



*Jumbo Corporation Ltd*

ABN: 66 009 189 128 (ASX: JUM)  
Level 19, Riverside Centre  
123 Eagle Street  
Brisbane QLD, 4000  
Ph: +61 7 3831 3705  
Fax: +61 7 3831 9720

**ASX RELEASE – Tuesday 24 July 2007**

## **NOTICE OF GENERAL MEETING**



Please find attached the Notice of General Meeting and associated documentation that has been posted to shareholders today.

Yours faithfully

Jumbo Corporation Limited

Mike Veverka

Chief Executive Officer



*Jumbo Corporation Ltd*

ABN: 66 009 189 128  
Level 19, Riverside Centre  
Brisbane QLD, 4000  
AUSTRALIA  
Ph: +61 7 3831 3705  
Fax: +61 7 3831 9720

17 July 2007

Dear Shareholder,

**RE: RECENT PROPOSED ACQUISITION**

Please find enclosed a Notice of Meeting for 23 August 2007 for the proposed acquisition of Manacomm, a leading software distributor. If approved the acquisition would be completed soon afterwards.

Also enclosed is a recent announcement about the acquisition of Manacomm that Jumbo Corporation Limited has submitted to the market.

Should you require further explanation please do not hesitate to contact the Company.

Yours faithfully

Jumbo Corporation Limited

**Mike Veverka**  
**Chief Executive Officer**

# **JUMBO CORPORATION LIMITED**

**ABN 66 009 189 128**

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## **NOTICE OF GENERAL MEETING EXPLANATORY MEMORANDUM PROXY FORM**

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Date of Meeting: Thursday, 23 August 2007  
Time of Meeting: 11:00am (AEST)  
Place of Meeting: ASX Lecture Theatre  
Level 5, Riverside Centre  
123 Eagle Street, Brisbane  
Queensland 4000

These documents should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

**JUMBO CORPORATION LIMITED**  
**ABN 66 009 189 128**

**NOTICE OF GENERAL MEETING**

Notice is hereby given that a general meeting of shareholders of Jumbo Corporation Limited (*Company*) will be held at ASX Lecture Theatre, Level 5, Riverside Centre, 123 Eagle Street, Brisbane, Queensland, on Thursday, 23 August 2007 at 11:00am (AEST).

The Explanatory Memorandum which accompanies and forms part of this Notice of Meeting describes the matter to be considered at the meeting and includes a glossary of defined terms.

**AGENDA**

To consider and if thought fit to pass the following resolution:

**1. Issue of Consideration Securities as consideration for acquisition of Business**

To consider and if thought fit to pass, with or without amendment, the following as an **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.1 and for all other purposes, the members of the Company approve the issue by the Company to the Seller (or its nominee(s)) of the Consideration Securities, comprising 80,000,000 Shares at an issue price of \$0.0325 per Share, on completion of the acquisition by the Company of the Business pursuant to the Manacom Agreement entered into between the Company as Buyer, Manacom Pty Ltd as Seller and Ian Innes Mackay as Covenantor, the principal terms and conditions of which are summarized in the Explanatory Memorandum.”*

**VOTING EXCLUSION STATEMENT**

As required by the Listing Rules, the Company will disregard any votes cast under Resolution 1 by Manacom Pty Ltd, Ian Innes Mackay and any of its or his associates.

However, in each case the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**PROXY INSTRUCTIONS**

In accordance with section 249L of the Corporations Act 2001, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, then, in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

The member may specify the manner in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion.

In accordance with section 250BA of the Corporations Act, the Company specifies that the proxy

form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be:

- posted to the Company, Jumbo Corporation Limited, PO Box 7118 Riverside Centre, Brisbane, Queensland 4001; or
- delivered to the business address of the Company, Level 19, Riverside Centre, 123 Eagle Street, Brisbane, Queensland 4000; or
- sent by facsimile to the Company on +61 7 3831 9720.

Those documents must be received by the Company at least 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a body corporate, in a manner permitted by the Corporations Act. In the case of shares jointly held by two or more persons, all joint holders must sign the proxy form.

A proxy form is attached to this Notice.

### **VOTING ENTITLEMENT**

For the purposes of determining voting entitlements at the Meeting, and in accordance with Regulation 7.11.37 of the *Corporations Regulations 2001 (Commonwealth)*, Shares will be taken to be held by the persons who are registered as holding the Shares at 7:00pm (AEST) on 21 August 2007. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

### **BY ORDER OF THE BOARD**

Mike Veverka  
Director and Chief Executive Officer  
17 July 2007

# EXPLANATORY MEMORANDUM

The Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting which sets out the Resolution to be considered at the Meeting. The purpose of this Explanatory Memorandum is to provide information that the Board believes to be material to Shareholders in deciding whether or not to pass that Resolution.

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## 1. Resolution 1 – Issue of Consideration Securities for acquisition of Business

### 1.1 Background

On 25 June 2007, the Company announced that it had entered into a binding heads of agreement for the acquisition of the Business, a specialist software publishing, distribution and related services business carried on by the Seller in Australia and internationally. A summary of the principal terms and conditions of that agreement (the *Manaccomm Agreement*) is set out in Section 1.2 below.

As described in that announcement, the Directors consider that the proposed acquisition will further develop the Company's ecommerce and IT divisions and will provide strong synergies and exciting growth opportunities for the Company.

Shareholder approval for the issue by the Company of the Consideration Securities to the Seller as part of the consideration for the acquisition of the Business is required for the purpose of Listing Rule 7.1. The Listing Rules prescribe information which must be provided to Shareholders for the purpose of obtaining shareholder approval and that information is set out in Section 1.4 below.

The Company provided full details of the proposed acquisition of the Business to ASX at the time of entering into the Manaccomm Agreement. ASX has not advised the Company that it is required to obtain any additional shareholder approvals for the purpose of the Listing Rules, other than as being sought under Resolution 1.

### 1.2 Proposed acquisition of the Business

Under the Manaccomm Agreement, the Company has the right to acquire the Business from the Seller for the consideration of a cash payment of up to \$2,500,000 (subject to adjustment as described below) and the issue of 80,000,000 Shares at an issue price of \$0.0325 per Share (*Consideration Securities*) and otherwise on the terms set out in that agreement. The Company intends to make the acquisition through a newly incorporated wholly owned subsidiary.

Completion of the acquisition under the Manaccomm Agreement is conditional upon satisfaction of the following conditions on or before the date specified below for satisfaction of a particular condition or, if none, within 60 Business Days of the date that the parties enter into the Sale Agreement referred to in paragraph (b) below, or such later date as the parties may agree:

- (a) the Company completing due diligence to its absolute satisfaction in respect of the Business within 60 Business Days of the date of the Manaccomm Agreement, or such longer period as the parties may agree;
- (b) the parties entering into a formal Sale Agreement within 60 Business Days of the date of the Manaccomm Agreement, or such longer period as the parties may agree;

- (c) the Company raising finance for an amount required to purchase the Business on terms satisfactory to the Company in its absolute discretion;
- (d) the Company obtaining shareholder approval as required under the Listing Rules for the issue of the Consideration Securities;
- (e) the parties obtaining any other required regulatory approvals in respect of the sale and purchase of the Business and the issue of the Consideration Securities;
- (f) the Seller obtaining the consent of the lessor to the assignment to the Company of the lease of the principal premises of the Business;
- (g) the Seller obtaining the consent of the parties to the Business contracts to the novation or assignment of those contracts from the Seller to the Company on terms acceptable to the Company acting reasonably;
- (h) the termination of the employment of Mr Ian Innes MacKay and four other employees of the Business nominated by the Company as key employees and the acceptance by those persons of offers of employment by the Company on terms acceptable to the Company, with effect from completion of the acquisition; and
- (i) the Seller reserving with ASIC a new corporate name to which the Seller will change its name on completion of the acquisition and which name does not contain the word “Manacom” or any similar name or any name which suggests that the Seller is engaged in a type of business similar to the Business.

The consideration for the acquisition has been agreed by the parties on the basis of unaudited management accounts for the Business as at 31 May 2007 provided by the Seller which show net assets (as described in the Manacom Agreement) of approximately \$500,000. The parties have agreed that an adjustment will be made to the value of the cash consideration to be paid to the Seller at completion to reflect the amount by which the management accounts prepared at the date of completion show any divergence in the calculation of net assets from that figure.

The Company will nominate the employees of the Business to whom it wishes to make offers of employment, in addition to Mr MacKay and the key employees referred to in paragraph (h) above, and will be responsible for all remuneration and entitlements of those employees who accept the Company’s offer from the date of completion. The Seller will remain liable for the remuneration and termination payments and other entitlements of all other employees of the Business.

The Seller and the Covenantor have agreed to restrictive covenants whereby they will be restricted from competing with the Business within Australia for a period of 24 months following completion.

The Sale Agreement will also contain the covenants, warranties and indemnities in respect of the Business and such other terms that a prudent purchaser would expect to receive in respect of an acquisition of this nature.

### **1.3 Capital structure on completion of the proposed acquisition**

The effect on the capital structure of the Company of the issue of the Consideration Securities to the Seller upon completion of the acquisition of the Business is set out below (assuming no options are exercised or other securities issued prior to the issue

of the Consideration Securities):

### Shares

	Number	% of expanded Share Capital
Shares currently on issue	368,071,110	82.15%
Shares to be issued to Seller under Resolution 1	80,000,000	17.85%
<b>Total</b>	<b>448,071,110</b>	<b>100.00%</b>

### Options

	Number	Strike Price and Expiry Date
2009 Options	16,250,000	\$0.10, 4 July 2009

## 1.4 Listing Rule 7.1

Subject to certain exceptions, Listing Rule 7.1 restricts a company from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of the company's ordinary securities on issue without shareholder approval. The Consideration Securities proposed to be issued to the Seller will amount to approximately 17.85% of the Company's expanded ordinary share capital following completion of the proposed acquisition and, accordingly, shareholder approval is required for the purpose of Listing Rule 7.1.

In accordance with the requirements of Listing Rule 7.3, the following information is provided to Shareholders to allow them to assess the proposed issue of Consideration Securities under Resolution 1:

- (a) The maximum number of Shares to be issued pursuant to Resolution 1 is 80,000,000 Shares.
- (b) The issue of the Shares will occur no later than 3 months after the date of the Meeting, or such longer period as ASX may approve in the event that the Company applies for a waiver of the relevant Listing Rule.
- (c) The issue price of the Consideration Securities will be \$0.0325 each.
- (d) The allottee of the Consideration Securities will be the Seller, Manacom Pty Ltd, or its nominee(s).
- (e) The Consideration Securities will, from the date of issue, rank equally with, and enjoy the same rights as, all other Shares on issue. The Company intends to apply for official quotation on ASX of the Consideration Securities.
- (f) No funds will be raised pursuant to the issue of the Consideration Securities as they will be issued as consideration for the acquisition of the Business.
- (g) The Directors intend to issue the Consideration Securities pursuant to Resolution 1 as one allotment. However, they reserve the right to allot the Consideration Securities progressively.

## 1.5 Recommendation

For the reasons referred to above, and described in greater detail in the Company's earlier announcement, a majority of the Directors are of the view that the proposed acquisition of the Business and the issue of the Consideration Securities pursuant to the Manacom Agreement is in the best interests of Shareholders and recommend that Shareholders vote in favour of Resolution 1.

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## 2. Glossary of Terms

The following terms and abbreviations used in the Notice of Meeting and this Explanatory Memorandum have the following meanings:

*AEST* means Australian Eastern Standard Time.

*ASIC* means the Australian Securities and Investments Commission.

*ASX* means ASX Limited.

*Board* means the board of Directors of the Company.

*Business* means the business of software publishing, distribution and related services carried on by the Seller in Australia and internationally and includes all assets used in carrying on the Business.

*Company* and *Buyer* means Jumbo Corporation Limited ABN 66 009 189 128 of Level 19, Riverside Centre, 123 Eagle Street, Brisbane, Queensland 4000.

*Consideration Securities* means the 80,000,000 Shares to be issued to the Seller at an issue price of \$0.0325 per Share as part consideration under the Manacom Agreement.

*Corporations Act* means the *Corporations Act 2001 (Commonwealth)*.

*Covenantor* means Ian Innes MacKay.

*Director* means a director of the Company, from time to time.

*Dollar or \$* means the lawful currency of Australia.

*Explanatory Memorandum* means this explanatory memorandum.

*Listing Rules* means the official listing rules of ASX.

*Manacom Agreement* means the heads of agreement dated 25 June 2007 between the Company, the Seller and the Covenantor pursuant to which the Company has agreed to acquire the Business, the principal terms and conditions of which are summarized in Section 1.2.

*Meeting* means the general meeting of shareholders of the Company, or any adjournment thereof, convened by the Notice.

*Notice of Meeting* or *Notice* means the notice of the Meeting which accompanies the Explanatory Memorandum.

*Resolution* means a resolution in the Notice of Meeting.

*Sale Agreement* means the formal sale agreement for the acquisition of the Business by the Company to be entered into pursuant to and in replacement for the Manacom Agreement on terms which reflect the terms and conditions of the Manacom

Agreement, as may be varied by agreement of the parties, and which include such other terms, including warranties to be given by the Seller, as are customary or reasonable for inclusion in an agreement for the acquisition of a business similar to the Business and, following execution of the Sale Agreement, a reference in this Notice to the Manaccomm Agreement means the Sale Agreement.

**Section** means a section of this Explanatory Memorandum.

**Seller** means Manaccomm Pty Ltd ACN 010 397 823.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of Shares.

# JUMBO CORPORATION LIMITED

ABN 66 009 189 128

## PROXY FORM

The Company Secretary  
Jumbo Corporation Limited  
Level 19, Riverside Centre  
123 Eagle Street  
BRISBANE QLD 4000

### Appointment of Proxy

I/We.....

of.....

being a member of Jumbo Corporation Limited and entitled to attend and vote, appoint:

.....  
(full name of individual or body corporate you are appointing as your proxy)

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Jumbo Corporation Limited to be held at ASX Lecture Theatre, Level 5, Riverside Centre, 123 Eagle Street, Brisbane, Queensland 4000 on Thursday, 23 August 2007 at 11:00am (AEST) and at any adjournment of that Meeting.

### Voting directions to your proxy – please mark to indicate your directions

	For	Against	Abstain*
Resolution 1 Issue of Consideration Securities as consideration for acquisition of Business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Or

In relation to the Resolution, if the Chairman is to be your proxy and you do not wish to direct your proxy how to vote on the Resolution, please place a mark in this box

The Chairman of the meeting intends to vote undirected proxies in favour of each item of business.

\*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights which this proxy represents is \_\_\_\_\_%. An additional Proxy Form will be supplied by the Company on request.

**PLEASE SIGN HERE** This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

#### Individuals only

Securityholder 1.....

Securityholder 2.....

#### Companies only

Director/Sole Director.....  
and Sole Company Secretary

Director/Company Secretary.....

\_\_\_\_\_  
Contact name

\_\_\_\_\_  
Contact daytime telephone number

\_\_\_\_/\_\_\_\_/\_\_\_\_  
Date

## How to complete the proxy form

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### 1. Your address

This is your address as it appears on the company's share register.

### 2. Appointment of a proxy

If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in that place.

### 3. Votes on items of business

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction, unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate place. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### 4. Appointment of a second proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company or you may copy this form. To appoint a second proxy you must:

- (a) On each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) Return both forms together in the same envelope.

### 5. Signing instructions

You must sign this form as follows in the spaces provided:

- Individual: Where the holding is in one name, the holder must sign.
- Joint holding: Where the holding is in more than one name, all of the securityholders should sign.
- Power of attorney: To sign under Power of Attorney, you must have already lodged this document with the Company. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company.

### Lodgement of a Proxy

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This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting which is scheduled for 11:00am (AEST) on 23 August 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.

#### Documents may be lodged by:

- posting to the Company at PO Box 7118 Riverside Centre, Brisbane, Queensland 4001; or
- delivery to the business address of the Company, Level 19, Riverside Centre, 123 Eagle Street, Brisbane, Queensland 4000; or
- sending by facsimile to the Company on +61 7 3831 9720.

**ASX RELEASE – Monday 25 June 2007**

## **JUMBO TO ACQUIRE MANACCOM**

Leading Australian e-commerce company, ASX-listed Jumbo Corporation Limited (ASX code: JUM), announced today it had entered into a conditional Heads of Agreement to acquire Manaccom, a specialist software publishing and distribution business with contracts to supply major retail chains including Harvey Norman, Dick Smith, JB Hi-Fi and Officeworks.

Manaccom was named in the BRW Fast 100 list and distributes a range of leading computer software including Trend Micro PC-cillin Internet Security, as well as Net Nanny, the popular child online protection software ([www.manac.com.au](http://www.manac.com.au)).

The highlights of Manaccom's audited accounts for the 12 month period ended 30 June 2006 are:

- \$11 million in Revenue
- \$1.6 million in EBITDA

The results for the 2007 financial year are forecast to exceed these results.

The purchase consideration of \$5.1 million was structured as follows:

- \$2.5 million cash on settlement (bank finance).
- 80 million JUM shares (at 3.25c).



“This acquisition represents a positive move by the Company to further develop its ecommerce and IT division”, said Mr Mike Veverka.

“The combined talents of Jumbo and Manacomm provide some strong synergies, and some exciting opportunities to grow the business.

“Manacomm enjoys strong distribution agreements with some of Australia’s leading retail outlets including Dick Smith Electronics, JB Hi-Fi, Officeworks and Harvey Norman and has representation in all Australian states and New Zealand. Manacomm has been the recipient of the last two prestigious “Software Supplier of the Year” awards from Harvey Norman.



“Jumbo and Manacomm have already worked together on web-based software off-shore distribution projects for software vendors and this acquisition would increase the focus on these projects.

It is envisaged a “best of both worlds” solution can be offered with Australian customers satisfied through the national retail channel and software sold online internationally.

Manaccomm Founder and Managing Director, Mr Ian Mackay said: “The combined Manaccomm and Jumbo business will be well positioned to take advantage of growth opportunities in the IT sector”.

“We believe the combination of Jumbo’s e-commerce expertise and Manaccomm’s software expertise will create a formidable force.

Mr Mackay said “Manaccomm was established in 1986, has been profitable since inception and has had significant profit growth in the past three years.

Jumbo has also been profitable for the past 4 years and directors expect that the acquisition will substantially expand its operational activities.

### **About Jumbo**

Jumbo has long history in the information technology industry dating back to 1995 with the development of some of the first software applications in the world to handle secure online sales.

In 2005, Jumbo acquired TMS Global Services Pty Ltd, a lottery network operator with licenses to sell Australian lotteries from Tattersalls’ and NSW Lotteries Corporation. Jumbo used its e-commerce experience to transform the Ozlotteries.com division into the fastest growing division within TMS. It is now in the process of reinvigorating the Pacific Island division which sells lotteries through a computer network around the Pacific in countries such as Fiji, Norfolk Island and the Cook Islands.

Jumbo has made several announcements regarding its efforts to expand its scope for future growth by reviewing acquisition opportunities in the e-commerce and information technology industries. The acquisition of Manaccomm is a direct result of this effort.

“Jumbo will continue its commitment to growing the lottery division at the same time as integrating Manaccomm into the group”, said Mr Veverka.

“I believe the efforts made over the past 2 years to improve the lottery division provide Jumbo with a good base from which to grow the division in the future”, he said.

## **About Manaccom**

Manaccom is based in Brisbane with representatives covering all of Australia and New Zealand. It employs approximately 50 staff and is one of the very few software distributors in Australia that is able to service almost the whole country with its own representatives (using agents only in SA and WA). Manaccom’s call centre in Brisbane provides technical support to end users of products distributed by the company by telephone and email. Software products are manufactured locally under licence rather than imported enabling products to be packaged and marketed according to local requirements. The range of software includes internet security, payroll processing, PDF creation, disk backup and a wide range of lifestyle products.

Mr Ian Mackay is the sole shareholder of Manaccom and following the acquisition will become a significant shareholder and will be invited to join the board of Jumbo as a non-executive director.

Mr Mackay has a background in accounting and auditing before establishing Manaccom in 1986 to provide software for the booming PC market. During that time he has established strong relationships with large international software vendors such as Trend Micro as well as large retail outlets such as Harvey Norman, The Coles Group and JB Hi-Fi.

Mr Mackay was a past National President of AIMIA (Australian Interactive Multimedia Industry Association), a board member of QANTM (Government funded Co-operative Multimedia Centre) and chaired the Queensland Government IIB (Information Industries Board) panel to review the computer games industry in Queensland.

## **Financial performance**

Manaccom has provided to Jumbo the following unaudited profit guidance for the year ending 30 June 2007 (based on unaudited management accounts):

	12 months to 30 June 2006 (Audited)	12 months to 30 June 2007 (Unaudited Forecast)
Operating Revenue	\$11.5 million	\$12.2 million
EBITDA	\$1,600,000	\$1,700,000
EBIT	\$1,500,000	\$1,600,000

The actual trading results from Manacom will only be consolidated with Jumbo's results from the date of the acquisition.

Jumbo recently released a profit guidance on 8 June and anticipates to release more detailed results in the coming weeks.

Based on the above results the directors anticipate that the acquisition will substantially strengthen the Company's consolidated revenue to over \$30 million.

As an indication of the combined size of Jumbo and Manacom, the following pro forma balance sheet is provided.

	Jumbo Audited at 31 December 2006	Manacom Unaudited at 31 May 2007	Goodwill arising from the acquisition	Pro forma balance sheet
Total Assets	\$11.5 million	\$2.7 million	\$4.6 million	\$18.8 million
Total Liabilities	\$3.6 million	\$2.2 million	-	\$5.8 million
Net Assets	\$7.9 million	\$0.5 million	\$4.6 million	\$13.0 million

The goodwill arising from the acquisition of \$4.6 million is based on a purchase price of \$5.1 million and Manacom net assets of \$0.5 million.

## Purchase consideration and effect on share capital

The purchase consideration of \$5.1 million (subject to certain conditions including shareholder approval) has been structured as follows:

- \$2.5 million cash on settlement (bank finance)
- 80 million JUM shares (at 3.25c).

The effect of the proposed acquisition on the share capital of Jumbo is shown below:

	Current	Post Acquisition
Number of shares on issue	370 million	450 million
Number of options on issue	16.25 million	16.25 million
Number of shares and options (fully diluted)	386.25 million	466.25 million

## **Conditions precedent**

The acquisition of Manaccom under the Heads of Agreement is subject to a number of conditions precedent including:

- Jumbo obtaining shareholder approval for the purpose of the ASX listing rules.
- Jumbo obtaining acceptable debt finance (preliminary finance approval has been obtained).
- Jumbo completing due diligence on Manaccom to its satisfaction.
- Jumbo finalising employment agreements with key Manaccom executives.
- The parties entering into a formal sale agreement.

## **Timeframe**

Directors have begun preparing a Notice of Meeting and Explanatory Memorandum with a view to calling a meeting of shareholders in July. If approved, and if all other conditions precedent are satisfied or waived, the Directors anticipate that the acquisition will be completed by the end of July or early August 2007. Further details of the transaction and an indicative timetable will be provided in the Notice of Meeting and Explanatory Memorandum.

## **Conclusion**

The Directors of Jumbo believe the acquisition of the Manaccom business will provide Jumbo shareholders with involvement in a growth market sector with established revenues and the benefit of synergies with Jumbo's skills and operational interests.

This announcement together with general information on the company and ASX releases are available at: [www.jumbocorporation.com](http://www.jumbocorporation.com)



(this is not an asset of the company)

**For further Information:**

**Press Material at [www.jumbocorporation.com](http://www.jumbocorporation.com)**

**Mike Veverka**  
CEO, Jumbo Corporation  
(07) 3831 3705

**Sean Whittington**  
Field Public Relations  
(08) 8234 9555 / (0412) 591 520

**Notes**

**EBITDA: Earnings before Interest, Tax, Depreciation and Amortisation**