



Ad-hoc communication
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betandwin.com launches its expansion into Italy and is about to conclude acquisitions in Gibraltar

- ?? Offers of sport bets on the Internet will soon become legal in Italy
- ?? Establishment of a joint venture with strategic partners as a vehicle for the acquisition of licences and expansion in Italy
- ?? Upcoming take-over of a betting company based in Gibraltar

In contrast to **betandwin.com**'s traditional philosophy of restricting communications purely to agreements already closed the Board has, due to increasing rumors in the market place, decided to report on progress in two areas of great importance for **betandwin.com**.

Expansion into Italy

In November 2000 **betandwin.com** together with its Italian partner „Horizon S.r.l.“ set up the joint venture „**Betandwin Italia S.p.A**“ (hereinafter referred to as „**betandwin Italia**“) with a share of 51% for **betandwin.com**.

The shareholders of the Italian partner are market leaders in the recently privatised bingo and were instrumental for the nation-wide introduction of the innovative Formula 1 betting product „Formula 101“, which was launched last year. The Italian partners also not only have comprehensive knowledge about the local gambling market, but also possess excellent contacts to representatives of both the business world and politics.

betandwin Italia signed a letter of intent for the take-over of an existing betting business and therefore the use of an existing stationary betting licence. On 2nd May 2001 a decree by the Italian Finance Minister set the points for the legalisation of the offer of sport bets on the Internet on the basis of a stationary Italian licence as had been expected for some time so that the definitive purchase contract will be signed in the course of the next weeks.

The Italian betting licence allows **betandwin Italia** to sell the offer of sport bets in Italy nation-wide via the telephone and on the Internet.

Negotiations have been commenced with local partners with the intention of attracting them as strategic investors for **betandwin Italia**. Apart from capital these partners shall most of all guarantee access to extensive distribution networks.

Before the potential strategic partners will actually join the Italian licence will be secured, regional betting offers will be developed, and a comprehensive marketing concept will be established. This strategy also serves to reduce the financial risk for **betandwin.com**'s launch on the Italian market to the maximum investment volume of EUR 1.3 million.



Acquisition of a betting company based in Gibraltar

On 22nd May 2001 **betandwin.com** signed a detailed letter of intent on the take-over of a betting company based in Gibraltar. Agreements have already been reached on the financial conditions. The definitive purchase agreement will be signed shortly. **betandwin.com** expects the closing of the acquisition (which mainly depends on customary due diligence procedures and the transfer of the betting licence) during the third quarter of 2001.

The intended take-over constitutes an important strategic progress on the way towards a leading international online-gaming company:

1. Addition of international betting license and creation of tax optimised basis for managing the international betting business in an established jurisdiction
2. Take-over of an international bookmaker with operative synergies, an internationally experienced management, additional betting turnover, and positive cash flows
3. Established telephone betting business
4. Expansion of the range of bets on offer by horse and dog betting

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***betandwin.com** Interactive Entertainment AG is based and licensed in Austria. The company's strategic concept is based on the pillars of betting, information and entertainment. Listed on the Vienna Stock Exchange since March 2000, **betandwin.com** has a unique presence on the Internet coupled with strong strategic partners. The company has set itself the objective of becoming one of the leading international players in the online gaming industry, appealing to a wide audience.*

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or our WAP services at <http://wap.betandwin.com>