



A statement from Leo Watling Acting CEO Intralot Australia

24 June 2010

Dear Retailer

Intralot Australia is not going anywhere

Intralot Australia is committed to making our business a success and value your support on a day to day basis.

We are currently trading in our third year of a 10 year licence for Category 2 gaming products in Victoria and Tasmania. We had always anticipated that the first few years would be loss making due to the substantial investment required to develop this current licence and others opportunities in the region.

As you know, sales are trending upwards and our relationships with you - our vendors – have never been better.

During my weekly visits to stores I have noted that you have appreciated the efforts we have made with the introduction of new scratch ticket dispensers and the relaunched Keno game. We are working on a range of new projects that will drive more sales.

We continue to explain to the Victorian Government that the existence of the Tattersall's Dedicated Area is not only unfair but anti competitive to us and to you as Lottery Agents. Leading industry figures believe the removal of the dedicated area would see our sales significantly increase . No fair minded person can explain how Tatts is able to dictate to you what products can be sold where and when in your store.

As a result of today's article we will review our legal options as we believe it continues a pattern of prejudicial behavior towards Intralot .

Intralot Australia, is part of Intralot SA, and operates in more than 50 countries around the globe. Entry into new markets has typically involved financial losses in early years of operation but I remind you that our global company dwarfs our Australian competitor – in terms of size, reach, diversity of operations and more recently a sense of partnership where we want to work with you to make your businesses even more successful.

I repeat my opening remarks – Intralot Australia is committed to making our business a success and we value your support on a day to day basis.

With best regards

A handwritten signature in blue ink, appearing to read "Leo Watling", with a stylized flourish at the end.

Leo Watling

Level 1, 283 Normanby Road, Port Melbourne VIC 3207, Australia

T 1300 760 935 F +61 3 9936 0192 E info@intralot.com.au W www.intralot.com.au