

## ASX RELEASE – Friday 9<sup>th</sup> February 2007

# PROFIT GUIDANCE



Jumbo Corporation Limited today announced a preliminary Net Profit guidance in the vicinity of \$200,000 - \$250,000 and an EBITDA between \$250,000 - \$300,000 for the half year ending December 2006.

ASX Code:	JUM
Shares on Issue:	370 million
Options on Issue:	16.25 million
Share price (8 Feb 2007)	3.3c
Market Cap:	\$12 million
Top 20 hold:	48%
Annual Share Volume	223 million
Last Month Share Volume	11 million

This follows a mixed period that included good growth in Internet sales (Ozlotteries.com) but a decline in non-Internet sales in the Pacific Island Lottery Network. The results also include substantial development expenses for the new Ozlotteries.com web site (launched 20 October 2006) and the new Million Dollar Lottery (launched 12 December 2006). The final results are expected to be released by 23 February 2007.

“The performance of Ozlotteries.com has been pleasing and we have maintained our continuous profitability over the past four years, however attention must be given to reinvigorating the Pacific Island Lottery Network which has declined over the past year”, said Mr Mike Veverka, CEO of Jumbo.

“We have taken a number of steps to address the issue, with the most significant being the appointment of an experienced gaming industry manager to focus on the Pacific Island Lottery Network”, he said.

The following table summarises the expected results which are based on unaudited management accounts.

	HY Dec 06 (Guidance)	HY Jun 06 (Actual)	HY Dec 05 (Actual)
Revenue	\$8.8 mil to \$9.0 mil	\$8.8 mil	\$7.8 mil
EBITDA	\$250,000 to \$300,000	\$310,000	\$673,000
Net Profit After Tax	\$200,000 to \$250,000	\$197,000	\$477,000

On this basis, financial performance would have to improve over the upcoming 6 month period to June 2007 if Jumbo was to match the previous years performance of \$787,000 Net Profit After Tax. At this point of time it is difficult to determine as the marketplace has been volatile.

#### **Growth in Internet Sales (Ozlotteries.com)**

The Ozlotteries.com web site continued its strong growth with a record month in December 2006. Sales for the half year increased 20% over the previous half year and 58% over the corresponding half year ending 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.

#### **Decline in non Internet Sales (Pacific Island Lottery Network)**

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 24% compared to the previous period.

Mr Paul Crossin has been appointed to reinvigorate the Pacific Island Lottery Network and has considerable experience in the gaming industry, particularly in the traditional non-Internet gaming sector.

## **Proprietary Lottery Games**

As announced on 12 December 2006, Jumbo's new Million Dollar Lottery was launched at [www.pinballkeno.com](http://www.pinballkeno.com). This followed a period of significant development costs which were expensed in the December 2006 half year.

This game is not expected to deliver significant revenue until late 2007 and is in line with the expected 3 year growth period.

## **Future Growth through Acquisitions**

Jumbo is expanding its scope for future growth by reviewing acquisition opportunities in the E-Commerce and Information Technology Industries.

"There are limited acquisition opportunities in the online lottery industry, so we have expanded our search into the E-Commerce and IT industries", said Mr Veverka.

## **For further Information:**

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