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EBET ANNOUNCES RECORD 1ST HALF PROFIT AND 38% DEBT REDUCTION

Ebet has announced a profit of \$810K for the first half of 2009 as against a loss of (\$1.6m) for the prior corresponding period (PCP). This record result was driven by tight cost control and cost reduction, and an 11.5% increase in revenue.

Key points of the 1st Half 09 result:

- \$2.4m difference in NPBT for first 6 months FY09 versus first 6 months FY08.
- Revenue increased to **\$13.64m**, a \$1.4m or **11.5%** increase on \$12.24m pcp;
- Major growth in key area of recurring revenue. Up from \$2.97 million to \$5.3m, a 78% increase.
- Recurring revenues have the highest margins and are extremely stable as they are contracted revenues.
- Despite challenging economic climate, 38% reduction in debt and strong support for remaining debt from debt providers.
- 18% increase in margins from 50% to 58%.

The major reasons for this very strong result are:

- eBet is a market leader in Australia in gaming systems; and
- gaming systems become even more important in difficult economic environments - they help venues improve productivity, customer satisfaction, yield and loyalty, and position venues for growing changes in gaming through new technology.

Debt reduction will remain a key focus over the next 6 months. However, eBet will continue to focus on growing recurring revenue, and to drive product development in Server Based and Gaming Systems, which is recognised as the next major change in gaming worldwide.

eBet will also continue to leverage it's mWager™ technology, which is leading edge mobile technology that has attracted very strong interest from European, American and Australian entities involved with wagering.

In addition, eBet's Media Player™ technology, which delivers live video content automatically to mobiles (and was originally focused on gaming applications) has received a very strong response from major sporting bodies and media companies. Present indications are that the Media Player™ product will become a significant additional income sector for eBet.

Other relevant statistics are set out below:

- Domestic systems revenue increased by **\$1.18m** or 10%, reflecting an increase in eBet's market share in NSW despite the challenges resulting from the introduction of smoking bans;
- International systems revenue increased by **\$353k** driven primarily by sales into Asia;
- Recurring revenue increased to \$5.3m, a \$2.33m or 78% increase, reflecting a significant contribution from the Bounty acquisition.

Chief Executive Officer and Managing Director, Mr. Tony Toohey, said:

"Despite a challenging environment for the entire gaming sector in the last 6 months, we have produced a record result and are confident we can maintain this momentum. We believe we will secure major sales and income from our Ticket In Ticket Out products. These products allow people to move freely between machines, and we have over 35,000 machines connected to our systems that can utilise TITO functionality, with resulting fees and recurring revenue for us.

Our very high margin online wagering system is building momentum in the USA.

At the same time, our business is well underwritten by our growing recurring revenues and balance sheet. Our ability to cope with difficult times will be supported by our commitment to continue to control costs and reduce debt. Finally, our investments in the new mWager™ and Media Player™ products should produce totally new revenues in new areas."

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About eBet

eBet Limited (ASX: EBT) is a leading Australian gaming systems company that develops and markets a range of networked solutions for electronic gaming machines. It has over 800 customers, with some 55,000 gaming machines connected. The company has operations and contractual arrangements in Australia, New Zealand, the Philippines, South Korea, Vietnam, Singapore and an online wagering division in the USA.

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