

8 March 2012

Dear Litigation Claim Participant,

Resolution of Litigation Claim and First Payment

As mentioned in Centrebet International Limited's (**Centrebet**) announcements to the ASX on 18 and 19 August 2011, the Federal Court delivered a favourable judgment in the matter of *Sportsbet Pty Limited v Commissioner of Taxation* and the Commissioner has decided to not appeal that judgment.

On 20 December 2011, the Federal Court made orders in Centrebet Pty Limited's claim against the Commissioner of Taxation resolving the matter in favour of Centrebet Pty Limited. Those proceedings related to two sample transactions.

The Litigation Claim comprised amounts of GST which had been overpaid by Centrebet Pty Limited, as well as the future benefit of carried forward GST losses accrued to it. The Commissioner has now paid to Centrebet Pty Limited a refund for all GST overpaid by it for tax periods up to September 2011. In addition, Centrebet Pty Limited has partially utilised the benefit of carried forward GST losses for the tax period from October 2011 to January 2012.

In accordance with the terms of the Litigation Management Deed, Sportingbet Group Australia Pty Limited transferred to the Collection Agent an amount of \$12,486,822.34 on account of the cash refund received from the ATO and utilised Carry Forward Loss for the period from April 2006 to January 2012 (the **Proceeds**). The amount of the Proceeds has been calculated in accordance with the terms of the Litigation Management Deed

Accordingly, in view of the payment, the Claim Committee, which has the general responsibility of managing the Litigation Claim, has resolved that Litigation Claim Participants will receive a payment (subject to rounding) of \$0.134747547 per Litigation Claim Right held. This payment represents approximately 22% of the maximum amount¹ that each Litigation Claim Participant may be entitled to receive.²

Payments have been made by cheque or electronic transfer to the bank account you nominated whilst you were a shareholder of Centrebet International Limited or as otherwise advised to One Investment Group. A copy of your distribution statement is enclosed.

¹ The maximum amount has been calculated as a percentage of \$86,026,777, being the total amount of the claim that has been verified.

² This assumes Centrebet Pty Limited fully utilises the carry forward losses and there is no change to the law or any other circumstance that impacts upon Centrebet Pty Limited's entitlement to utilise those losses.



Pursuant to the Litigation Management Deed, Litigation Claim Participants are entitled to receive further payments on a pro rata basis of any utilised Carry Forward Loss. It is unclear when these future payments will be made, however, as more information becomes available, Litigation Claim Participants will be kept informed, through updates on One Investment Group's website (see www.oneinvestment.com.au/centrebet).

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Justin Epstein', is written over a horizontal line.

Justin Epstein
Director