

ASX RELEASE – Wednesday 28th February 2007

HALF YEAR RESULTS TO DECEMBER 2006



Leading Australian online lotteries and ecommerce company, Jumbo Corporation Limited, today announced its 9th consecutive half year profit. The audited results for the 6 months to December 2006 include a revenue of \$8.9 million, EBITDA of \$269,018 and a net profit after tax of \$214,274.

ASX Code:	JUM
Shares on Issue:	370 million
Options on Issue:	16.25 million
Share price (26 Feb 2007)	2.9c
Market Cap:	\$11 million
Top 20 hold:	47%
Annual Share Volume	212 million
Last Month Share Volume	20 million

The result was driven by an 19% half year growth and 50% full year growth in Internet sales (Ozlotteries.com), however

non-Internet sales declined 25% over the half year. There was also significant development over the half year in the new Ozlotteries.com web site (launched 20 October 2006) and the new Million Dollar Lottery (launched 12 December 2006).

“We have commenced reinvigorating our Pacific Island Lottery Network so that it makes a positive contribution to our overall result”, said Mr Mike Veverka, CEO of Jumbo.

“Ozlotteries.com performed very well following the release of the new web site in October 2006 with a record month of sales in December 2006”, he said.

Good Start to 2007

Sales are off to a good start in 2007 with February Internet sales reaching near record levels and almost eclipsing the record sales in December 2006. This was driven by a large Powerball \$33 million Jackpot and a growing active customer database.

The following schedule summarises the results and replaces the previous schedule announced on 9 February 2007.

	HY Dec 06	HY Jun 06	HY Dec 05
Revenue	\$8.9 mil	\$8.8 mil	\$7.8 mil
EBITDA	\$269,018	\$284,921	\$585,049
Net Profit After Tax	\$214,274	\$309,563	\$477,410

Operations Summary

Jumbo has agreements with Tattersalls' and NSW Lotteries Corporation to resell tickets in popular Australian lotteries such as OzLotto and Powerball. The tickets are sold on the Internet via www.ozlotteries.com with sales driven by an aggressive search engine marketing campaign and an expanding affiliates network.

Jumbo also owns and operates a network of lottery terminals throughout a number of Pacific Islands such as Fiji, the Cook Islands and Norfolk Island. The terminals sell tickets in Australian lotteries and are promoted via traditional marketing on the islands. Sales were affected by a number of factors in the past 6 months, the most significant being the December 2006 military coup in Fiji, just prior to the busiest period leading up to the December 30 Superdraw.

“A recent review of the pacific island operations has determined there is potential for growth so we have commenced a program to reinvigorate this operation over the coming year”, said Mr Veverka.

Future Growth through Acquisitions

Jumbo is expanding its scope for future growth by reviewing acquisition opportunities in the E-Commerce and Information Technology Industries. The company has significant experience in the E-Commerce industry dating back to 1995 with the development of some of the first software applications in the world to handle secure online sales.

For further Information:

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

APPENDIX 4D

Half-Year Report

JUMBO CORPORATION LIMITED
ACN 009 189 128

Reporting period: Half-year ended 31 December 2006

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Half Year 31-Dec 2006 \$	Half Year 31-Dec 2005 \$	Change \$	Change %
Revenue	8,889,504	7,782,049	1,107,455	14.2
Profit for period	214,274	477,410	(263,136)	(55.1)

DIVIDENDS

No dividends have been paid or provided for on ordinary shares.
during the half-year ended 31 December 2006.

EXPLANATION OF RESULTS

Please refer to the attached announcement for an explanation of the Result.

JUMBO CORPORATION LIMITED
ACN 009 189 128
AND CONTROLLED ENTITIES
Directors' Report

Your directors present their report on the consolidated entity consisting of Jumbo Corporation Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2006.

Directors

The names of persons who were directors of Jumbo Corporation Limited during the whole of the half-year and up to the date of this report are:

Alan Phillips - Chairman

Mike Veverka - Chief Executive Officer

Mr David DeCampo was a director from the beginning of the half-year until his resignation on 30 August 2006.

Mr David Barwick and Mr Jon Starink were appointed as directors on 30 August 2006 and continue in office until the date of this report.

Review of Operations

The Company had mixed results that included strong growth in internet sales (Ozlotteries.com) but a decline in non-internet sales in the Pacific Island network. Overall results included revenue of \$8.89 million, EBITDA of \$269,000 and a profit of \$214,000 for the half-year ended 31 December 2006. The net asset position strengthened from \$4.86 million at 31 December 2005 to \$7.89 million at 31 December 2006.

The Ozlotteries.com web site continued its strong growth with record sales in December 2006. Sales for the half-year increased 19% over the previous half-year ended 30 June 2006 and 50% over the corresponding half year ended 31 December 2005. The release of the new Ozlotteries.com web site in October 2006 proved to be a significant catalyst to achieving the record sales result in December 2006.

The Pacific Island Lottery network was adversely affected by a number of factors, the most significant being the December 2006 military coup in Fiji, just prior to the busiest period leading up to the December 30 Superdraw. Revenues for the half-year declined 25% compared to the previous half-year ended 30 June 2006.

Auditor's Independence Declaration

A copy of the independence declaration by the lead auditor under section 307C is included on page 3 to this half-year financial report.

This report is made in accordance with a resolution of the Board of Directors and is signed for and behalf of the directors by:



M VEVERKA
Director

22 February 2007
Brisbane

**JUMBO CORPORATION LIMITED
ACN 009 189 128
AND CONTROLLED ENTITIES
AUDITORS INDEPENDENCE DECLARATION**

To the best of my knowledge and belief, during the half-year ended 31 December 2006 there have been:-

- a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- b) no contravention of any applicable code of professional conduct in relation to the review.

BDO KENDALLS
Chartered Accountants

A handwritten signature in black ink, appearing to read "T J Kendall", with a horizontal line drawn through the first part of the signature.

T J KENDALL
Partner

22 February 2007
Brisbane

JUMBO CORPORATION LIMITED
ACN 009 189 128
AND CONTROLLED ENTITIES
Condensed Income Statement
for the Half-Year Ended 31 December 2006

Consolidated Entity			
Half Year			
	Note	31-Dec 2006 \$	31-Dec 2005 \$
Revenue	2	8,889,504	7,782,049
Cost of Goods Sold		(6,482,969)	(5,370,090)
Gross Profit		2,406,535	2,411,959
Borrowing cost expense		(54,339)	(96,552)
Depreciation and amortisation expense		(83,332)	(99,168)
Salaries and employee benefits expense		(693,868)	(497,126)
Directors remuneration		(140,993)	(105,174)
Consultancy and legal fees		(292,301)	(193,653)
Marketing Cost		(256,610)	(87,645)
Other expenses		(670,818)	(855,231)
Profit before income tax expense		214,274	477,410
Income tax expense		-	-
Net profit for the half-year		214,274	477,410
Net profit attributable to members of Jumbo Corporation Ltd		214,274	477,410
		Cents	Cents
Basic earnings per share		0.06	0.15
Diluted earnings per share		0.06	0.15

The above Condensed Income Statement should be read in conjunction with the accompanying notes

JUMBO CORPORATION LIMITED
ACN 009 189 128
AND CONTROLLED ENTITIES
Condensed Balance Sheet
as at 31 December 2006

Consolidated Entity

	Note	31 December 2006 \$	30 June 2006 \$
CURRENT ASSETS			
Cash assets and cash equivalents		4,521,382	5,267,518
Trade and Other Receivables		663,865	368,110
Inventories		738,675	880,345
Total Current Assets		<u>5,923,922</u>	<u>6,515,973</u>
NON-CURRENT ASSETS			
Financial assets		2,017,580	2,142,782
Property, plant and equipment		117,296	115,540
Intangible assets		3,489,214	3,507,083
Total Non-Current Assets		<u>5,624,090</u>	<u>5,765,405</u>
TOTAL ASSETS		<u><u>11,548,012</u></u>	<u><u>12,281,378</u></u>
CURRENT LIABILITIES			
Trade & Other payables		2,406,880	2,725,024
Short term borrowings		410,000	830,000
Total Current Liabilities		<u>2,816,880</u>	<u>3,555,024</u>
NON-CURRENT LIABILITIES			
Trade and other payables		-	100,000
Long term borrowings		830,000	830,000
Provisions		11,454	7,370
Total Non-Current Liabilities		<u>841,454</u>	<u>937,370</u>
TOTAL LIABILITIES		<u><u>3,658,334</u></u>	<u><u>4,492,394</u></u>
NET ASSETS		<u><u>7,889,678</u></u>	<u><u>7,788,984</u></u>
EQUITY			
Issued Capital	4	25,981,042	25,981,042
Retained losses		(18,167,817)	(18,382,091)
Reserves		76,453	190,033
TOTAL EQUITY		<u><u>7,889,678</u></u>	<u><u>7,788,984</u></u>

The above Condensed Balance Sheet should be read in conjunction with the accompanying notes

JUMBO CORPORATION LIMITED
ACN 009 189 128
AND CONTROLLED ENTITIES
Condensed Cash Flow Statement
for the Half-Year Ended 31 December 2006

	Consolidated Entity	
	Half Year	
	31-Dec	31-Dec
	2006	2005
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	8,475,744	7,374,741
Payments to suppliers and employees	(8,682,356)	(9,233,119)
Interest received	80,841	88,081
Interest and other costs of finance paid	(54,339)	(96,552)
Net cash inflow from operating activities	<u>(180,110)</u>	<u>(1,866,849)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment & intangibles	(46,024)	(245,996)
Increase Funds on Deposit	-	(68,034)
Net cash (outflow)/inflow from operating activities	<u>(46,024)</u>	<u>(314,030)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	80,000
Repayment of borrowings	(520,000)	(420,000)
Net cash (outflow)/inflow from financing activities	<u>(520,000)</u>	<u>(340,000)</u>
NET INCREASE IN CASH HELD	(746,133)	(2,520,879)
Net cash at beginning of period	5,267,518	5,483,633
NET CASH AT END OF PERIOD	<u><u>4,521,384</u></u>	<u><u>2,962,754</u></u>

The above Condensed Statement of Cash Flows should be read in conjunction with the accompanying notes

JUMBO CORPORATION LIMITED
ACN 009 189 128
AND CONTROLLED ENTITIES
Condensed Statement of Changes in Equity
for the Half-Year Ended 31 December 2006

	Issued capital	Retained earnings	Other Reserves	Total equity
	\$	\$	\$	\$
At 1 July 2005	23,182,343	(19,228,745)	34,350	3,987,948
Issue of shares	80,000	-	-	80,000
Capital Raising Costs	(3,600)	-	-	(3,600)
Increase in Fair Value of Financial Instruments	-	-	259,465	259,465
Profit for the period	-	477,410	-	477,410
Adjustment to Retained Earnings	-	51,343	-	51,343
Foreign currency translation differences	-	-	4,212	4,212
At 31 December 2005	23,258,743	(18,699,992)	298,027	4,856,778
Adjustment to Retained Earnings	-	8,338	-	8,338
Issue of shares	2,722,299	-	-	2,722,299
Profit for the period	-	309,563	-	309,563
Foreign currency translation differences	-	-	(3,310)	(3,310)
Diminution in fair value of financial instruments	-	-	(104,684)	(104,684)
At 30 June 2006	25,981,042	(18,382,091)	190,033	7,788,984
Issue of employee share options	-	-	21,938	21,938
Diminution in fair value of financial instruments	-	-	(127,288)	(127,288)
Profit for the period	-	214,274	-	214,274
Adjustment to Retained Earnings	-	-	-	-
Foreign currency translation differences	-	-	(8,230)	(8,230)
At 31 December 2006	25,981,042	(18,167,817)	76,453	7,889,678

The above Condensed Statement of Changes in Equity should be read in conjunction with the accompanying notes

JUMBO CORPORATION LIMITED
ACN 009 189 128
AND CONTROLLED ENTITIES
Notes To The Financial Statements
for the Half-Year Ended 31 December 2006

Note 1. Basis of Preparation of Half-Year Financial Statements

This general purpose financial report for the interim half-year reporting period ended 31 December 2006 has been prepared in accordance with Australian Accounting Standard 134 "Interim Financial Reporting" and the Corporations Act 2001.

The historical cost basis has been used, except for investment properties, land and buildings, derivatives and available-for-sale financial assets which have been measured at fair value.

This interim report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, this interim financial report is to be read in conjunction with the annual report for the year ended 30 June 2006 and any public announcements made by Jumbo Corporation Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies and methods of computation have generally been followed in this interim financial report as compared with the most recent annual financial report.

Note 2. Segment Information

Primary reporting - business segments

Half-year ended 31 December 2006	Jumbomall On- line Shopping Mall	On-line Lottery	Other	Intersegment eliminations	Consolidated
Total segment revenue	1,107,646	8,658,105	-	(960,562)	8,805,188
Other revenue	<u>327,698</u>	<u>50,349</u>	<u>157,578</u>	<u>(451,309)</u>	<u>84,316</u>
Total sales revenue	<u><u>1,435,344</u></u>	<u><u>8,708,453</u></u>	<u><u>157,578</u></u>	<u><u>(1,411,871)</u></u>	<u><u>8,889,504</u></u>
Revenue from ordinary activities					<u><u>8,889,504</u></u>
Segment result	<u><u>225,275</u></u>	<u><u>167,635</u></u>	<u><u>(842,686)</u></u>	<u><u>664,050</u></u>	<u><u>214,274</u></u>
Profit before income tax					<u><u>214,274</u></u>

Half-year ended 31 December 2005	Jumbomall On- line Shopping Mall	On-line Lottery	Other	Intersegment eliminations	Consolidated
Total segment revenue	733,914	6,931,812	3,307	(23,868)	7,645,165
Other revenue	<u>2,762</u>	<u>29,887</u>	<u>143,235</u>	<u>(39,000)</u>	<u>136,884</u>
Total sales revenue	<u><u>736,676</u></u>	<u><u>6,961,699</u></u>	<u><u>146,542</u></u>	<u><u>(62,868)</u></u>	<u><u>7,782,049</u></u>
Revenue from ordinary activities					<u><u>7,782,049</u></u>
Segment result	<u><u>(149,548)</u></u>	<u><u>701,624</u></u>	<u><u>(37,189)</u></u>	<u><u>(37,477)</u></u>	<u><u>477,410</u></u>
Profit before income tax					<u><u>477,410</u></u>

JUMBO CORPORATION LIMITED
ACN 009 189 128
AND CONTROLLED ENTITIES
Notes To The Financial Statements
for the Half-Year Ended 31 December 2006

Note 3. Dividends

There were no dividends paid or provided for during the half year ended 31 December 2006.

Note 4. Equity Securities Issued

	Half Year		Half Year	
	2006 Shares	2005 Shares	2006 \$	2005 \$
Issues of Ordinary Shares During the Half-Year	<u>-</u>	<u>1,600,000</u>	<u>-</u>	<u>80,000</u>

Note 5. Contingent Liabilities

There have been no changes in contingent liabilities or contingent assets since the last annual reporting date, 30 June 2006.

Note 6. Events Subsequent to Balance Date

There have been no significant events subsequent to balance date.

**JUMBO CORPORATION LIMITED
AND ITS CONTROLLED ENTITIES
ACN 009 189 128**

Declaration by Directors

The directors of the company declare that:

1. The financial statements, comprising the Income Statement, Balance Sheet, Statement of Cash Flows, Statement of Changes in Equity and accompanying notes, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and behalf of the directors by:



M VEVERKA
Director

Brisbane
22 February 2007

**JUMBO CORPORATION LIMITED
AND ITS CONTROLLED ENTITIES
ACN 009 189 128**

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF JUMBO CORPORATION LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Jumbo Corporation Limited, which comprises the condensed balance sheet as at 31 December 2006, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration² of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year in order for the disclosing entity to lodge the half-year financial report with the Australian Securities and Investments Commission.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of Jumbo Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Jumbo Corporation Limited on 22 February 2006, would be in the same terms if provided to the directors as at the date of this auditor's review report.

**JUMBO CORPORATION LIMITED
AND ITS CONTROLLED ENTITIES
ACN 009 189 128**

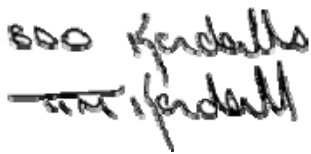
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF JUMBO CORPORATION LIMITED

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Jumbo Corporation Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

BDO KENDALLS
Chartered Accountants

Handwritten signature in black ink, appearing to read "BDO Kendall" on the top line and "T J Kendall" on the bottom line.

T J KENDALL
Partner

22 February 2007
Brisbane