

**CRITERION**with **TIM BOREHAM**
**Jumbo Corporation (JUM) 4.9c**  
**Global Approach (GLO) 13.5c**

AS with waste manager Tox Free in yesterday's column, today we offer another alternative exposure to high-profile takeover plays.

Jumbo was an online retailer of pharmaceuticals, but a year ago bought the private online ticket vendor, TMS Global Services, which owns the ozlotteries.com website.

TMS, by the way, was controlled by NZ entrepreneur Eric Watson, whose bigger claim to fame was thumping Russell Crowe in a restaurant restroom (we know the feeling Eric).

By arrangement with Tattersall's and the NSW Lotteries Commission, the site sells tickets in products such as Powerball, OzLotto and Keno.

Jumbo chief Mike Veverka can't see any direct fallout from a Tatts-Unitab tie-up. But it may help Jumbo's plans to sell its betting exchange software to anyone (Unitab) wanting to take on Betfair.

Jumbo's current focus is on expanding the overseas market for Australian lotteries, which — we're surprised to learn —

accounts for about 20 per cent of lottery sales.

*Criterion* always thought local jackpots looked stingy compared with the \$US50 million ones in the US, inevitably won by an impoverished factory hand with five children.

But unlike here, the winnings are dripped out as an annuity, so aren't so impressive in real dollar terms. Australian lotteries also enjoy a safe reputation, unlike Nigerian lotteries, where the only jackpot winners are the backers.

Jumbo owns 17 per cent of online casino operator Global Approach, which this week bought out Tusk Investment in an all-scrip, \$19 million deal. There's already a link between Tusk and Global, in that Tusk managed Global's existing online rooms.

The deal sees major Tusk holder Ken Talbot, of Macarthur Coal fame, emerge as Global's 48 per cent holder.

Jumbo made a \$447,000 half-year profit on revenues of \$7.78 million and has been in the black for two years. It has \$7 million in cash and raised \$2.8 million from a recent share purchase plan, \$1.8 million more than expected.

We haven't exactly done due diligence on Global, but Talbot's played the coal trump card well, so could do the same with gaming.

Veverka, who's also a Globe director, says Jumbo will exit its Globe holding when the price is right.

We rate both companies a **SPECULATIVE BUY**, but of course they're a punt.

borehamt@theaustralian.com.au

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**WEIGHED DOWN**

Source: Bloomberg