

# CEO's AGM Address to Shareholders

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JUMBO CORPORATION LIMITED

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HOMEX - Brisbane

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December Quarter shaping up to be the 6th straight quarter of improved results

"Many shareholders read our announcement in July this year about our 4th straight quarter of improved results, and again in September about our 5th straight quarter of improved results. Today I am pleased to announce that the December quarter is on track to become our 6th straight quarter of improved results."

"Jumbo's turnover has increased from \$205,000 per quarter a year ago to over \$1.2 million for the September quarter, and the December quarter is on target to exceed that again. The sales and the bottom line have considerably improved during a very difficult year for technology companies, indicating that the business model is working."

## NEW AGREEMENTS

"In addition to the increasing growth of Jumbo, I would also like to announce that in association with Manacomm Distribution, Jumbo has entered into 2 new agreements for the sale of online software. The agreements are with oznetcom/Squirrel, a major Internet Service Provider in Brisbane, and with Country Netlink, a regional Internet Service Provider in Victoria. These agreements are similar to our agreement with OzEmail that was announced in October this year.

Both these companies have begun promoting a software package called "Terminet", which was supplied by Manacomm, a leading software distribution company in Australia. Using the Jumbo online payments system, customers are able to purchase and download the software instantly, which is a significant improvement over the traditional method of selling software from a store.

This is an example of the Jumbo business model in action. We choose a product with a strong advantage on the Internet and sign an agreement with a partner to sell that product to its customer base. Jumbo supplies the online ordering system to handle the transaction and earns revenue on each sale without the need to hold any stock."

## CHANGE FROM BUILDING TO SELLING

"To understand what is driving the growth in Jumbo, I will put into

perspective the events over the last 2 years. In 1999, Jumbo raised \$3 million to accelerate a project that began in 1995 to build a world class Internet billing system, online store builder and online shopping mall. The funding was used to build a computer system capable of handling a very large number of transactions from multiple merchants internationally."

"The project was almost complete when in April 2000, the stock market changed for all technology companies around the world. While this had a dramatic effect on our share price, it did not stop the project from being completed. A further \$1 million was raised in June 2000 to give the company adequate capital to grow the business over the next 2 years, which we are doing."

"Our focus changed from building to selling. We concentrated on products that had a strong advantage by using the Internet, such as software, computer hardware, information and some gift lines. We avoided many of the pitfalls that caused the downfall of other technology companies such as out-of-control expenses and poor business models."

#### THE VISION AHEAD

"The challenges that lie ahead are to continue signing up successful Companies to use the Jumbo system. The advantages that Jumbo has include an ability to work with merchants around the world and a computer system that is truly world class."

"I believe that if Jumbo can continue working with good companies and to continue to deliver improving results, our share price, will eventually reflect what I consider to be the true value of the company."

For more information, please contact

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