	-	22	(22)	-	-	
Exchange difference on translation of foreign operations	-	-	-	(98)	(98)	
Value of conversion rights - convertible notes	159	-	-	-	159	
Loss for the financial year	-	(158)	-	-	(158)	
Balance at 30 June 2008	9	50,234	(33,214)	299	(131)	17,188
Options issued	-	-	-	-	-	
Transfer options expired	-	21	(21)	-	-	
Exchange difference on translation of foreign operations	-	-	-	37	37	
Value of conversion rights - convertible notes	-	-	-	-	-	
Profit for the financial year	-	1,526	-	-	1,526	
Balance at 30 June 2009	9	50,234	(31,667)	278	(94)	18,751

The above statement of changes in equity should be read in conjunction with the accompanying notes

eBet Limited

Consolidated Cash Flow Statement for the year ended 30 June 2009

	Notes	Consolidated Entity	
		2009 \$000	2008 \$000
Cash Flows from Operating Activities			
Receipts from customers		28,632	29,788
Payments to suppliers and employees		(21,223)	(25,948)
Interest received		288	179
Interest and other costs of finance paid		(719)	(1,077)
Income taxes paid		(40)	(680)
Net cash provided by operating activities		6,939	2,262
Cash Flows from Investing Activities			
Payments for purchases of property, plant and equipment		(333)	(265)
Payments for software development and other intangibles	6	(5,193)	(2,054)
Payments for purchase of subsidiary, net of cash acquired	11	-	(441)
Payments for costs associated with the renounced acquisition of Octavian International Limited		-	(736)
Net cash used in investing activities		(5,526)	(3,496)
Cash Flows from Financing Activities			
Repayment of principal - convertible notes		-	(3,200)
Proceeds of principal - convertible notes		-	3,200
Proceeds of principal - borrowings		-	6,350
Repayments of principal - borrowings		(5,540)	(4,233)
Secured loan provided to Octavian International Limited		-	(765)
Repayment of secured loan provided to Octavian International Limited	5	3,965	-
Net cash provided by / (used in) financing activities		(1,575)	1,352
Net increase/(decrease) in cash held		(162)	118
Cash at beginning of the financial year		33	(85)
Cash at end of the financial year		(129)	33

The above cash flow statement should be read in conjunction with the accompanying notes

eBet Limited

Notes to the Consolidated Preliminary Financial Statements for the year ended 30 June 2009

Note 1 Summary of Significant Accounting Policies

The Consolidated Preliminary Financial Statements of eBet Limited and subsidiaries for the year ended 30 June, 2009 do not include all the notes of the type that would normally be included within the annual financial report, and therefore cannot be expected to provide as full an understanding of the financial performance and financial position of the Group as the full financial report.

Basis of Preparation

The Consolidated Preliminary Financial Statements have been prepared on an accruals basis and are based on historical costs as modified by the revaluation of certain non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Unless otherwise detailed in this note, accounting policies have been consistently applied by the entities in the Group, and are consistent with those applied in the 30 June, 2008 annual report.

Changes in Accounting Policy

Since 1 July, 2008 the consolidated entity has adopted certain Standards and Interpretations, mandatory for annual periods beginning on or after 1 January, 2008. The consolidated entity has assessed the impact of adopting these Standards and Interpretations and does not believe that there is an effect on the financial position or performance of the Group. These Standards and Interpretations will be disclosed in the 2009 financial report.

		Consolidated Entity	
		2009	2008
		\$000	\$000
Note 2	Revenue		
Revenue			
	Systems, Equipment & Software Sales	13,464	19,719
	Service Revenue - Gaming Systems	10,601	7,635
	US Links	-	215
	Online Systems & Services	648	1,014
		24,713	28,583
Other Revenue			
	Foreign Exchange Gain	8	25
	Interest Received	288	179
	Government Grants	58	(9)
	Other Revenue	203	303
		557	498
		25,270	29,081

Note 3 Items included in Profit / (Loss)

Cost of sales	9,430	12,484
Borrowing costs - external:		
- Interest and finance charges paid / payable for financial liabilities	719	1,000
- Unwinding of discount	22	272
Depreciation and amortisation		
- Plant and equipment depreciation	1,005	858
- Intellectual property, software development & other intangible assets amortisation	2,011	1,721
	3,016	2,579
Foreign exchange losses	37	73
Operating Leases		
- Minimum Lease payments	512	516
Write down of Acquisition Costs *	-	1,681

* The consolidated entity's planned acquisition of Octavian International Limited was abandoned in November, 2007. As a result, total costs of \$1,681,000 attributable to the proposed acquisition were expensed during the year ended 30 June, 2008.

eBet Limited

Notes to the Consolidated Preliminary Financial Statements for the year ended 30 June 2009

	Consolidated Entity	
	2009	2008
	\$000	\$000
Note 4		
Earnings per Share		
Basic earnings per share (cents per share)	0.70	(0.07)
Diluted earnings per share (cents per share)	0.70	(0.07)
Net profit / (loss) used in calculating basic and diluted EPS (\$'000)	1,526	(158)
Weighted average number of ordinary shares used in calculating basic earnings per ordinary share ('000 shares)	217,806	217,806
Adjustments for calculation of diluted earnings per share : Share options ('000 shares)	-	-
Weighted average number of ordinary shares used in calculating diluted earnings per share ('000 shares)	217,806	217,806

Note 5		
Financial Assets		
Loan receivable - Octavian International Limited	-	3,965

The consolidated entity had a secured receivable from Octavian International Limited as at 30 June, 2008 of \$3,965,000. During the year, the consolidated entity has received all outstanding loan and associated interest payments. The final payments were made on 5 November, 2008.

Note 6		
Intangibles		
Goodwill - at beginning of the financial year	8,455	6,755
Additions - acquisition of Bounty Limited	-	1,700
Goodwill - at end of the financial year	8,455	8,455
Intellectual property, software development and other intangibles - at cost.	28,533	23,340
Accumulated amortisation	(16,565)	(14,554)
	11,968	8,786
Total Intangible Assets	20,423	17,241

On 17 August, 2008, a subsidiary of the company entered into a perpetual software licence agreement with Sona Mobile, Inc. of the USA (and Sona Innovations, Inc. of Canada) under which it paid a once-only licence fee of US\$2,500,000 up front and gained access to their server-based gaming technology, mobile wagering technology and media management technology.

Note 7		
Borrowings		
<i>Secured</i>		
Commercial Bill facility	2,724	3,707
Bank Overdraft	169	298
Other Loan	500	5,000
<i>Unsecured</i>		
Convertible Notes	8	8
	3,401	9,013

Refinance

The consolidated entity is negotiating an extension of its debt facilities with St George Bank due 21 September, 2009. The total outstanding Commercial Bill facility with St George as at 30 June, 2009 was \$2,724,000.

eBet Limited

Notes to the Consolidated Preliminary Financial Statements for the year ended 30 June 2009

Note 11 Business Combination

Bounty Limited

eBet Limited acquired 100% of the issued share capital of Bounty Limited. The acquisition took effect from 31 December, 2007 and was finalised on 8 January, 2008. The wholly owned subsidiaries of Bounty Limited are Bounty Systems Pty Limited, Infolink Systems Pty Limited and Clubline Systems Pty Limited.

The acquired business contributed revenues of \$4,695,000 and a net profit before tax of \$1,106,000 to the Group for the year (\$3,658,000 and \$958,000 for the period from 1 January 2008 to 30 June 2008).

At the date of acquisition, the principal activities of the acquired entity involved the design, development, and sale of software and hardware products to the gaming industry. Bounty's primary focus is on the development of software solutions, including "back of house" office software designed to track and monitor gaming activities of venues. It provides customer promotion and loyalty functions, jackpot systems and monitoring and management systems. Bounty's product range includes Clubline, Sentinel, Compass and wide area jackpot systems.

Note 12 Subsequent events

Distribution Agreement with WMS

eBet Gaming Systems Pty Limited (a wholly owned subsidiary of the Company) entered into a distribution and service agreement with WMS Gaming Inc. on 2 July, 2009 for sale of various WMS products on an exclusive basis. The relevant distribution territory is NSW, ACT and the Burswood Casino in WA, with the potential for other territories to become available in due course, subject to regulatory and commercial acceptance.

There is a 1 year ramp up period which commenced on 2 July, 2009 followed by a 3 year initial term commencing on 2 July, 2010, with the potential for eBet Gaming Systems Pty. Limited to renew for a further 1 year thereafter.

WMS has provided a 5 year standby convertible note facility of A\$3.5m to facilitate the acquisition of WMS products by eBet Gaming Systems Pty. Limited. Interest is payable on the notes at the rate of 8.5% p.a. fixed, and the notes are convertible into fully paid ordinary shares in the Company at a conversion price of A\$0.11 per ordinary share. Up to 1/3 of issued notes are capable of being converted in each 12 month period. Full conversion will result in WMS receiving fully paid ordinary shares in the Company representing approximately 15% of its current undiluted share capital.

Subject to receipt of shareholder approval, the Company will issue to WMS 15,246,428 performance based options to acquire the same number of ordinary shares in the Company at an exercise price of A\$0.15 per option. Full exercise of these options will result in WMS receiving ordinary shares in the Company representing approximately 7% of its current undiluted share capital.