

Partner Marko Komadina
Contact Grant Lawler
T +61 2 9263 4055
gllawler@gllaw.com.au
Our ref MAK:GRL:1006766



LAWYERS

14 May 2009

By fax | 9 pages

To Company Announcements Office
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000
Fax 1300 135 638

Gilbert + Tobin2 Park Street
Sydney NSW 2000
AustraliaGPO Box 3610
Sydney NSW 2001T +61 2 9263 4000
F +61 2 9263 4111

DX 10348 SSE

www.gllaw.com.au

Dear Sir/Madam

Notice of Initial Substantial Holder – International All Sports Limited

We act for Paddy Power plc (**Paddy Power**) and attach ASIC Form 603 advising that Paddy Power has become a substantial holder of International All Sports Limited.

Yours faithfully
Gilbert + Tobin

Gilbert + Tobin

This facsimile is solely for the use of the addressee and may contain information which is confidential or privileged. If you receive this facsimile in error, please notify us immediately and we will arrange for its return at our expense. Liability limited by a scheme approved under Professional Standards Legislation.

2805095_1

International associate

The logo for King & Wood, featuring the name 'KING & WOOD' in a bold, sans-serif font. The text is arranged in two lines: 'KING & WOOD' on the top line and 'INTERNATIONAL AND FINANCIAL LAWYERS' on the bottom line. The logo is set against a dark rectangular background.

金杜律师事务所
KING & WOOD
INTERNATIONAL AND FINANCIAL LAWYERS

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme International All Sports Limited

ACN/ARSN 066 967 502

1. Details of substantial holder (1)

Name Paddy Power plc (**Paddy Power**) and its related bodies corporate (as set out in Annexure A) (**Paddy Power Group**)

ACN/ARSN (if applicable) N/A

The holder became a substantial holder on 13 May 2009

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid ordinary shares	13,268,507	13,268,507	19.98% (based on total number of issued shares of 66,402,197)

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Paddy Power	Power to control the exercise of a power to dispose of the securities resulting in a relevant interest under section 608(1)(c) of the Corporations Act, pursuant to a letter agreement between Paddy Power, Sportsbet Pty Limited (Sportsbet) and the current shareholders of Sportsbet dated 13 May 2009, a copy of which is attached as Annexure B	13,268,507 fully paid ordinary shares
Sportsbet	Legal and beneficial ownership	13,268,507 fully paid ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number
Sportsbet	Sportsbet	N/A	13,268,507 fully paid ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Sportsbet	Between 10 February 2009 and 3 April 2009	Refer to notice of initial substantial holder dated 23 February lodged by Sportsbet and notices of change of interests of substantial holder dated 26 February 2009, 4 March 2009, 18 March 2009, 26 March 2009 and 3 April 2009 lodged by Sportsbet.		Total of 13,268,507 fully paid ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

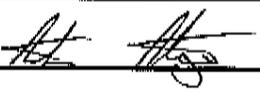
Name and ACN/ARSN (if applicable)	Nature of association
Sportsbet	Agreement to act in concert in relation to the affairs of International All Sports Limited – see Annexure B

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Paddy Power	Airton House, Airton Road, Tallaght, Dublin 24, Republic of Ireland
Each member of the Paddy Power Group listed in Annexure A	c/- Airton House, Airton Road, Tallaght, Dublin 24, Republic of Ireland
Sportsbet	Suite 7, Brett Dixon House, Fannie Bay Racecourse, Dickward Drive, Fannie Bay, NT 0820, Australia

Signature

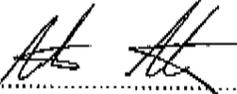
print name	<i>ANDREW ALGERO</i>	capacity	<i>ATTORNEY</i>
sign here		date	<i>14/05/2009</i>

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement.
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A

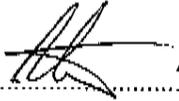
This is the annexure of 1 page marked A referred to in Paddy Power plc's notice of initial substantial holder dated 14th May 2009 signed by me.



Name of substantial holder
Paddy Power Isle of Man Limited
Power Leisure Bookmakers Limited
Paddy Power Entertainment Limited
Paddy Power Call Center Services Limited
Paddy Power Bookmakers (Malta) Limited
Power Leisure Employee Benefit Trustee Limited
Pridepark Developments Limited
Paddy Power Financials Limited
Paddy Power Luxembourg S.a.r.l
Paddy Power Treasury
Paddy Power (Northern Ireland) Limited
D McGranaghan Limited
Paddy Power Risk Management Services Limited
Paddy Power Alderney Limited
Paddy Power Australia Pty Limited
Leisurebet Limited
KOR Enterprises
Zephyr Limited
Rexbury Limited

Annexure B

This is the annexure of 4 pages marked B referred to in Paddy Power plc's notice of initial substantial holder dated 14 May 2009 signed by me.

 
.....

Paddy Power plc
Airtown House
Airtown Road, Tallaght
Dublin 24
Republic of Ireland

13 May 2009

Sportsbet Pty Limited &
The Shareholders of Sportsbet Pty Limited
Suite 7, Brett Dixon House
Fannie Bay Racecourse
Dickward Drive, Fannie Bay
Northern Territory 0820
Australia

Dear Sirs,

Re International All Sports Limited (IAS)

The purpose of this letter is to set out the agreement reached between Paddy Power plc (**Paddy Power**), Sportsbet Pty Limited (**Sportsbet**) and the existing shareholders of Sportsbet (**Sportsbet Shareholders**) relating to:

- (a) the proposed acquisition by Paddy Power of 51% of the issued share capital of Sportsbet;
- (b) the exercise by Sportsbet of its power to dispose of any shares it owns in IAS (**IAS Shares**); and
- (c) the exercise by Paddy Power, Sportsbet and the Sportsbet Shareholders of any power to control or influence the conduct of IAS's affairs.

Paddy Power, Sportsbet and the Sportsbet Shareholders agree that:

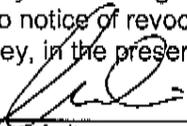
- 1 Paddy Power shall, subject to the negotiation and execution of a definitive share purchase agreement between (amongst others) Paddy Power and the Sportsbet Shareholders (**SPA**), acquire 51% of the issued share capital of Sportsbet.
- 2 At the time that the SPA is entered into, Paddy Power and the Sportsbet Shareholders will enter into a shareholders' agreement which will set out the parties' agreement in relation to the manner in which the business, investments and affairs of Sportsbet will be conducted and their respective rights and obligations as shareholders of Sportsbet will be governed (**Shareholders' Agreement**).
- 3 Until such time that the SPA and the Shareholders' Agreement have been finalised and entered into, or one month after the date of this letter, whichever is the earlier:
 - (i) Sportsbet shall not transfer the legal or beneficial interest in any of the IAS Shares owned by it without the prior written consent of Paddy Power; and
 - (ii) Paddy Power, Sportsbet and the Sportsbet Shareholders shall cooperate and consult with one another in respect of the exercise by any of them of any power to control or influence the conduct of IAS's affairs, whether such power arises from the ownership of the IAS Shares or otherwise.

Please confirm that you agree to be bound by the terms of this letter by signing the enclosed copy of this letter and returning it to Paddy Power.

This letter is to be governed by and construed in accordance with the laws of Victoria and the parties submit to the non-exclusive jurisdiction of the Victorian Courts.

Executed as a deed:

Executed by Paddy Power Plc by its attorney Andrew Algeo who declares that he has no notice of revocation of the power of attorney, in the presence of



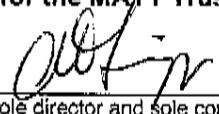
Signature of witness

MARKO KOMADINA

Name of witness (print)

← _____ ←
Signature

Executed by Nambawan Capital Pty Ltd as trustee for the MAYT Trust



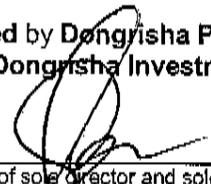
Signature of sole director and sole company secretary

Matthew Tripp

Name of sole director and sole company secretary (print)

← _____
who states that he or she is the sole director and the sole company secretary of the company.

Executed by Dongrisha Pty Ltd as trustee for the Dongrisha Investment Trust



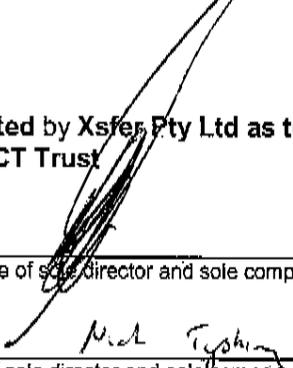
Signature of sole director and sole company secretary

ROBERT BRIDGEMAN

Name of sole director and sole company secretary (print)

← _____
who states that he or she is the sole director and the sole company secretary of the company.

Executed by Xsfer Pty Ltd as trustee for the NICT Trust



Signature of sole director and sole company secretary

Nick Tyshe

Name of sole director and sole company secretary (print)

← _____
who states that he or she is the sole director and the sole company secretary of the company.

Executed by Lukejames Pty Ltd as trustee for the PHELT Trust



Signature of sole director and sole company secretary

← who states that he or she is the sole director and the sole company secretary of the company.

Philip Hannah

Name of sole director and sole company secretary (print)

Executed by Somerset Trading Pty Ltd as trustee for the CARTHOM Trust



Signature of sole director and sole company secretary

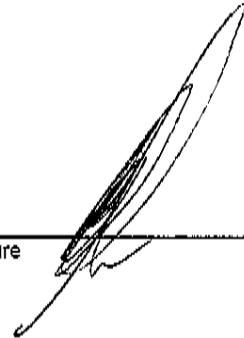
← who states that he or she is the sole director and the sole company secretary of the company.

TOM CARROLL

Name of sole director and sole company secretary (print)

Executed by Spartacus Capital Pty Ltd as trustee for the BRTS Trust by being signed, sealed and delivered by its attorney Nicholas Tyshing under power of attorney dated 12 May 2009 who declares that he has no notice of revocation of the power of attorney, in the presence of

Signature





Signature of witness

NICK BASSUE

Name of witness (print)