

ASX RELEASE – Thursday 16th March 2006

JUMBO ANNOUNCES RECORD HALF YEAR PROFIT



Leading Australian online lotteries and ecommerce company, Jumbo Corporation Limited, today announced a 70% increase in net profit to a record \$477,410 for the six months to 31 December 2005, compared to the previous corresponding period.

Jumbo also reported total revenues of \$7.78 million - up 85%, while EBITDA was \$673,130 – a 128% improvement.

ASX Code:	JUM
Shares on Issue:	370 million
Options on Issue:	5 million
Share price (14 Mar 2006)	5.4c
Market Cap:	\$20 million
Top 20 hold:	47%
Annual Share Volume	653 million
Last Month Share Volume	31 million

Jumbo's Net Asset position reached \$4.85 million, which has since been further strengthened by an additional \$2.82 million following an enthusiastic response in January this year to the Company's Shareholder Share Purchase Plan.

"Jumbo's record profit and growth reflects the positive impact our online retailing skills and customer database brought to the newly acquired online lottery business," Jumbo Chief Executive Officer, Mr Mike Veverka, said.

"Since 1995 when the company was founded, we have accumulated 11 years of online marketing experience and online customers, significantly boosting sales of online lottery tickets from our flagship web site www.ozlotteries.com", he said.

"The company has shifted its focus from general retailing to online lotteries to make the most of the early market position we have in this fast growing industry", he said.

“Ozlotteries.com now has more website traffic, more signups, more regular players and ultimately more sales than in May 2005, when Jumbo acquired the business.”

The highlights of the latest half year are as follows:

Half Year Period	December 2003	December 2004	December 2005	Growth 2004 - 05
Revenue	\$3.3 million	\$4.2 million	\$7.78 million	85%
EBITDA	\$153,715	\$295,670	\$673,130	128%
PROFIT (NPAT)	\$115,408	\$281,607	\$477,410	70%

Mr Veverka said the expertise Jumbo had brought to ozlotteries.com, following its acquisition by the Company in May 2005, were best highlighted by the following figures in the six months to 31 December 2005;

- Website customer traffic increased 45%.
- Customer signups increased 36%.
- Active regular customers increased 91%.

Jumbo’s marketing activities are based on the following principles.

- Conversion of existing online customers to ozlotteries.com
- Partnership with “Affiliates” who are independent online marketers that drive customer traffic to ozlotteries.com and are paid on a performance basis (jumboaffiliates.com).
- Promotions to encourage customers to try the ozlotteries service via improved signup bonuses.
- Improvements to the ozlotteries.com website to increase customer loyalty.

Mr Veverka said CasinoCity.com, an independent US-based online gaming review site, has ranked ozlotteries.com the number one most popular lottery web site (<http://online.casinocity.com/lotteries>).

The ranking is unpaid and is determined independently by CasinoCity.com.

Financial Position

The strengthening of the companies financial position is demonstrated in the following table.

Half Year Period	December 2003	December 2004	December 2005
Cash at Bank	\$1.03 million	\$1.70 million	\$4.46 million
Net Assets	\$50,000	\$2.00 million	\$4.85 million
Net Tangible Assets	\$38,000	\$1.77 million	\$1.52 million

A further \$2.82 million in cash was added in January 2006 following the conclusion of the Shareholder Share Purchase Plan.

Mr Veverka said the Company now had over \$7 million in cash, and was in a strong position to take advantage of further growth opportunities in the online lottery and gaming sector.

Lottery Tender

On the 4th March 2005, Jumbo announced that it was invited to participate in a Tender Submission for an Australian Lottery business.

A change in direction by the lottery business during the tender process resulted in delays and an ultimate decision not to award the tender to any participants.

Jumbo continues to seek further opportunities in Australia and Overseas.

Private Lottery Network

Following the acquisition of TMS Global Services Pty Limited in May 2005, Jumbo also gained control over a private network of lottery outlets through a number of Pacific Islands, including Fiji, the Cook Islands and Norfolk Island.

The outlets are linked via a proprietary computer system to Australia. Improvements were made during the half year to this network and a decision was made to continue supporting this business unit with further improvements.

“The private network is a steady profit earner that grew 28% in the 6 months to December 2005”, Mr Veverka said.

“While the growth is lower than the ozlotteries.com web site, I expect the growth to continue and the private network to continue to make a significant contribution to group results,” he said.

Betting Exchange Opportunities

On the 9th November 2005, Jumbo announced its plans to seek opportunities in the Betting Exchange industry following the decision by the Tasmanian State Government to license the countries first betting exchange.

Since that time, Jumbo has been in discussions to license the BetexWare software application to a number of potential betting exchange operators. As yet no licenses have been granted as no operator has obtained the necessary betting exchange license.

“Jumbo’s intention is to partner with a betting exchange operator and as yet no operator has been granted a second license from Tasmania”, said Mr Veverka.

“I believe Betting Exchanges are the likely future for online wagering and Jumbo will continue to investigate opportunities”, he said.

Investment in Global Approach Limited (GLO)

In January 2006, Jumbo exercised its 2.58 million options in Global Approach Limited (ASX:GLO) – an online gaming company with 2 online casinos and 1 poker room - to increase its shareholding from 8,648,817 shares to 11,228,817 shares (17.4% of GLO), and increasing its total investment to \$958,549.

Based on an 11c closing share price on 15 March 2006, the investment is now worth \$1,235,170.

Growth

Jumbo is continually seeking further growth opportunities through partnerships and/or acquisitions in the online lottery and gaming sector both in Australia and overseas.

Online gambling worldwide totaled about US\$12 billion (AUD\$16 billion) last year, according to Christiansen Capital LLC, with lottery games representing about 15 percent of the total. By 2010, the consulting firm is forecasting that online gambling will total US\$24.5 billion (AUD\$32 billion) worldwide, with lotteries accounting for US\$4 billion (AUD\$5.3 billion), or 16.5 percent.

"The online lottery industry is in its infancy and significant growth opportunities will arise as the industry matures", said Mr Mike Veverka.

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INFORMATION MEMORANDUM – March 2006

JUMBO CORPORATION LIMITED



12 month share price and volumes

QUICK SHARE FACTS

(www.jumbocorporation.com/stocks)

Symbol: ASX:JUM
Recent Price: 5.3c (15 Mar 2006)
Market Cap: \$20 mil (15 Mar 2006)
Shares O/I: 370,071,110
Options: 5,000,000 at 4c exp 19 May 2007
52 wk range: 3.5c to 8.5
Av Monthly Trading Volume: 54 million shares
EPS: 0.26c (NPAT Historical Annualized)
PE: 20.9 (NPAT Historical Annualized)
PE: 14.9 (EBITDA Historical Annualized)

PRIMARY ACTIVITIES

(www.jumbocorporation.com/whatwedo)

Retailing Lotteries Online.

Sells Popular games such as OzLotto and Powerball via agreements with Tattersalls' and NSW Lotteries.

Operates a private network of lottery outlets on Pacific Islands including Fiji, Cook Islands and Norfolk Island.

BRIEF HISTORY

1995 Company founded by Mr Mike Veverka
1999 Listed on ASX raising \$3 mil
2000 Raised further \$1.2 mil
2003 First Full Year Profit
2004 Second Full Year Profit
2005 Acquired TMS Global Services (Lottery Business)
2005 Third Full Year Profit
2006 Announced 7th consecutive profit upgrade

BOARD

Mr Alan S Phillips Chairman
Mr Mike Veverka CEO & Major Shareholder (20%)
Mr David DeCampo Executive Director - Gaming
Mr Earl Evans Non-executive Director
Mr Gary Clark Company Secretary

STRENGTHS

Profitable Track Record
Agreements with Tattersalls' and NSW Lotteries
Strong Ownership and Management

RISKS

Adoption of new technology
Online security

CONTACT

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TARGET MARKET

Primary Market: Online lottery market
Market Size: 2005: AUD\$2.4 billion
2010: AUD\$5.3 billion
(Source: Christiansen Capital LLC)

TOP 20 SHAREHOLDERS (15 Mar 2006)

1 VESTEON PTY LTD	73,611,906	19.9%
2 ANZ NOMINEES LIMITED CASH INCOME A/C	32,871,586	8.88
3 BALLINDINE LIMITED	23,750,000	6.42
4 MARANELLO INVESTMENTS LIMITED	8,283,334	2.24
5 WARAWONG PTY LTD BETHANGA HOLDINGS FAM A/C	6,571,000	1.78
6 NATIONAL NOMINEES LIMITED	5,129,650	1.39
7 BARRY PLANT PTY LTD BARRY PLANT SUPER ' A/C	3,395,000	0.92
8 MR ANTHONY BROWN MS ' BROWN S/F A/C	2,167,959	0.59
9 BEACHHOUSE INVESTMENTS P/L	2,083,334	0.56
10 MR LAI-SUNG LO MRS JUI-CHIN CHOU	2,068,882	0.56
11 MR XAVIER ROBERT BERGADE	2,000,000	0.54
12 PHILLIPS EXPLORATION PTY LTD	2,000,000	0.54
13 COMSEC NOMINEES PTY LIMITED	1,813,923	0.49
14 MR MAKRAM HANNA MRS ' CO P/L SUPER A/C	1,633,334	0.44
15 MR MILIND RAJENDRA KUMAR	1,570,000	0.42
16 EQUITAS NOMINEES PTY LIMITED GROUP A A/C	1,500,000	0.41
17 PHILLIPS EXPLORATION PTY LTD PF A/C	1,400,000	0.38
18 ROSSI ORCHARDS PTY LTD ' S/FUND A/C	1,383,334	0.37
19 DR BRENTON DAVID WINTER MRS 'ROSE-WINTER	1,333,334	0.36
20 JBD ENTERPRISES PTY LTD	1,300,000	0.35
Top 20 holders of FULLY PAID ORDINARY SHARES as at 14 Mar 2006	175,866,576	47.53%

FINANCIAL SUMMARY

(www.jumbocorporation.com/company)

12 months ending..	FY June 03	FY June 04	FY June 05	<u>HY Dec 05</u>
Revenue	\$2.75 million	\$7.7 million	\$7.2 million	\$7.78 million
EBITDA	\$142,000	\$400,000	\$720,000	\$673,000
Profit (Loss)	\$112,000	\$290,000	\$630,000	\$477,000
Cash at Bank	\$865,000	\$1,930,000	\$5,480,000	\$4,460,000
Net Assets	\$581,000	\$1,240,000	\$3,960,000	\$4,850,000
Net Tangible Assets	\$231,000	\$970,000	\$1,130,000	\$1,520,000

RECENT ANNOUNCEMENTS

(www.jumbocorporation.com/press)

03 February 2006

Profit Upgrade

24 January 2006

Shareholder Share Purchase Plan (SSPP)

13 December 2005

Partial Underwriting of Shortfall of Shareholder Share Purchase Plan

24 November 2005

Invitation to participate in the Jumbo Shareholder Share Purchase Plan

10 November 2005

SHAREHOLDER SHARE PURCHASE PLAN OFFER

09 November 2005

JUMBO SEEKS BETTING EXCHANGE OPPORTUNITES

26 October 2005

Notice of Annual General Meeting

30 September 2005

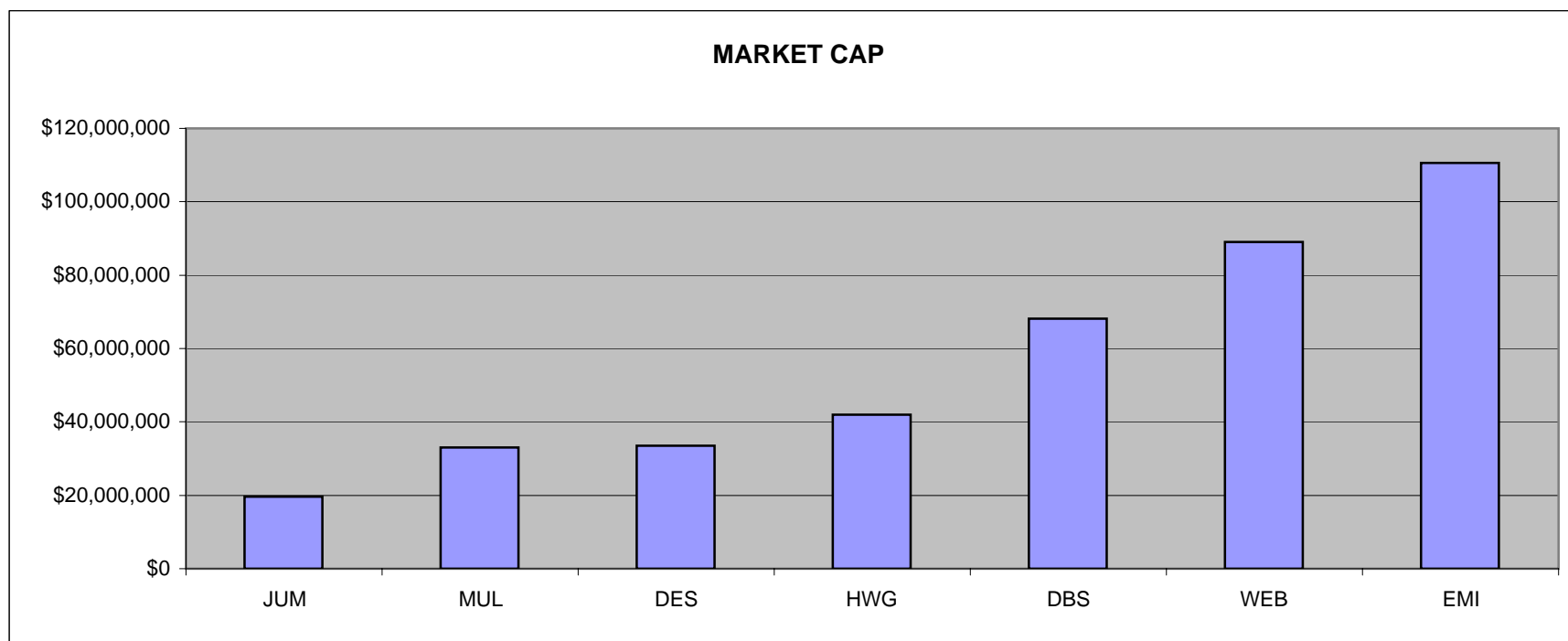
2005 June 2005 - Annual Financial Report

12 September 2005

2005 PRELIMINARY FINAL RESULTS - FULL YEAR RECORD PROFIT

PEER ANALYSIS

Name	ASX	Share Price 15-Mar-06	Shares on Issue	Market Cap	Asset Backing	EPS	Earnings Yield	PE
JUMBO CORPORATION LIMITED	JUM	\$0.053	370,071,110	\$19,613,769	\$0.013	\$0.003	5.7%	18
MULTIEMEDIA LIMITED	MUL	\$0.011	3,008,767,724	\$33,096,445	\$0.002	-\$0.003	-	0
DESTRA CORPORATION LIMITED	DES	\$0.280	119,879,707	\$33,566,318	\$0.020	\$0.008	3.0%	34
HOSTWORKS GROUP LIMITED	HWG	\$0.250	167,597,751	\$41,899,438	\$0.050	\$0.0017	0.7%	148
DARK BLUE SEA LIMITED	DBS	\$0.800	85,268,809	\$68,215,047	\$0.060	\$0.036	4.5%	22
WEBJET LIMITED	WEB	\$0.335	265,724,774	\$89,017,799	\$0.030	\$0.007	2.2%	45
EMITCH LIMITED	EMI	\$0.620	178,364,964	\$110,586,278	\$0.050	\$0.013	2.1%	49



APPENDIX 4D

Half Year Report

Period ending on 31 December 2005

Name of Entity:

Jumbo Corporation Limited

ACN:

009 189 128

Half Year Ended ('Current Period'):

31 December 2005

RESULTS FOR ANNOUNCEMENT TO THE MARKET:

				\$A
Revenue from Ordinary Activities	up	85%	to	\$7,782,049
Net profit (loss) from ordinary activities after tax attributable to members	up	70%	to	\$477,410
Net profit (loss) for the period attributable to members	up	70%	to	\$477,410
Dividends (distributions)	Amount per Security		Franked amount per security	
Final Dividend	0c		0c	
Interim Dividend	0c		0c	
Record date for determining entitlements to the dividend	NA			

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 2005.

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
David DeCampo - Executive Director of Gaming Activities
Earl Evans - Non-executive Director

Review of Operations

The company focused its efforts on growing the online lottery business following the successful acquisition of TMS Global Services in May 2005. The result of this was a 85% increase in Revenue from \$4.18 million to \$7.78 million and a 70% increase in Profit from \$281,607 to \$477,410 for the 6 months ending 31 December 2005. The financial position of the company also strengthened with net assets increasing from \$2.00 million to \$4.85 million at 31 December 2005. The net assets were strengthened a further \$2.82 million on the 24th January 2006 following an enthusiastic response to the Shareholder Share Purchase Plan.

The company operates the popular ozlotteries.com website where it retails Australian Lotteries such as OzLotto and Powerball over the Internet. The number customer signups has grown 36% in the 6 months to December 2005 following a number of online marketing initiatives. This equates to an annualised growth rate of 85% per annum. The company operates under agreements with NSW Lotteries Corporation in NSW and Tattersalls' in Victoria.

Investment in Global Approach Limited

The companies investment in Global Approach was increased from \$700,549 to \$958,549 following a payment of \$258,000 to convert the companies 2,580,000 options at 10c into GLO shares. This increases Jumbo's holding in GLO to 11,228,817 shares which is valued at \$1,235,170 based on an 11c closing share price for GLO on 14th March 2006.

Auditor's Independence Declaration

A copy of the independence declaration by the lead auditor under section 307C is included on page 16 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

16 March 2006

JUMBO CORPORATION LIMITED
ACN 009 189 128
AND CONTROLLED ENTITIES
Condensed Income Statement
for the Half-Year Ended 31 December 2005

Consolidated Entity			
Half Year			
	Note	31-Dec 2005	31-Dec 2004
Revenue	2	7,782,049	4,181,427
Cost of Goods Sold		(5,370,090)	(2,729,907)
Employee benefits expense		(505,819)	(147,391)
Depreciation and amortisation expenses		(99,168)	(6,394)
Borrowing cost expense		(96,552)	(7,669)
Consultancy Fees		(259,878)	(246,611)
Other expenses		(973,132)	(761,848)
Profit before income tax expense		477,410	281,607
Income tax expense		-	-
Net profit for the half-year		477,410	281,607
Net profit attributable to members of Jumbo Corporation Ltd		477,410	281,607
		Cents	Cents
Basic earnings per share		0.15	0.12
Diluted earnings per share		0.15	0.12

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 2005

Consolidated Entity			
	Note	31 December 2005	30 June 2005
CURRENT ASSETS			
Cash and cash equivalents		2,962,754	5,483,633
Trade and Other Receivables		961,330	582,413
Inventories		9,425	10,306
Other Current Assets		37,016	-
Total Current Assets		<u>3,970,525</u>	<u>6,076,352</u>
NON-CURRENT ASSETS			
Other Financial assets		2,545,204	2,217,705
Property, plant and equipment		61,414	102,613
Intangible assets		3,334,912	3,142,724
Total Non-Current Assets		<u>5,941,530</u>	<u>5,463,042</u>
TOTAL ASSETS		<u>9,912,055</u>	<u>11,539,394</u>
CURRENT LIABILITIES			
Trade & Other payables		2,604,398	4,701,817
Short term borrowings		603,066	826,666
Short term provisions		173,271	173,421
Total Current Liabilities		<u>3,380,735</u>	<u>5,701,904</u>
NON-CURRENT LIABILITIES			
Long term borrowings		1,673,334	1,673,334
Other non-current liabilities		-	175,000
Total Non-Current Liabilities		<u>1,673,334</u>	<u>1,848,334</u>
TOTAL LIABILITIES		<u>5,054,069</u>	<u>7,550,238</u>
NET ASSETS		<u>4,857,986</u>	<u>3,989,156</u>
EQUITY			
Issued Capital	4	23,258,743	23,182,343
Reserves		298,027	34,350
Retained earnings		(18,698,784)	(19,227,537)
TOTAL EQUITY		<u>4,857,986</u>	<u>3,989,156</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 2005

	Consolidated Entity	
	Half Year	
	31-Dec 2005	31-Dec 2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	7,374,741	4,180,303
Payments to suppliers and employees	(9,233,119)	(4,689,517)
Interest received	88,081	17,393
Interest and other costs of finance paid	(96,552)	(7,669)
Net cash inflow from operating activities	<u>(1,866,849)</u>	<u>(499,490)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment & intangibles	(245,996)	(6,240)
Increase Funds on Deposit	(68,034)	-
Payment for purchases of equity investments	-	(25,000)
Proceeds from sale of equity investments	-	60,000
Net cash (outflow)/inflow from operating activities	<u>(314,030)</u>	<u>28,760</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	80,000	250,000
Repayment of borrowings	(420,000)	-
Proceeds from outside equity interests	-	(3,600)
Net cash (outflow)/inflow from financing activities	<u>(340,000)</u>	<u>246,400</u>
NET INCREASE IN CASH HELD	(2,520,879)	(224,330)
Net cash at beginning of period	5,483,633	1,928,239
NET CASH AT END OF PERIOD	<u>2,962,754</u>	<u>1,703,909</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 2005

	Issued capital	Retained earnings	Other reserves	Total equity
At 1 July 2004	21,094,592	(19,853,958)	-	1,240,634
Issue of share capital	516,000	-	-	516,000
Profit for the period	-	281,607	-	281,607
At 31 December 2004	21,610,592	(19,572,351)	-	2,038,241
Issue of share capital	1,571,751	-	-	1,571,751
Profit for the period	-	344,814	-	344,814
Increase in Fair Value of Financial Instruments	-	-	17,156	17,156
Share-based payment expense	-	-	17,194	17,194
At 30 June 2005	23,182,343	(19,227,537)	34,350	3,989,156
Issue of share capital	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	(18,698,784)	298,027	4,857,986

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 2005

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 2005 has been prepared in accordance with Australian Accounting Standard 134 "Interim Financial Reporting", Corporations Act 2001, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

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 2005 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.

This is the first half-year financial report which has been prepared using Australian equivalents to International Financial Reporting Standards ("AIFRSs") and comparatives have been restated accordingly. Reconciliations of equity, retained earnings and profit under the previous accounting standards and AIFRSs have been included at note 5. below.

AASB 134: Interim Financial Reporting generally only requires disclosure of accounting policies that have changed from those used in the prior annual reporting period. However, as this is the first published financial report prepared in compliance with AIFRSs, all applicable accounting policies have been noted below.

a. Principles of Consolidation

A controlled entity is any entity controlled by Jumbo Corporation Limited. Control exists where Jumbo Corporation Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Jumbo Corporation Limited to achieve the objectives of Jumbo Corporation Limited. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

b. Income Tax

The change for current income tax expenses is based on the profit for the year adjusted for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

JUMBO CORPORATION LIMITED
ACN 009 189 128
AND CONTROLLED ENTITIES
Notes To The Financial Statements
for the Half-Year Ended 31 December 2005

Note 1. Basis of Preparation of Half-Year Financial Statements (cont'd)

c. Inventories

Inventories are measured at the lower of cost and net realisable value.

d. Property, Plant and Equipment

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their effective lives to the economic entity commencing from the time the asset is held ready for use. The effective life of all asset categories is 3.75 years.

e. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the economic entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability. Lease payments received reduce the liability.

f. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management and within the requirement of AASB139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derivative Instruments

Derivative Instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

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Notes To The Financial Statements
for the Half-Year Ended 31 December 2005

Note 1. Basis of Preparation of Half-Year Financial Statements (cont'd)

g. Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h. Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in the intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

i. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange difference arising on the transaction of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group Companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are treated as follows: i) Assets and liabilities are translated at the year-end exchange rates prevailing at the reporting date. ii) Income and expenses are translated at average exchange rates for the period. iii) Retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

j. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date.

Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs.

Equity-settled compensation

The group operates a number of share-based compensation plans. These include both share option arrangement and an employee share scheme. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the income statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted.

k. Cash

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

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Note 1. Basis of Preparation of Half-Year Financial Statements (cont'd)

l. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

m. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

n. Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

o. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in income in the period in which they are incurred.

JUMBO CORPORATION LIMITED
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Note 2. Segment Information

Primary reporting - business segments

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>	477,410
Profit before income tax					<u><u>477,410</u></u>
Half-year ended 31 December 2004	Jumbomall On-line Shopping Mall	On-line Lottery	Other	Intersegment eliminations	Consolidated
Total segment revenue	4,102,454	1,513	(484)	-	4,103,483
Other revenue			<u>77,944</u>		<u>77,944</u>
Total sales revenue	<u><u>4,102,454</u></u>	<u><u>1,513</u></u>	<u><u>77,460</u></u>	<u><u>0</u></u>	<u><u>4,181,427</u></u>
Revenue from ordinary activities					<u><u>4,181,427</u></u>
Segment result	<u><u>361,618</u></u>	<u><u>(4,282)</u></u>	<u><u>(75,729)</u></u>	<u><u>-</u></u>	281,607
Profit before income tax					<u><u>281,607</u></u>

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Notes To The Financial Statements
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Note 3. Dividends

There were no dividends paid or provided for during the half year ended 31 December 2005

Note 4. Equity Securities Issued

	Half Year		Half Year	
	2005	2004	2005	2004
	Shares	Shares	Shares	Shares
Issues of Ordinary Shares During the Half-Year	1,600,000	36,987,046	80,000	516,000

Note 5. Impact of Adopting Australian Equivalents to International Financial Reporting Standards ("AIFRSs")

(a) AASB 1 Transitional Exemptions

The group has elected to use the following transitional exemptions allowed by AASB 1: First-Time Adoption of Australian Equivalents to International Financial Reporting Standards:

Exemption from requirement to restate financial instrument comparatives under AASB 132 and AASB 139

The group has elected to apply the exemption available in AASB 1 to restate comparatives for financial instruments. This means that the transition date for financial instruments becomes 1 July 2005 instead of 1 July 2004. Under previous GAAP, non-current investments were previously recognised at their cost, being \$ 700,549 until 30 June 2005.

Business combinations

AASB 3: Business Combinations has not been applied retrospectively to business combinations that were effected prior to transition date.

Share-based payments

AASB 2: Share-Based Payments has only been applied to equity instruments granted after 7 November 2002 that had not vested by 1 January 2005.

JUMBO CORPORATION LIMITED
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Notes To The Financial Statements
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Note 5. Impact of Adopting Australian Equivalents to International Financial Reporting Standards ("AIFRSs")

(b) Reconciliation of total equity presented under AGAAP to that under AIFRSs

The impact of adopting AIFRSs on the total equity as reported under Australian Accounting Standards applicable before 1 January 2005 ("AGAAP") is as follows:

		Consolidated Entity		
		30-Jun-05	31-Dec-04	1-Jul-04
	Notes			
Total equity under AGAAP		3,958,756	2,004,491	1,240,634
Reversal of goodwill amortisation	(i)	39,280	33,750	-
Borrowing costs previously capitalised now expensed as incurred	(ii)	(26,036)	-	-
Restate Financial Instruments at fair value	(iii)	17,156	-	-
Total equity under AIFRSs		3,989,156	2,038,241	1,240,634

(c) Reconciliation of retained earnings presented under AGAAP to that under AIFRSs

The impact of adopting AIFRSs on the retained earnings as reported under Australian Accounting Standards applicable before 1 January 2005 ("AGAAP") is as follows:

		Consolidated Entity		
		30-Jun-05	31-Dec-04	1-Jul-04
	Notes			
Total retained earnings(accumulated losses) under AGAAP		(19,223,587)	(19,606,101)	(19,853,958)
Reversal of goodwill amortisation	(i)	39,280	33,750	-
Borrowing costs previously capitalised now expensed as incurred	(ii)	(26,036)	-	-
Share based payments	(iv)	(17,194)	-	-
Retained earnings(accumulated losses) under AIFRSs		(19,227,537)	(19,572,351)	(19,853,958)

(d) Reconciliation of profit after tax presented under AGAAP to that under AIFRSs

The impact of adopting AIFRSs on the profit as reported under Australian Accounting Standards applicable before 1 January 2005 ("AGAAP") is as follows:

		Consolidated Entity	
		Year ended	Half-year ended
		30-Jun-05	31-Dec-04
	Notes		
Profit after tax as previously reported		630,371	247,857
Reversal of goodwill amortisation	(i)	39,280	33,750
Borrowing costs previously capitalised now expensed as incurred	(ii)	(26,036)	-
Share based payments	(iv)	(17,194)	-
Profit after tax under AIFRSs		643,615	281,607

JUMBO CORPORATION LIMITED
ACN 009 189 128
AND CONTROLLED ENTITIES
Notes To The Financial Statements
for the Half-Year Ended 31 December 2005

Note 5. Impact of Adopting Australian Equivalents to International Financial Reporting Standards ("AIFRSs") (cont'd)

(i) Goodwill was amortised under AGAAP but is no longer amortised under AASB 3: Business Combinations. This results in a positive impact on profit and retained earnings for the comparative AIFRSs period.

(ii) Borrowing costs were previously capitalised on loan borrowings but are now expensed under the benchmark treatment in AASB 123: Borrowing Costs. This has resulted in a once-off \$ 26,036 adjustment to reduce borrowing costs and retained earnings (equity) of \$ 29,036.

(iii) Under AASB 139: Financial Instruments: Recognition and Measurement, available-for-sale financial assets are required to be revalued at each reporting date, with revaluation increments or decrements to be taken directly to a financial asset revaluation reserve. Previously these assets were valued at cost.

(iv) Under AASB 2: Share-based payments these types of payments must now be expensed. The options were granted in May 2005 under an employee option plan. These options vest after 1 January 2005. The retrospective adjustment on 1 July 2004 has no impact on equity because it results in a reduction to opening balance of retained earnings and a corresponding increase to a share option reserve. However, the share-based payment expensed under AIFRS's (not under AGAAP) results in a reduction of profits for the financial year ended 30 June 2005.

**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 2005 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
16 March 2006

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

To the best of my knowledge and belief 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

T KENDALL
Partner

16 March 2006
Brisbane

**INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF JUMBO CORPORATION LIMITED AND CONTROLLED ENTITIES**

Scope

We have reviewed the financial report of Jumbo Corporation Limited and its controlled entities for the half-year ended 31 December 2005 as set out on pages 3 to 15. The financial report includes the financial statements of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year. The company's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 134: Interim Financial Reporting, other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to lodge the financial report with the Australian Securities & Investments Commission and the Australian Stock Exchange.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the disclosing entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

The independence declaration given to the directors in accordance with section 307C would be in the same terms if it had been given at the date of this report.

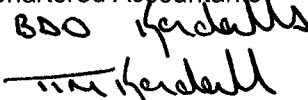
Statement

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:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2005 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

BDO Kendalls

Chartered Accountants



T J Kendall

Partner

16 March 2006
Brisbane