

JUMBO CORPORATION LIMITED

ACN 009 189 128

NOTICE OF EXTRAORDINARY GENERAL MEETING

and

EXPLANATORY MEMORANDUM

Date of Meeting: 27 June 2003
Time of Meeting: 11am
Place of Meeting: Level 8, Riverside Centre
123 Eagle street
Brisbane QLD 4000

This Notice of Extraordinary General Meeting and Explanatory Memorandum should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

JUMBO CORPORATION LIMITED

ACN 009 189 128

REGISTERED OFFICE: Level 8 Riverside Centre, 123 Eagle Street Brisbane Queensland

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Jumbo Corporation Limited (“**Company**”) will be held at Level 8 Riverside Centre, 123 Eagle Street, Brisbane, on 27 June 2003 at 11am (Brisbane time) (“**Meeting**”).

The Explanatory Memorandum which accompanies and forms part of this Notice of Extraordinary General Meeting (“**Notice of Meeting**”) describes the various matters to be considered at the Meeting.

AGENDA

1. PURCHASE OF THE REMAINING SHARES OF THE JUMBOMALL BUSINESS THAT THE COMPANY DOES NOT ALREADY OWN

To consider and, if thought fit, pass the following resolution, with or without amendment, as an ordinary resolution of the Company:

“That for the purposes of Part 2E and Chapter 6 of the Corporations Act 2001 (Cth) (“Corporations Act”) and Rule 10.1 and Rule 10.11 of the Official Listing Rules of the Australian Stock Exchange Limited (“Listing Rules”) and for all other purposes, the Directors be hereby authorised to approve the purchase of the remaining 20% of the shares of the Jumbomall business that the Company does not already own for a consideration of twenty-five (25) million restricted fully paid ordinary shares in the Company at a deemed issue price of 1.35 cents per share (“the Jumbo Shares”) to Vesteon Pty Ltd (“Vesteon”) representing approximately 14.4% of the total issued share capital in the Company, in accordance with the Share Sale Agreement dated 12 May 2003 entered into between the Company and Vesteon (“the Sale Agreement”) and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Note:

- a) In 1999 the Company purchased 80% of Editson Pty Ltd (which owns 100% Benon Technologies Pty Ltd – the operating and holding company for the Jumbomall business) from Vesteon Pty Ltd for a consideration of sixty-five (65) million shares and fifty (50) million options in the Company. The purchase allowed the Company to raise working capital and to be relisted on the Australian Stock Exchange in 1999.
- b) Benon Technologies Pty Ltd supplies 76% of the revenue to the group and is currently the only profitable company within the group. In the 6 months to December 2002, Benon contributed a profit of \$299,000 to the group, compared to a loss of \$269,000 from all other entities. 20% of the profits are currently subject to outside equity interests which would be fully consolidated by the Company if the purchase of the remaining shares be approved.
- c) The issue of the Jumbo Shares is subject to a voluntary restriction prohibiting those shares to be traded for a period of one year from date of issue.
- d) As Vesteon is a company controlled by Mike Veverka, the Chief Executive Officer and a director of the Company, the issue of the Jumbo Shares pursuant to the Sale Agreement will require approval of the shareholders of the Company in accordance with Listing Rule

10.1 and 10.11 and Part 2E of the Corporations Act. The information provided in this Notice of Meeting and the accompanying Explanatory Memorandum is provided in accordance with the requirements of each of those provisions.

- e) A report has been prepared by Murdoch Corporate Finance Pty Ltd for the purposes of Listing Rule 10.10 and is attached to this Notice of Meeting.
- f) The issue of the Jumbo Shares pursuant to the Sale Agreement will require approval of the shareholders of the Company in accordance with Chapter 6 of the Corporations Act. The information provided in this Notice of Meeting and the accompanying Explanatory Memorandum is provided in accordance with the requirements of those provisions.
- g) The Jumbo Shares are to be issued within one (1) month from the date of this meeting.
- h) The Company will disregard any votes cast on this Resolution by:
 - Vesteon; or
 - any associate of Vesteon.However, the Company need not disregard a vote if:
 - it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
- i) The Directors of the Company (excluding Mr Veverka) are recommending that the resolution be accepted.

2. RATIFICATION OF PLACEMENT OF SHARES TO CLIENTS OF WHI SECURITIES

To consider and, if thought fit, pass the following resolution, with or without amendment, as an ordinary resolution of the Company:

“That in accordance with Listing Rule 7.4, the placement of eight (8) million fully paid ordinary shares in the Company on 7 May 2003 at an issue price of 1.4 cents per share (“Placement Shares”), then representing approximately 4.8% of the issued share capital in the Company, to nine (9) clients of WHI Securities (“Broker”) in accordance with the Mandate Agreement dated 2 May 2003 entered into between the Company and the Broker and otherwise on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting, be hereby ratified.”

Note:

The Company will disregard any votes cast on this Resolution by:

- The nine (9) recipients of the Placement Shares (“Clients”); or
- any associate of the Clients.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3. ISSUE OF CONVERTING NOTES

To consider and if thought fit, pass the following resolution, with or without amendment, as an ordinary resolution of the Company:

"That, for the purpose of Listing Rule 7.1 and for all other purposes, the Directors be authorised to issue up to 250,000 converting notes with a face value of \$1.00 each ("Notes"), which convert into ordinary shares in the Company ("Shares") at an issue price of 2.8 cents per Share or 80% of the weighted average sale price of Shares sold through the Australian Stock Exchange Limited ("ASX") in the last 5 days on which Shares traded immediately prior to the conversion date, whichever is the lower, and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."

Note:

The Company will disregard any votes cast on this resolution by:

- a person who may participate in the proposed issue and a person who might obtain a benefit (except a benefit solely in the capacity of a shareholder, if the resolution is passed); or
- any associate of that person.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4. GENERAL BUSINESS

To consider any general business that may be lawfully brought forward at the Meeting in accordance with the Company's Constitution.

BY ORDER OF THE BOARD

Bruce David Burrell
Company Secretary
DATED: 23 May 2003

PROXY AND VOTING ENTITLEMENT INSTRUCTIONS

PROXY INSTRUCTIONS

Shareholders are entitled to appoint up to two individuals to act as proxies to attend and vote on their behalf. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the shareholder's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be deposited at, posted to, or sent by facsimile transmission to the

Company's office, Level 8, Riverside Centre, 123 Eagle Street, Brisbane Queensland 4000 (Fax (07) 3831 9720), not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the Corporations Act.

The proxy may, but need not, be a shareholder of the Company.

In the case of shares jointly held by two or more persons, all joint holders must sign the proxy form.

A proxy form is attached to this Notice of Meeting.

VOTING ENTITLEMENT

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 11am on 25 June 2003. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

JUMBO CORPORATION LIMITED

ACN 009 189 128
Level 8, Riverside Centre, 123 Eagle Street
Brisbane, Queensland 4000
Telephone: (07) 3831 3705
Fax: (07) 3831 9720

PROXY FORM

I/We _____

of _____

being a shareholder/(s) of Jumbo Corporations Limited (“Company”) and entitled to _____

shares in the Company hereby appoint _____

of _____

or failing him/her _____

of _____

or failing him/her the Chairman as my/our proxy to vote for me/us and on my/our behalf at the general meeting of the Company to be held at Level 8 Riverside Centre, 123 Eagle Street, Brisbane, on 27 June 2003 at 11am and at any adjournment thereof in respect of _____ of my/our shares or, failing any number being specified, **ALL** of my/our shares in the Company.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is []%. (An additional proxy form will be supplied by the Company on request.)

If you wish to indicate how your proxy is to vote, please tick the appropriate places below.

If you do **not** wish to direct your proxy how to vote please place a mark in this box:

By marking this box, you acknowledge that the Chairman may exercise your proxy vote even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

The Chairman, Mr Alan Phillips, advises that it is his intention to vote in favour of the resolution in respect of any undirected proxies which may be granted in favour of the Chairman.

I/we direct my/our proxy to vote as indicated below:

RESOLUTION	FOR	AGAINST	ABSTAIN
1. To approve the purchase of the remaining shares of the Jumbomall business that the Company does not already own	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To ratify the placement of shares to clients of WHI Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To approve the issue of converting notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

As witness my/our hand/s this _____ day of _____ 2003.

If a natural person:

SIGNED by _____)
_____)

in the presence of:

Witness

Name (Printed)

If a company:

EXECUTED by _____)
_____)
in accordance with its _____)
constitution _____)

Director

Director/Secretary

Name (Printed)

Name (Printed)

If by power of attorney:

SIGNED for and on behalf of)
by)
under a Power of Attorney)
dated and who declares that he/she has)
not received any revocation of such Power of)
Attorney in the presence of :)

Signature of Attorney

Signature of Witness

JUMBO CORPORATION LIMITED
ACN 009 189 128

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of members of Jumbo Corporation Limited ACN 009 189 128 (“**Company**”) in connection with the business to be conducted at the Extraordinary General Meeting of members to be held at Level 8 Riverside Centre, 123 Eagle Street, Brisbane, on 27 June 2003 at 11 am (“**Meeting**”).

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Extraordinary General Meeting (“**Notice of Meeting**”) and the Independent Expert's Report of Murdoch Corporate Finance Pty Ltd (“**Expert's Reports**”).

2. RESOLUTION 1 – PURCHASE OF THE REMAINING SHARES OF THE JUMBOMALL BUSINESS THAT THE COMPANY DOES NOT ALREADY OWN

(a) Introduction

By an agreement dated 12 May 2003 (“**the Sale Agreement**”), the Company agreed to purchase 2,434,000 ordinary shares in Editson Pty Ltd ACN 088 116 278 (“**Editson**”) held by Vesteon Pty Ltd ACN 088 116 214 (“**Vesteon**”), being 20% of the issued capital of Editson, for consideration of twenty-five million (25,000,000) new fully paid restricted ordinary shares in the Company at a deemed issue price of 1.35 cents per share (“**the Jumbo Shares**”).

In order for the issue of the Jumbo Shares in accordance with the Sale Agreement to be effected, the requirements of Chapter 2E and Chapter 6 of the *Corporations Act 2001* (Cth) and Rule 10.1 and Rule 10.11 of the Official Listing Rules of the Australian Stock Exchange Limited (“**Listing Rules**”) need to be observed.

(b) Chapter 2E of the Corporations Act

Chapter 2E of the *Corporations Act* prohibits a public company from giving a financial benefit to a related party of the public company unless the benefit falls within one of various exceptions to the general prohibition. One of the exceptions is where the Company first obtains the approval of its shareholders in a general meeting in circumstances where the requirements of Chapter 2E in relation to the convening of that meeting have been met.

A “related party” for the purposes of the *Corporations Act* is defined widely and includes a director of the public company and entities controlled by the director.

“Giving a financial benefit” for the purposes of the *Corporations Act* has a very wide meaning. It includes the public company paying money or issuing securities. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

This proposed resolution, if passed, will give financial benefits to Vesteon, a related party of the Company, and the Company seeks to obtain member approval in accordance with the

requirements of Chapter 2E of the *Corporations Act* and for this reason, and for all other purposes, the following information is provided to shareholders.

(i) The related parties to whom the resolution would permit the financial benefit to be given:

Veston Pty Ltd which is controlled by Mike Veverka, a director of the Company.

(ii) The nature of the financial benefit

The nature of the proposed financial benefit to be given is the issue of twenty-five million (25,000,000) fully paid restricted ordinary shares in the Company being approximately 14.4% of the total issued share capital in the Company in consideration for the purchase of 2,434,000 shares in Editson held by Veston (“**Editson Shares**”), pursuant to the Sale Agreement. The Jumbo Shares are subject to a voluntary restriction prohibiting those shares from being traded for a period of one year from the date of issue.

(iii) Directors’ Recommendation

Each of the Directors of the Company (save for Mr Veverka) (“the **Independent Directors**”) were available to consider the putting of this resolution to shareholders.

The Independent Directors urge you to read the Notice of Meeting (incorporating and including this Explanatory Memorandum) and the Expert’s Report accompanying this Notice of Meeting in its entirety before forming a view as to the vote you will cast. Each of the Independent Directors recommend the passing of this resolution as the Sale Agreement is on appropriate commercial terms and is considered by the Independent Directors, to be no more favourable to Veston than if the Company had been dealing with it at arm’s length.

(iv) Directors’ Interest

Save for Mike Veverka, none of the Directors have a material personal interest in the outcome of the resolution.

(v) Any other information that is reasonably required by shareholders to make a decision and that is known to the Company or any of its Directors.

Taxation Consequences

The Company advises that the issue of the Jumbo Shares to Veston as consideration for the purchase of Editson Shares will have no adverse taxation consequences for the Company.

To the best of the Directors’ knowledge, all information that is reasonably required by members in order to decide whether or not it is in the Company’s interests to pass Resolution 1 have been provided to shareholders in this Explanatory Memorandum and in the Expert’s Report.

(c) Chapter 6 of the Corporations Act

Chapter 6 of the *Corporations Act* prohibits a person from acquiring a relevant interest in issued voting shares in a company if:

- (a) Among other things, the Company is a listed company; and

- (b) The person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person; and
- (c) Because of the transaction, among other things, that person's voting power in the Company increases from a starting point that is above 20% and below 90%.

A person has a "relevant interest" in securities for the purposes of the *Corporations Act* if, among other things, that person has the power to exercise a right to vote attached to the securities.

As the sole director and shareholder of Vesteon, which holds approximately 33% of the issued share capital of the Company, Mike Veverka has the power to exercise approximately 33% of the voting rights in the Company.

The issue of the Shares, being approximately 14.4% of the issued share capital of the Company will increase Mr Veverka's voting power to approximately 41.7% and the Company seeks to obtain member approval in accordance with the requirements of Chapter 6.

Save as set out in the Explanatory Memorandum and the Expert's Report, the Directors are not aware of any other information that is material to the decision on how to vote on Resolution 1.

(d) Listing Rule 10.1

Rule 10.1 of the Listing Rules prohibits a company from, among other things, acquiring a substantial asset from a related party without approval of holders of the Company's ordinary securities.

A "related party" for the purposes of the Listing Rules is defined broadly to include a company controlled by the director of the Company acquiring the substantial asset.

An asset is "substantial" if its value, or the value of the consideration for it, is 5% or more of the equity interests of the Company.

Vesteon is wholly held by Mike Veverka, a director of the Company, and is therefore a related party of the Company.

The purchase of the Edison Shares pursuant to the Sale Agreement is an acquisition of a substantial asset from a related party and the Company seeks to obtain member approval in accordance with the requirements of Listing Rule 10.1.

When a Company is required to seek approval pursuant to Listing Rule 10.1, Listing Rule 10.10 requires that the Notice of Meeting must be accompanied by a report on the transaction from an independent expert as to the fairness and reasonableness of the proposed transaction.

In accordance with Listing Rule 10.10, and in addition to the information provided to shareholders in this Notice of Meeting and Explanatory Memorandum, the Company has commissioned a report by Murdoch Corporate Finance Pty Ltd ("MCF") which is attached. In summary, MCF has stated in the Expert's Report that, in its opinion, the purchase of Edison Shares as contemplated by Resolution 1 is fair and reasonable to the non-associated shareholders of the Company.

(e) **Listing Rules 7.2 and 10.11**

Listing Rule 10.11 provides that a listed company must not, without approval of ordinary shareholders, issue equity securities to a related party. If Resolution 1 is approved, the Company will issue twenty-five million (25,000,000) fully paid restricted ordinary shares in the Company to Vesteon. Because Vesteon is controlled by Mike Veverka who is a director of the Company, Vesteon is deemed to be a related party of the Company.

None of the exceptions to the prohibition which are set out in Listing Rule 10.12 apply to the issue of the Jumbo Shares to Vesteon.

In compliance with Listing Rules 7.2 and 10.13, shareholders are advised as follows:

- Twenty-five million (25,000,000) fully paid restricted ordinary shares in the Company will be issued to Vesteon.
- The Company will issue the Jumbo Shares not later than one (1) month after the date of the meeting.
- Approval under Listing Rule 10.11 is required due to the relationship between the Company and Vesteon as described above.
- The Jumbo Shares will be issued at a deemed issue price of 1.35 cents per share and will, from the date of issue, rank equally with, and enjoy the same rights as, all other ordinary shares on issue in the Company.
- The Jumbo Shares are to be issued in consideration for the purchase of 2,434,000 shares in Editson held by Vesteon, pursuant to the Sale Agreement.
- By reason of Listing Rule 7.2 (exception 14), if the approval of shareholders for the issue of the Jumbo Shares is obtained pursuant to Listing Rule 10.11, approval is not required pursuant to Listing Rule 7.1. Accordingly, the issue of the Jumbo Shares to Vesteon will not erode the Company's ability to issue equity securities up to the 15% limit prescribed by Listing Rule 7.1 without further shareholder approval.
- The Jumbo Shares are subject to a voluntary restriction prohibiting those shares from being traded for a period of one year from the date of issue.

To the best of the Directors' knowledge, all matters which are material and reasonably required for shareholders to make an informed decision on Resolution 1 have been provided to shareholders in this Explanatory Memorandum and in the Expert's Report.

3. RESOLUTION 2 – RATIFICATION OF PLACEMENT OF SHARES TO CLIENTS OF WHI SECURITIES

(a) **Introduction**

The Company has made a placement of 8 million fully paid ordinary shares on 7 May 2003 at an issue price of 1.4 cents per share to nine (9) clients of WHI Securities ("**Broker**"), being then approximately 4.8% of the issued share capital in the Company on the terms contained in the Mandate Agreement dated 2 May 2003 entered into between the Company and the Broker ("**Placement**").

The proceeds of the Placement were used to assist with the acquisition of a 50% interest in Global Approach Pty Ltd, the holder of an online casino licence.

(b) Listing Rule 7.4

Listing Rule 7.4 states that an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purposes of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and holders of ordinary securities subsequently approve it.

Listing Rule 7.1 prohibits a company from issuing or agreeing to issue more than 15% of its capital within any 12 month period without approval of the holders of ordinary securities.

The Placement amounted to an issue of under 5% of the total issued share capital in the Company.

Resolution 2 seeks ratification of the Placement in accordance with Listing Rule 7.4. The effect of the passing of Resolution 2 would be that the Company will be able to issue up to 15% of its capital in the following 12 month period without obtaining shareholder approval.

(c) Disclosure to Investors

Section 706 of the *Corporations Act* requires disclosure to investors under Part 6D.2 in respect of offers of securities for issue unless exempted under Section 708.

Section 708(10) provides that offers of shares through a financial services licensee where certain conditions are met do not require disclosure under Part 6D.2.

Under the Mandate Agreement, the Placement was made through a licensed dealer within the meaning of Section 708(10) and meeting the requirements of the Section. Consequently, the Placement did not require disclosure under Part 6D.2.

4. RESOLUTION 3 - ISSUE OF CONVERTING NOTES

(a) Background

The Company is seeking shareholder approval to issue up to 250,000 converting notes (“Notes”) at an issue price of \$1.00 per Note to exempt offerees under Section 708 of the Corporations Act, to raise up to \$250,000.

The material terms of the Notes are set out in paragraph (b) below. The Notes will convert into ordinary shares in the Company (“Shares”) in accordance with the formula set out in paragraph (b) below.

(b) Terms of Notes

The material terms of the Notes are as follows:

- The Notes will have a face value of \$1.00 each.
- At maturity each Note converts, without further act of the Company or Noteholder, into Shares at an issue price of 2.8 cents per Share or 80% of the weighted average sale price of Shares sold through the Australian Stock Exchange Limited (“ASX”) in the last 5 days on

which Shares traded immediately prior to the conversion date, whichever is the lower, and rounded up to the nearest whole number.

- The Notes will accrue interest at a fixed rate of 11% per annum.
- Interest is payable monthly.
- The maturity date is 24 months from the date of issue.
- Noteholders may elect after 3 months that some or all of the Notes issued to them be converted into Shares before maturity at a price of 2.8 cents per Share or 80% of the weighted average sale price of Shares sold through ASX in the last 5 days on which Shares traded immediately prior to the conversion date, whichever is the lower, and rounded up to the nearest whole number.
- Noteholders may elect after 12 months from the date of issue of the notes to convert into shares with a bonus 1 for 1 options exercisable at the same price that the shares were converted at.
- In the event of any reorganisation of the issued capital of the Company, the Notes will be reorganised in accordance with the Listing Rules.
- Application will not be made for official quotation of the Notes on the ASX.
- Application will be made to the ASX for quotation of any Shares issued upon conversion of the Notes.

(c) Conversion of Notes

As the number of Shares which will be issued upon conversion of the Notes will depend on the price of Shares in the Company as traded on the ASX, the following table is provided as a guide to the number of Shares that will be issued if the weighted average sale price of Shares sold through ASX in the last 5 days on which Shares traded immediately prior to the conversion date is at particular levels.

Weighted Average Share Price	1c	1.5c	2c	2.5c	3.5c	Any price above 3.5c
80% of w.a. Share Price	0.8c	1.2c	1.6c	2c	2.8c	Above 2.8c
No of Shares issued on Conversion	31,250,000	20,833,334	15,625,000	12,500,000	8,928,572	8,928,572*

*Note: The issue price of the Shares is to be the **lower** of 2.8cents and 80% of the weighted average Share price. At Share prices above 3.5cents, the issue price will be 2.8cents.

(d) Listing Rules 7.1 – Issue of Notes

Listing Rule 7.1 restricts a company from issuing equity securities which, in any 12 month period, would amount to more than 15% of the company's total shares on issue 12 months

before the date of the proposed issue. However, issues of equity securities made with the prior approval of the shareholders in a general meeting are not subject to this restriction and will not be counted as part of the 15% limit.

Resolution 3 seeks shareholder approval for the issue of Notes in accordance with Listing Rule 7.1. The effect of the passing of Resolution 3 would be that the Company will be able to issue up to 15% of its capital in the following 12 month period without obtaining shareholder approval.

Listing Rule 7.3 sets out the notice requirements for approval under Listing Rule 7.1.

In compliance with Listing Rules 7.3 and for all other purposes, shareholders are advised as follows:

- The maximum number of Notes that the Company will issue pursuant to Resolution 3 will be 250,000 Notes, which are convertible into Shares in accordance with the formula in section (b).
- The Company will issue the Notes not later than three (3) months after the date of the meeting.
- The Directors presently intend to issue the Notes as one allotment. However, they reserve the right to issue the Notes progressively.
- The issue price of the Notes will be \$1.00 each.
- The allottees of the Notes will be exempt offerees (unknown at this stage) in accordance with Section 708 of the Corporations Act. The Notes will not be issued to related parties of the Company so as to require approval under Listing Rule 10.11.
- The terms of the Notes are set out in section (b) above.
- The Shares to be issued on conversion of the Notes will, from the date of issue, rank equally with, and enjoy the same rights as, all other Shares on issue.
- The funds raised from the issue of Notes will be used for working capital and investment activities.

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On behalf of the Board of Jumbo Corporation, I recommend each of the resolutions in the attached Notice of Meeting for shareholders' favourable consideration.

_____(originals signed)_____

Alan Phillips
CHAIRMAN

Jumbo Corporation Limited

Independent Expert's Report

20 May 2003



ACN 096 427 575

PO Box 284 Albion Business Centre Qld 4010

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Jumbo Corporation Limited
20 May 2003

Page 2

20 May 2003

The Directors
Jumbo Corporation Limited
Level 8, Riverside Centre
123 Eagle Street
Brisbane Qld 4000

Dear Sirs

INDEPENDENT EXPERT'S REPORT FOR JUMBO CORPORATION LIMITED

1. Introduction

Jumbo Corporation Limited ("Jumbo") has entered into an agreement with Vesteon Pty Ltd ("Vesteon") to acquire the remaining 20% of the shares in Editson Pty Ltd ("Editson") that Jumbo currently does not own.

Vesteon is controlled by Mr Mike Veverka, a director of Jumbo.

Editson owns 100% of the shares of Benon Technologies Pty Ltd ("Benon") which operates the Jumbomall business. The consideration for the sale of the 20% of Editson will be by the issue of 25,000,000 fully paid Jumbo shares to Vesteon ("the Proposed Transaction").

The Proposed Transaction, if approved by shareholders of Jumbo and other conditions are satisfied, will result in Jumbo holding 100% of Editson and Benon, and Vesteon increasing its interest from 31.9% to 40.8% of Jumbo.

In 1999, Jumbo purchased 80% of Editson (which owns 100% of Benon) from Vesteon for 65,000,000 shares and 50,000,000 options. This allowed Jumbo to raise working capital and relist on the Australian Stock Exchange.

Jumbo is currently listed on the Australian Stock Exchange ('ASX') and has the ASX Code JUM.

2. Scope

Jumbo has appointed Murdoch Corporate Finance Pty Limited ("Murdoch Corporate Finance") as an independent expert to express an opinion as to whether or not the Proposed Transaction is fair and reasonable to the non-associated shareholders of Jumbo ("Jumbo shareholders").



This report is to be included with the Notice of Meeting and in the Explanatory Memorandum to be sent to the Company’s shareholders and has been prepared for the exclusive purpose of assisting the Company’s shareholders in their consideration of the Proposed Transaction.

3. Summary and Conclusion

In evaluating whether or not the Proposed Transaction is fair and reasonable to Jumbo shareholders we have:

- estimated the fair market value of the shares in Jumbo before the Proposed Transaction;
- estimated the market value of Vesteon’s 20% interest in Benon;
- estimated the fair market value of the shares in Jumbo after the Proposed Transaction;
- compared the likely advantages and disadvantages of the Proposed Transaction for Jumbo shareholders; and
- considered whether the price at which Vesteon is subscribing for shares in Jumbo includes a premium for control.

A summary of our findings on each of these matters is presented below.

Value of Jumbo

Murdoch Corporate Finance has assessed the market value of Jumbo’s shares before and after the Proposed Transaction as follows:

Fair market value of Jumbo shares

Value per share	Low Value cents	High Value cents
Before	1.2	1.5
After	1.3	1.7

Advantages and disadvantages

The likely advantages and disadvantages for Jumbo shareholders if the Proposed Transaction proceeds are summarised below.

Likely Advantages	Likely Disadvantages
<ul style="list-style-type: none"> • Jumbo will have full control of its primary asset and business and will be able to deal with it without having to consider the interests of the minority shareholder. 	<ul style="list-style-type: none"> • Shareholders in Jumbo will have their interest diluted by the issue of 25 million ordinary shares. Vesteon will increase its equity in Jumbo from 31.9% to 40.8%.

Likely Advantages	Likely Disadvantages
<ul style="list-style-type: none">• The interests of Benon, Jumbo and its chief executive will become more closely aligned.• Jumbo will be able to consolidate the full profit of Benon.• Vesteon will be exchanging a 20% interest in Benon, Jumbo's principal asset, for 8.9% increase in Jumbo.• The consideration for the shares will be by the issue of shares and not the payment of cash.	

The benefit to Vesteon from the Proposed Transaction will be the sale of its interests in an unlisted company, Editson, and increasing its shareholding in a listed company, Jumbo.

Should the Proposed Transaction not proceed the shareholders in Jumbo will not have their interest diluted and the ownership of Benon will remain the same.

Premium for control

The value of Jumbo shares are higher if the Proposed Transaction proceeds indicating that Vesteon will pay a premium of 0.1 cents to 0.2 cents for increasing its interest from 31.9% to 40.8%. Vesteon will have significant influence but not control as a result of the Proposed Transaction. Vesteon will pay a premium in acquiring the additional Jumbo shares in the Proposed Transaction.

The above factors were considered in forming our opinion.

In our opinion the proposal that Jumbo purchase 20% of Benon through the issue of 25 million shares to Vesteon is fair and reasonable to the non-associated shareholders of Jumbo.

This opinion should be read in conjunction with the full text of this report, which sets out our scope and findings.

Yours faithfully

Murdoch Corporate Finance Pty Ltd



GRANT MURDOCH
Director



TABLE OF CONTENTS

	Page No
1 THE PROPOSED TRANSACTION	1
1.1 Summary	1
1.2 Conditions to the Transaction	2
2 SCOPE OF THE REPORT	3
2.1 Purpose of the Report	3
2.2 Basis of Evaluation	4
2.3 Limitations and Reliance on Information	4
3 JUMBO	5
3.1 History & Activities	5
3.2 Capital Structure and Shareholders	7
3.3 Share Price History	8
3.4 Earnings	8
3.5 Cash Flows	9
3.6 Balance Sheets	10
3.7 Benon Technologies	11
3.8 Neobuild	11
3.9 Dealer Dan & Bozzo Brown	11
3.10 Global Approach	12
4 EVALUATION	13
4.1 Introduction	13
4.2 Valuation of Jumbo before the Proposed Transaction	15
4.3 Valuation of Benon	18
4.4 Valuation of Jumbo after the Proposed Transaction	22
4.5 Comparison of Values	23
4.6 Advantages and Disadvantages	23
4.7 Premium for Control	24

Appendices

1. Sources of Information
2. Share Price History - Jumbo
3. Technology Companies
4. Qualification, Declarations & Consents

1 THE PROPOSED TRANSACTION

1.1 Summary

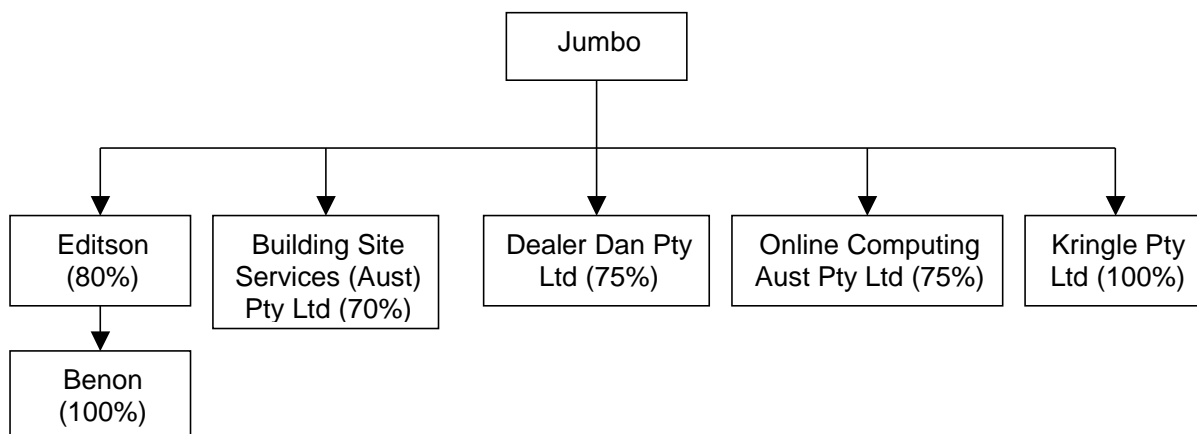
On 14 May 2003, the Directors of Jumbo announced that Jumbo had entered into an agreement with Vesteon to acquire 20% of Benon through the issue of 25,000,000 fully paid shares in Jumbo to Vesteon.

The terms of the Proposed Transaction are described in the accompanying Explanatory Memorandum. A summary of its terms is provided below.

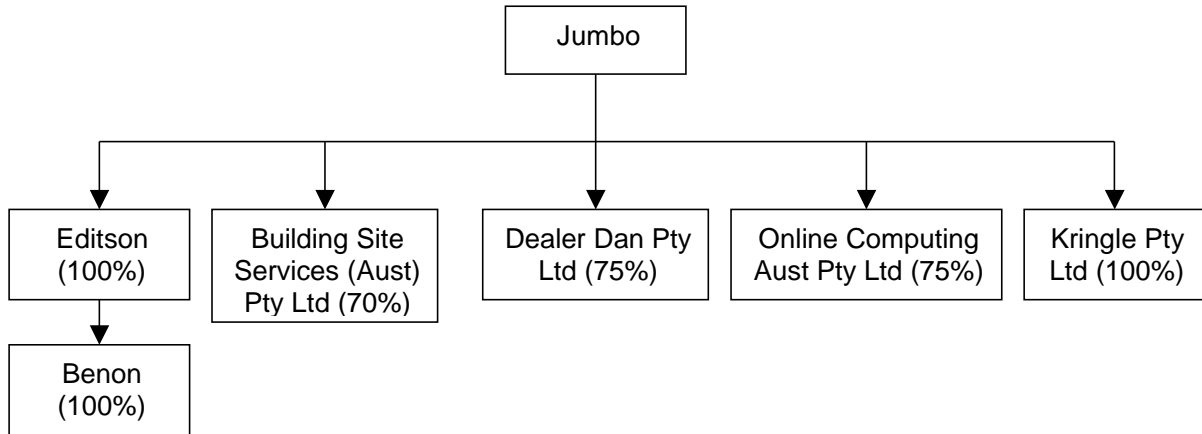
- The Proposed Transaction if approved by shareholders of Jumbo and other conditions are satisfied, will result in Jumbo holding 100% of Editson and consequently 100% of Benon.
- Currently Jumbo has a total of 165,765,227 ordinary fully paid shares on issue and with the 25,000,000 ordinary fully paid shares that will be issued under the Proposed Transaction, this will represent an increase of 15% of the current issued capital. The shareholding of Vesteon in Jumbo will increase from 52,798,572 shares representing 31.9% of the issued share capital, to 77,798,572 fully paid ordinary shares representing 40.8% of the total shares on issue.

There will be no change in the Directors of Jumbo as a result of this transaction.

Prior to the Proposed Transaction



After to the Proposed Transaction



1.2 Conditions to the Transaction

The following conditions apply to the proposed transaction:

1. Approval by the shareholders of Jumbo by 30 June 2003.

2 SCOPE OF THE REPORT

2.1 Purpose of the Report

Jumbo has appointed Murdoch Corporate Finance as an independent expert to express an opinion as to whether or not the Proposed Transaction is fair and reasonable to the non-associated shareholders of Jumbo. The directors have appointed an independent expert to consider the Proposed Transaction to fulfil the requirements of the following:

- Listing Rule 10 of the Australian Stock Exchange Limited's ("ASX") Listing Rules ("Listing Rule 10"); and
- Section 611 of the Corporations Act ("Section 611").

2.1.1 Listing Rule 10

Listing Rule 10 requires the approval of the holders of the entity's ordinary securities where that entity purchases a substantial asset from, or disposes of a substantial asset to, a substantial shareholder. As defined by Listing Rule 10.1:

- Mr Mike Veverka is a shareholder and Director of Jumbo;
- The investment of 20% in Benon is a substantial asset of Jumbo.

Consequently shareholder approval under Listing Rule 10.1 is required for the Proposed Transaction.

Listing Rule 10 requires that the Notice of Meeting to approve the transaction be accompanied by a report from an independent expert stating whether the proposed transaction is fair and reasonable to the non-associated shareholders.

Jumbo has appointed Murdoch Corporate Finance to prepare a report advising whether the transaction is fair and reasonable to the independent shareholders.

2.1.2 Section 611

Section 606 of the Corporations Act ("Section 606") does not allow a person to increase their voting power in a company above 20% of Jumbo voting shares without making a takeover offer. Vesteon will increase its voting power in Jumbo if the Proposed Transaction is completed.

Section 611 of the Corporations Act ("Section 611") provides an exemption to Section 606 if the Proposed Transaction is approved by a resolution at a general meeting of Jumbo shareholders.

Practice statement 74 issued by the Australian Securities & Investments Commission ("ASIC") requires that the Notice of Meeting include, amongst other things, an analysis of the Proposed Transaction by the independent directors.

The Board of Directors of Jumbo has appointed an independent expert to assist them in fulfilling this requirement.

2.2 Basis of Evaluation

In evaluating fairness and reasonableness, we have considered the requirements of the Corporations Act, the ASX Listing Rules, ASIC Policy Statements and common market practice.

Policy Practice Statement 74 provides guidelines for independent experts on how to evaluate whether or not a proposed transaction is fair and reasonable when preparing reports for Section 611 proposals. In relation to the Proposed Transaction, Practice Statement 74 states that the evaluation should:

- be judged in all circumstances of the Proposed Transaction;
- compare the likely advantages and disadvantages to the shareholders if the Proposed Transaction is agreed to, with the advantages and disadvantages to those shareholders if it is not;
- consider the value of Jumbo shares if the Proposed Transaction is approved but this should not be the sole factor in evaluating the Proposed Acquisition; and
- consider whether Benon are paying a premium for control.

In forming our opinion on whether or not the Proposed Transaction is fair and reasonable for Jumbo shareholders we have:

- estimated the market value of the shares in Jumbo before the Proposed Transaction;
- estimated the market value of Vesteon's 20% interest in Benon;
- estimated the market value of the shares in Jumbo after the Proposed Transaction;
- compared the likely advantages and disadvantages of the Proposed Transaction for the Jumbo shareholders; and
- considered whether the price at which Vesteon is subscribing for shares in Jumbo includes a premium for control.

2.3 Limitations and Reliance on Information

The opinion of Murdoch Corporate Finance is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time. This report should be read in conjunction with the declarations outlined in Appendix 4.

3 JUMBO

3.1 History & Activities

History

In 1999, Windsor Resources purchased 80% of Editson (which owns 100% of Benon) from Vestron for 65,000,000 shares and 50,000,000 options and changed its name to Jumbomall.com Ltd. This allowed Jumbo to raise working capital and relist on the Australian Stock Exchange and subsequently on the Berlin, Stuttgart and Frankfurt Exchanges.

The Jumbo Business

Jumbo develops and sells advanced secure e-commerce technologies to customers worldwide allowing them to operate online stores. The software controls a number of important functions such as security, payments, order tracking and marketing. Jumbo also participates in the retail of "internet friendly" products that sell well online.

Benon Technologies (the operating company for the Jumbo business) is the major contributor of revenue to the group and is currently the only profitable company within the group.

The company operates a large number of co-ordinated web sites to maximize exposure and minimize cost. The following web sites are part of the Jumbo group:

Jumbomall.com - Global Shopping Mall;

Jumbostore.com – Store Building Technology;

Rocketfuel.com - Software Sales;

Skunkdvd.com – DVD Sales;

Fragrancehim.com and Fragranceher.com - Online Fragrances;

Jewelleryking.com - Discount Jewellery Warehouse; and

LookingFresh.com - Discount Cosmetics.

Computer Wholesaling

In 2001 a computer wholesaling company was formed (Dealer Dan Pty Ltd) to sell budget priced computers from the web site dealerdan.com.au. This was later expanded through the formation of Online Computing Australia Pty Ltd that operated the popular web site bozzo.com.au.

These businesses required start up capital and have reached break-even trading conditions, but are not yet contributing profits to the group.

Information Services

In February 2001, Jumbo purchased a 70% interest in the website Neobuild.com.au. This service provides information to the Commercial Building industry. Information such as Tenders, Development Applications and Jobs Won is collected and distributed to subscribers via the web. This company has not progressed to expectations and has been scaled down to discontinue losses and bring the company to a stable position.

Online Gambling

On 4 April 2003, the Directors of Jumbo announced that they had acquired a 50% interest in the equity of Global Approach Pty Ltd ("Global Approach"), a part owner of a licensed online casino, by providing A\$150,000. The remaining 50% is held by Queensland Underwriters Limited ("QUL") and associated parties. The company has the ability to increase its holding in the casino if early performance indicators are positive. Directors are closely monitoring the performance over the first few months to determine if extra investment is warranted.

Technology Company Survey

In April 2003, Jumbo conducted a survey of 52 technology companies, which showed:

- 33 companies show losses for the six months ending December 2002;
- Only 19 companies (including Jumbo) were profitable;
- Jumbo had the lowest market capitalisation (\$4 million) of any of the 19 profitable companies with market capitalisations ranging from \$5 million to \$214 million; and
- Jumbo has a lower market capitalisation than 23 of the 33 companies that reported losses at December 2002.

A list of the companies and market capitalisations is included in Appendix 3. A copy of the survey can be found at www.jumbocorporation.com/downloads/asx-companies.pdf.

Scalability of the Jumbo Business Model

A high level of scalability and automation is a key principle in the Jumbo business model. The Jumbo technology is used to manage increasing levels of online sales 24 hours a day with minimal manual intervention.

The key to the future of Jumbo is its ability to scale the revenue up while keeping the costs under control. Using e-commerce technology, the ratio of revenue to costs is driven as high as possible resulting in a higher than normal profit margin. Over the last 3 years, sales have increased 460% with operating costs actually declining 18%.

Targeting the large US Consumer Market

Jumbo uses its digital marketing techniques to target the large US consumer market providing opportunity to continue growth.

Forrester Research estimated that online sales grew 52% to US\$78 billion over the full 2002 year (2002 US Ecommerce: The Year in Review. January 28, 2003). This was fuelled by a growth in new product categories, an improvement in digital marketing techniques and web analytics. The report stated that more than 50% of online retailers reached profitability in 2001, with more expected to cross the threshold in 2002. With fears of dot-com instability behind them, retailers seized the chance to optimize sales.

Management Team

Mike Veverka, Founder and CEO of Jumbo Corp, is a pioneer in the Internet Industry who has witnessed all the ideas (good and bad) come and go. Mike Veverka has been chief executive officer and a director of Jumbo Corporation Limited since the restructuring of the Company in September 1999. Mike was instrumental in the development of the e-commerce software that is the foundation to the various Jumbo operations. He was the original founder of Benon Technologies in 1995 when development of the software began. Mike also established a leading Internet Service Provider in Queensland which operated successfully for 3 years before being sold. Mike is regarded as a pioneer in the Australian Internet Industry with many successful Internet endeavours to his name. Mike graduated with an honours degree in engineering in 1987.

3.2 Capital Structure and Shareholders

As at the date of this report Jumbo had the following securities on issue:

Ordinary shares fully paid	<u>165,765,227</u>
Options: (exercisable at 5c expiring on 5 June 2006)	<u>6,500,000</u>

The top 20 Shareholders in Jumbo as at 11 April 2003 are:

Table 1

Top 20 Shareholders in Jumbo

Rank	Shareholder	Shares	Holding
1	Veston Pty Ltd	52,798,572	31.9%
2	ANZ nominees limited	41,117,980	25%
3	Mrs Katie Alexandra Evans	3,000,000	1.8%
4	Saltbush Nominees Pty Ltd	3,000,000	1.8%
5	Warawong Pty Ltd	2,007,772	1.2%
6	Mr Xavier Robert Bergade	2,000,000	1.2%
7	Phillips Exploration Pty Ltd	2,000,000	1.2%
8	Gronin Pty Ltd	1,250,000	0.75%
9	Mr Brian Boyd Bradford & Mrs Peta Elizabeth Bradford	1,150,000	0.69%
10	Mr Petro Fatseas	1,000,000	0.60%
11	AHIA Pty Ltd	977,000	0.59%
12	Mr Ted Marchese	850,000	0.51%
13	Mr Alistair David Mcmurrin	655,096	0.40%
14	Seize Life Pty Ltd	625,000	0.38%
15	Go Equities Pty Ltd	622,100	0.38%

A comparison of Vesteon's holding in Jumbo before and after the Proposed Transaction is as follows:

Table 2

	Held by Vesteon %	Held by Vesteon Shares	Total Shares
Before the Proposed Transaction	31.9%	52,798,572	165,765,227
After the Proposed Transaction	40.8%	77,798,572	190,765,227
Change	8.9%	25,000,000	25,000,000

3.3 Share Price History

The history of share trading on the ASX for Jumbo is included in Appendix 2.

Jumbo's share price traded from 1.3¢ to 2.4¢ during the 4 month period from 9 January 2003 to 9 May 2003. During this period 3,402,624 shares representing 2.1% of the issued capital were traded at an average price of 1.6¢ per share. Jumbo's shares are thinly traded and only 5.8% were traded in the 12 month period to 9 May 2003.

3.4 Earnings

Jumbo's earnings for the 6 months period to 31 December 2002 are presented in the table below.

Table 3

Jumbo Earnings

	6 months to December 2002 Actual \$000's	6 months to June 2002 Actual \$000's	6 months to December 2001 Actual \$000's	6 months to June 2001 Actual \$000's	6 months to December 2000 Actual \$000's
Gross Turnover	13,739	7,301	3,212	897	465
Revenue	1,384	1,195	621	304	246
Cost of Sales	(807)	(531)	(221)	(46)	(11)
Net Operating Costs	(547)	(989)	(667)	(563)	(674)
Profit (loss)	30	(325)	(267)	(305)	(439)
Outside equity interest	(6)	56	34	83	61
Net Profit (loss) attributable to members of Jumbo	24	(269)	(233)	(222)	(378)

Revenue is commissions charged on sales (gross turnover) and has grown strongly for each six month period from December 2001 to December 2002.

Abnormal operating expenses occurred in the 12 months to June 2002 as a result of costs associated with the 3 new subsidiaries Building Site Services (Aust), Dealer Dan and Online Computing Australia in addition to a one-off amortization of goodwill relating to these businesses. All 3 subsidiaries have since been restructured to require minimal ongoing capital.

In the 6 months to 31 December 2002, Benon contributed 76% of the revenue of the entire group, up from 72% for the 12 months to June 2002. Benon also contributed a profit of \$299,000 to the group, compared to a loss of \$269,000 from all other entities.

The increase in profitability reflects the scalability of the Jumbo model.

3.5 Cash Flows

Jumbo's cash flows for the 12 months to 30 June 2001 and 30 June 2002, and 6 months to 31 December 2002, are presented in the table below:

Table 4

Jumbo Cash Flows

	6 months to December 2002 Actual \$000's	12 months to June 2002 Actual \$000's	12 months to June 2001 Actual \$000's
Cash flows from operating activities			
Receipts from customers	1,394	1,842	1,561
Payments to suppliers and employees	(1,161)	(1,928)	(2,209)
Net Interest received	6	12	36
Net cash inflow/(outflow) from operating activities	239	(74)	(612)
Cash flows from investing activities			
Purchase of property, plant & equipment	(28)	(5)	(4)
Purchase of shares	-	-	(100)
Funds placed on deposit	-	(51)	-
Proceeds from sale of shares	-	26	-
Net cash outflow from investing activities	(28)	(30)	(104)
Cash flows from financing activities			
Proceeds from issues of shares/options	61	120	1,170
Proceeds on share issue from outside equity interests	-	4	-
Payment of share issue costs	-	-	(89)
Repay borrowings	-	(12)	(14)
Net cash inflow from financing activities	61	112	1,067
Net increase/(decrease) in cash held	272	8	351
Cash at the beginning of the period	759	751	400
Cash at the end of the period	1,031	759	751

Cash flows from operations have improved from a deficit of \$612,000 for the 12 months to 30 June 2001 to a surplus of \$239,000 for the 6 months to 31 December 2002. Jumbo has experienced positive cash flows for the last 4 quarters.

3.6 Balance Sheets

Jumbo's balance sheets as at 30 June 2002 and 31 December 2002 are presented in the table below.

Table 5

Jumbo Balance Sheets

	December 2002 \$000's	June 2002 \$000's
Current assets		
Cash	1,031	759
Receivables	76	73
Investment in Benon	-	24
Inventories	12	-
Total current assets	1,119	856
Non current assets		
Property, plant and equipment	48	27
Intangibles	12	12
Other	53	52
Total non current assets	113	91
Total assets	1,232	947
Current liabilities		
Creditors and borrowings	1,034	897
Interest bearing liabilities	-	3
Other	99	88
Total current liabilities	1,133	988
Non current liabilities		
Loan from director of subsidiary	49	-
Total non current liabilities	49	-
Total liabilities	1,182	988
Net assets	50	(41)
Equity		
Contributed equity	20,275	20,214
Retained Profits (accumulated losses)	(19,563)	(19,587)
Equity Attributable to Members of Jumbo	712	627
Outside equity interests	(662)	(668)
Total Equity	50	(41)



Creditors are predominantly payments for Cost of Goods Sold to Suppliers. Total Sales for the 12 months to 31 December 2002 are \$21 million.

3.7 Benon Technologies

Benon Technologies is the operating company for the Jumbo business. The company holds the critical assets for Jumbo including software and customer database.

In the 6 months to December 2002, Benon contributed 76% of revenue of the entire group. Furthermore, in the 6 months to December 2002, Benon contributed a profit of \$299,000 to the group, which reported a profit of \$30,000 after combining all entities.

The profit and loss for Benon for the six month period ending 31 December 2002, are presented below:

Table 6

Benon Profit & Loss

Description	6 months to December 2002 Actual \$000's	6 months to June 2002 Actual \$000's	6 months to December 2001 Actual \$000's	6 months to June 2001 Actual \$000's
Gross Turnover	13,429	7,056	2,986	923
Revenue	798	603	279	202
Total expenses	499	394	109	15
Net Profit before tax	299	209	170	188

3.8 Neobuild

Neobuild continues to be in the start-up phase and has significant accumulated losses to date. A 70% interest in Neobuild was acquired for \$160,000 in February 2001.

3.9 Dealer Dan & Bozzo Brown

The operations of Dealer Dan and Bozzo Brown have been trading at losses as both companies are in a start-up phase. Dealer Dan was set up by Jumbo in September 2001 and a 75% interest in Bozo Brown was acquired in June 2002 for \$12,000.

3.10 Global Approach

Global Approach holds a 40% interest in Music Hall Online Casino. The casino is trading as the "Music Hall Casino" from the web site www.musichallcasino.com. Global Approach has an option to 4 August 2003, to purchase the remaining 60% of Music Hall On Line Casino for \$470,000. The acquisition of the remaining 60% by Global Approach is to be financed by Jumbo and QUL increasing their respective shareholding in Global Approach. Should either party not elect to take up the option in Music Hall On Line Casino, the other party may take up the deficit.

Jumbo proposes to fund arrangements for this transaction by the placement of 8 million shares at 1.4 cents to raise A\$112,000 for part of the initial A\$150,000 investment. On 13 May 2003 Jumbo announced that completion of 8 million fully paid shares at 1.4 cents to clients of WHI Securities. The structure of the transaction provides Jumbo with the ability to retain its 50% interest in Global Approach by funding an additional US\$140,000 (A\$235,000) over the next 4 months.

The Music Hall Online Casino is expected to operate throughout the world, with the exception of Australia, where Government regulations prevent Australian residents from participating in online casinos. Restrictions have been put into place to prevent Australian residents from participating in the casino.

Directors believe a number of important synergies exist between the existing Jumbo online shopping mall operation and the new online casino.

Jumbo has a significant overseas Internet customer database with over 100,000 overseas customers. This is expected to compliment Music Hall Casino's operation which will also develop a significant overseas customer base.

The casino will provide Jumbo with additional marketing opportunities for its variety of product lines. Work has commenced on integrating promotional software into the Music Hall web site to allow players to purchase goods supplied by Jumbo.

A performance-based management agreement has been negotiated with a management team with over 20 years experience in both Internet and Land-based casinos to provide the necessary casino management expertise.

Global Approach has advised Jumbo that it expects Music Hall Online Casino to generate approximately US\$1 million (A\$1,650,000) in EBITDA in the first full year of operations, ending 30 June 2004. Jumbo's current share of Music Hall Online Casino's EBIT is \$330,000. No information is yet available to be able to compare the actual financial performance of Music Hall Online Casino with the projection of \$1,650,000.

On 7 May 2003, Publishing & Broadcasting Ltd announced the closure of Crown Games which cost the company \$25 million, following major regulatory changes in the internet gaming environment, including the increasing difficulties gamblers faced using credit cards to pay for games.

Crown Games was launched in January 2002 as a Vanuatu-based joint venture between PBL and ecorp after the federal government banned online casinos being offered to Australian punters.

4 EVALUATION

4.1 Introduction

4.1.1 Basis of Evaluation

In this section we consider whether or not the Proposed Transaction is fair and reasonable for Jumbo shareholders. In forming our opinion on whether or not the Proposed Transaction is fair and reasonable for Jumbo shareholders we have:

- estimated the fair market value of the shares in Jumbo before the Proposed Transaction;
- estimated the fair market value of a 20% interest in Benon;
- estimated the fair market value of the shares in Jumbo after the Proposed Transaction;
- compared the likely advantages and disadvantages of the Proposed Transaction for Jumbo shareholders; and
- considered whether the price at which Vesteon are subscribing for the shares in Jumbo includes a premium for control.

These are discussed in sections 4.2 to 4.7 respectively.

4.1.2 Valuation Methodologies

To estimate the fair market value of the shares in Jumbo and Benon we have considered valuation methodologies recommended by ASIC Practice Note 43 regarding valuation reports of independent experts and common market practice. These are discussed below.

Market based methods

Market based methods estimate a company's fair market value by considering the market price of transactions in its shares or the market value of comparable companies. Market based methods include:

- capitalisation of maintainable earnings;
- analysis of a company's recent share trading history; and
- industry specific methods.

The capitalisation of maintainable earnings method estimates fair market value based upon the company's future maintainable earnings and an appropriate earnings multiple. An appropriate earnings multiple is derived from market transactions involving comparable companies. The capitalisation of maintainable earnings method is appropriate where the company's earnings are relatively stable.

The most recent share trading history provides strong evidence on the fair market value of the shares in a company where they are publicly traded in an informed and liquid market.

Industry specific methods estimate market value using rules of thumb for a particular industry. Generally rules of thumb provide less persuasive evidence on market value of a company as they may not account for company specific factors.

Discounted cash flow method

The discounted cash flow method estimates market value by discounting a company's future cash flows to their present value. This method is appropriate where a projection of future cash flows can be made with a reasonable degree of confidence. This discounted cash flow method is commonly used to value early stage companies or projects with a finite life.

Asset based methods

Asset based methods estimate the market value of a company's shares based on the realisable value of its identifiable net assets. Asset based methods include:

- orderly realisation of assets method; and
- liquidation of assets method.

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to shareholders assuming the company is wound up in an orderly manner. The liquidation method is similar to the orderly realisation of assets methods except the liquidation method assumes the assets are sold in a shorter time frame.

These approaches ignore the possibility that the company's value could exceed the realisable value of its assets. Asset based methods are appropriate when companies are not profitable or a significant proportion of a company's assets are liquid.

4.1.3 Selection of valuation methodologies

Jumbo

In view of the financial position of Jumbo and the change from losses to profits, Murdoch Corporate Finance is of the opinion that the most appropriate methodology to value Jumbo before the Proposed Transaction is the discounted cash flow valuation. Jumbo has not prepared profit forecasts or cash flow forecasts and consequently we have not been able to use the discounted cash flow valuation. Consequently we have used the capitalisation of maintainable earnings and in addition, we have also used the ASX market capitalisation to provide additional evidence on the market value of Jumbo.

Benon

In view of the financial position of Benon and the increasing trend of profits, Murdoch Corporate Finance is of the opinion that the most appropriate methodology to value Benon is the discounted cash flow valuation. Benon has not prepared profit forecasts or cash flow forecasts and consequently we have not been able to use the discounted cash flow valuation. Consequently we have used the capitalisation of maintainable earnings.

As the other traditional valuation methodologies are either not appropriate or we are unable to obtain the requisite information to complete an intrinsic discounted cash flow valuation we have then considered the ASX market price of Jumbo and inferred a valuation of Benon.

As Jumbo owns 80% of Benon and Benon represents the significant asset within Jumbo we have assessed a value of Benon by determining the value of the underlying assets of Benon via the ASX market capitalisation of Jumbo after deducting non Benon assets to determine a value for Vesteon's 20% interest in Benon.

4.2 Valuation of Jumbo before the Proposed Transaction

Murdoch Corporate Finance has estimated the market value of Jumbo before the Proposed Transaction in the range of \$2,000,000 to \$2,500,000.

In determining this amount, we estimated the market value of Jumbo before the Proposed Transaction using the following methods:

- the capitalisation of future maintainable earnings method; and
- Analysis of recent share trading

These are discussed in sections 4.2.1 to 4.2.4 respectively.

4.2.1 The Capitalisation of Future Maintainable Earnings Method

The capitalisation of future maintainable earnings method estimates fair market value by capitalising future earnings using an appropriate multiple and adding any surplus or non-operating assets. To value Jumbo using the capitalisation of future maintainable earnings requires the determination of the following:

- an estimate of future maintainable earnings;
- an appropriate earnings multiple; and
- the value of any surplus assets.

Our considerations on each of these are discussed separately below.

4.2.1.1 Future maintainable EBIT

Future maintainable earnings represent the level of maintainable earnings that the existing operations could reasonably be expected to generate. We have selected EBIT (Earnings Before Interest and Tax) as the appropriate measure of earnings. Earnings before Interest and tax are less sensitive to different financing and effective tax rates EBIT would allow a better comparison with earnings multiples of other companies.

In determining future maintainable EBIT we have considered the earnings of Jumbo's 4 potential sources of maintainable EBIT.

Benon: The increase in profitability in Benon reflects the scalability of the Jumbo model.

Neobuild: The current and accumulated losses reflect the fact that Neobuild continues to be in the start-up phase.

Dealer Dan and Bozzo Brown : The operations of both companies have been trading at losses as both are in a start-up phase.

Global Approach : Global Approach has advised Jumbo that it expects Music Hall Online Casino to generate approximately US\$1 million (A\$1,650,000) in EBITDA in the first full year of operations, ending 30 June 2004. Jumbo's current share of Music Hall Online Casino's EBIT is \$330,000. No information is yet available to be able to compare the actual financial performance of Music Hall Online Casino with the projection of \$1,650,000.

We have estimated future maintainable EBIT for Jumbo to be \$300,000 to \$500,000 per annum.

4.2.1.2 Earnings Multiple

We have determined an earnings multiple in the range of 3.5 to 4.5 times EBIT.

In selecting this earnings multiple we have considered earning multiples derived from:

- share market prices of comparable listed companies; and
- earnings multiples for small to medium sized businesses.

These are discussed separately below.

Share market trading multiples

The share market valuation of listed companies provides evidence on appropriate earnings multiples for the valuation of businesses.

We have reviewed a number of other listed companies in the technology sector. We have concluded that it would be inappropriate to use the earnings multiples of these companies as a guide for the earnings multiple for Jumbo for the following reasons:

- many of the companies have yet to develop a mature product capable of delivering appropriate revenue streams;
- the companies that have operations the most similar to Jumbo are in the early stage of development and are still incurring losses; and
- the companies that have established profitability streams are significantly larger than Jumbo.

Earnings Multiples for Small to Medium Sized Businesses

Earnings multiples for small to medium sized businesses are based on earnings before interest and tax (EBIT) to neutralise the effect of different financing and tax structures that may have been implemented because the businesses were privately held. Multiples are typically in the range of three to six depending on:

- the stability of earnings;
- the complexity of the ownership structure (even though it is calculated on EBIT);
- the supporting management structure (can the business operate successfully without the previous owner);
- the degree to which the business is supported by intellectual property;
- the vulnerability of the business to existing and new competition;
- the industry in which the business operates; and
- the requirement for and potential payback of future capital expenditure on investment.

Based on our assessment of Jumbo, the level of spending on research and development of new products and the industry in which it operates have adopted an earnings multiple of 3.5 to 4.5.

4.2.1.3 Surplus assets

Jumbo does not have assets and liabilities that do not contribute to its maintainable earnings.

4.2.1.4 Valuation: Capitalisation of future maintainable earnings method

The value of Jumbo derived from the capitalisation of future maintainable earnings method is summarised below.

Table 7

Summary Capitalisation of future maintainable earnings

		Low Value	High Value
Maintainable earnings	\$'000	300	500
Earnings multiple	times	3.5	4.5
Enterprise value		1,050	2,250
Add: Surplus assets		Nil	Nil
Less: Net debt		Nil	Nil
Equity value	\$'000	1,050	2,250

4.2.2 Recent Share Price Trading

Jumbo's share price traded from 1.3¢ to 2.4¢ during the period from 9 January 2003 to 9 May 2003. During this period 3,402,624 shares representing 2.1% of the issued capital were traded at an average price of 1.6¢ per share. Jumbo's shares are thinly traded and only 5.8% were traded in the 12 month period to 9 May 2003.

Table 8

	Low Value	High Value
Number of shares on issue	165,766,227	165,766,227
ASX price (cents)	1.5	1.7
Equity value (\$000's)	2,486	2,818

4.2.3 Summary of valuation methods and conclusion

The valuation of Jumbo derived from the capitalisation of future maintainable earnings and recent share price trading is summarised in the following table.

Table 9

Valuation of Jumbo before the Proposed Transaction

	Section	Low Value \$000's	High Value \$000's
Capitalisation of future maintainable earnings	4.1	1,050	2,250
Recent share price trading	4.2	2,486	2,818
Murdoch Corporate Finance assessed market value		2,000	2,500
No of shares on issue before transaction		165,766,227	165,766,227
Value per share (cents)		1.2	1.5

4.2.4 Other Considerations

We are not aware of any offers for Jumbo.

4.3 Valuation of Benon

Murdoch Corporate Finance has estimated the market value of Vesteon's 20% interest in Benon in the range of \$520,000 to \$800,000.

In determining this amount, we estimated the market value of Benon using the following methods:

- the capitalisation of future maintainable earnings method; and
- ASX inferred value

These are discussed in sections 4.3.1 to 4.3.3 respectively.

4.3.1 The Capitalisation of Future Maintainable Earnings Method

The capitalisation of future maintainable earnings method estimates fair market value by capitalising future earnings using an appropriate multiple and adding any surplus or non-operating assets. To value Benon using the capitalisation of future maintainable earnings requires the determination of the following:

- an estimate of future maintainable earnings;
- an appropriate earnings multiple; and
- the value of any surplus assets.

Our considerations on each of these is discussed separately below.

4.3.1.1 Future maintainable EBIT

Future maintainable earnings represent the level of maintainable earnings that the existing operations could reasonably be expected to generate. We have selected EBIT (Earnings Before Interest and Tax) as the appropriate measure of earnings. Earnings before Interest and tax are less sensitive to different financing and effective tax rates. EBIT would allow a better comparison with earnings multiples of other companies.

We have estimated future maintainable earnings to be \$750,000 to \$1,000,000.

In determining future maintainable EBIT we have considered the increase in earnings over the last 2 years and the scalability of the Benon model.

4.3.1.2 Earnings Multiple

We have determined an earnings multiple in the range of 3.5 to 4.5 times EBIT.

In selecting this earnings multiple we have considered earning multiples derived from:

- share market prices of comparable listed companies;
- earnings multiples for small to medium sized businesses.

These are discussed separately below.

Share market trading multiples

The share market valuation of listed companies provides evidence on appropriate earnings multiples for the valuation of businesses.

We have reviewed a number of other listed companies in the technology sector. We have concluded that it would be inappropriate to use the earnings multiples of these companies as a guide for the earnings multiple for Benon for the following reasons:

- many of the companies have yet to develop a mature product capable of delivering appropriate revenue streams;
- the companies that have operations the most similar to Benon are in the early stage of development and are still incurring losses;
- the companies that have established profitability streams are significantly larger than Benon.

Earnings Multiples for Small to Medium Sized Businesses

Earnings multiples for small to medium sized businesses are based on earnings before interest and tax (EBIT) to neutralise the effect of different financing and tax structures that may have been implemented because the businesses were privately held. Multiples are typically in the range of three to six depending on:

- the stability of earnings;
- the complexity of the ownership structure (even though it is calculated on EBIT);
- the supporting management structure (can the business operate successfully without the previous owner);
- the degree to which the business is supported by intellectual property;
- the vulnerability of the business to existing and new competition;
- the industry in which the business operates;
- the requirement for and potential payback of future capital expenditure on investment.

Based on our assessment of Benon, the level of spending on research and development of new products and the industry in which it operates have adopted an earnings multiple of 3.5 to 4.5

4.3.1.3 Surplus assets

Benon does not have assets and liabilities that do not contribute to its maintainable earnings.

4.3.1.4 Valuation: Capitalisation of future maintainable earnings method

The value of Benon derived from the capitalisation of future maintainable earnings method is summarised below.

Table 10

Summary Capitalisation of future maintainable earnings

		Low Value	High Value
		\$000's	\$000's
Maintainable earnings	\$'000	750	1,000
Earnings multiple	times	3.5	4.5
Enterprise value		2,625	4,500
Add: Surplus assets		Nil	Nil
Less: Net debt		Nil	Nil
Equity value	\$'000	2,625	4,500

4.3.2 ASX Inferred Value

4.3.2.1 ASX Value of Jumbo

The price of Jumbo on the ASX provides the stock market assessment of the value of the market capitalisation of Jumbo.

The share price of Jumbo is subject to fluctuation due to general factors such as:

- movements in relevant indexes;
- general movement in the ASX; and
- changes in economic and other factors including interest rates, government policy, economic policy and exchange rates.

The share price of Jumbo is also subject to variation due to specific issues which affect the perceived net worth of the assets.

4.3.2.2 Inferred ASX Value of Benon

Using the inferred value methodology we have analysed Benon by reference to the ASX market value of Jumbo less any non Benon assets in Jumbo.

In determining values for the non Benon assets in Jumbo we have assessed the other assets and liabilities of Jumbo by reviewing Jumbo's balance sheet at 31 December 2003 and making such adjustments as we consider necessary in order to arrive at their fair value.

As Jumbo's significant asset is Benon and this valuation method uses the ASX price for Jumbo to infer a value for the Benon asset then there is a strong correlation between the movement in the value of the ASX price of Jumbo and to the inferred value of Benon.

Jumbo's share price traded from 1.3¢ to 2.4¢ during the period from 9 January 2003 to 9 May 2003. During this period 3,402,624 shares representing 2.1% of the issued capital were traded at an average price of 1.6¢ per share. Jumbo's shares are thinly traded and only 5.8% were traded in the 12 month period to 9 May 2003.

Table 11

Benon Inferred Valuation from ASX Market Price of Jumbo

	Low Value \$000's	High Value \$000's
Ordinary Shares on Issue	165,766,227	165,766,227
Price Per Share (cents)	1.5	1.7
	\$000's	\$000's
ASX Market Capitalisation	2,486	2,818
Add deficit Net Book Value of other assets and liabilities	407	407
Inferred Valuation	2,893	3,225

4.3.3 Summary of valuation methods and conclusion

The valuation of Vesteon's 20% interest in Benon derived from the capitalisation of earnings and the inferred Valuation from ASX Market Price of Jumbo is summarised in the following table.

Table 12

Section	Low Value \$000's	High Value \$000's
Capitalisation of earnings	2,625	4,500
Inferred valuation	2,893	3,225
Murdoch Corporate Finance assessed market value	2,600	4,000
Value of Vesteon's 20% holding in Benon	520	800

4.4 Valuation of Jumbo after the Proposed Transaction

Murdoch Corporate Finance has estimated the market value of Jumbo shares after the Proposed Transaction in the range of \$2,520,000 to \$3,300,000.

In determining this amount, we have had regard to:

- the valuation of Jumbo before the Proposed Transaction;
- the valuation of Vesteon's 20% interest in Benon; and
- the effect of the Proposed Transaction on the combined operations of Jumbo.

The valuations of Jumbo and Benon before the Proposed Transaction are summarised in the following table.

Table 13

Valuation of Jumbo after the Proposed Transaction

		Low Value	High Value
Value of Jumbo	\$'000	2,000	2,500
Value of Vesteon's 20% interest in Benon	\$'000	520	800
Value of Jumbo after the Proposed Transaction	\$'000	2,520	3,300
Number of Shares on Issue after transaction		190,765,227	190,765,227
Value per Share	cents	1.3	1.7

4.5 Comparison of Values

Murdoch Corporate Finance's estimates of the value of Jumbo before and after the Proposed Transaction is summarised in the table below.

Table 14

Comparison of value

Value per share	Low Value cents	High Value cents
Before	1.2	1.5
After	1.3	1.7

4.6 Advantages and Disadvantages

The likely advantages and disadvantages for Jumbo shareholders if the Proposed Transaction proceeds are discussed below.

Advantages

- Jumbo will have full control of its primary asset and business and will be able to deal with it without having to consider the interests of the minority shareholder.
- The interests of Benon, Jumbo and its chief executive will become more closely aligned.
- Jumbo will be able to consolidate the full profit of Benon.
- Vesteon will be exchanging a 20% interest in Benon, Jumbo's principal asset, for 8.9% increase in Jumbo.

- The consideration for the shares will be by the issue of shares and not the payment of cash.

Disadvantages

- Shareholders in Jumbo will have their interest diluted by the issue of 25 million ordinary shares. Vesteon will increase its equity in Jumbo from 31.9% to 40.8%.

Should the Proposed Transaction not proceed the shareholders in Jumbo will not have their interest diluted and the ownership of Benon will remain the same.

4.7 Premium for Control

Policy Statement 74 requires that the expert give an opinion as to whether the proposed issue of shares will result in the Company receiving any premium for control. In giving their opinion, the expert should:

- consider whether there are any contracts or proposed contracts between the allottee and the company which is conditional upon, or directly or indirectly dependent on, shareholders' agreement to the allotment;
- quantify any premium; and
- set out reasons for forming that opinion and why under the circumstances it is appropriate to regard the benefit as constituting a premium for control.

In determining whether a control premium will be received as a result of the proposed issue of shares in Jumbo we have considered the requirements of ASIC Policy Statement 74 as detailed above.

As set out in Section 1.1, after the Proposed Transaction Vesteon will have the ability to exert significant influence, but not control over Jumbo.

On the basis of our analysis, the value of Jumbo shares are higher if the Proposed Transaction proceeds indicating that Vesteon will pay a premium of 0.1 cents to 0.2 cents for increasing its interest from 31.9% to 40.8%. Vesteon will have significant influence but not control as a result of the Proposed Transaction. Vesteon will pay a premium in acquiring the additional Jumbo shares in the Proposed Transaction.

We have been advised that no further transactions of significance are contemplated between Jumbo and Benon which would influence this assessment of the premium for control.

APPENDIX 1 : SOURCES OF INFORMATION

In preparing this report we have had access to the following principal sources of information:

- Annual Financial reports of Jumbo Corporation Ltd for the years ending 30 June 2002 and 30 June 2001.
- Half year report financial statements for Jumbo Corporation Limited for the periods ending 31 December 2002 and 31 December 2001.
- ASX Releases for Jumbo Corporation Ltd (ASX code: JUM).
- A summary of unaudited management accounts for Jumbo Corporation Ltd and its subsidiaries.
- Tech Company Survey issued by Jumbo Corporation Ltd in April 2003.
- Financial Statements for Benon Technologies Pty Ltd for the six month periods ending 30 June 2001, 31 December 2001, 30 June 2002 and 31 December 2002.
- Financial Projections for Music Hall Online Casino.
- Discussions with Mr Mike Veverka, Managing Director of Jumbo Corporation Ltd.
- Constitution of Benon Technologies Pty Ltd.
- Constitution of Jumbo Corporation Ltd.



APPENDIX 2 : SHARE PRICE HISTORY - JUMBO

The history of share trading on the ASX for Jumbo is included in the table below.

Date	Close	Volume	Value
9-May-03	0.016	100,000	1600
5-May-03	0.016	30,000	480
2-May-03	0.016	100,000	1600
29-Apr-03	0.019	14,000	266
24-Apr-03	0.016	5,350	85.6
15-Apr-03	0.016	5,000	80
4-Apr-03	0.024	239,000	5736
3-Apr-03	0.014	15,000	210
2-Apr-03	0.022	133,100	2928.2
31-Mar-03	0.017	30,000	510
28-Mar-03	0.017	250,000	4250
27-Mar-03	0.015	15,000	225
26-Mar-03	0.014	180,000	2520
24-Mar-03	0.015	5,000	75
21-Mar-03	0.013	490,000	6370
20-Mar-03	0.016	20,000	320
18-Mar-03	0.017	10,000	170
14-Mar-03	0.015	5,000	75
11-Mar-03	0.012	19,000	228
6-Mar-03	0.013	45,000	585
28-Feb-03	0.011	145,000	1595
27-Feb-03	0.013	50,000	650
25-Feb-03	0.014	280,000	3920
24-Feb-03	0.015	350,000	5250
19-Feb-03	0.016	170,000	2720
18-Feb-03	0.018	132,000	2376
17-Feb-03	0.019	96,000	1824
12-Feb-03	0.012	9,900	118.8
29-Jan-03	0.016	40,000	640
24-Jan-03	0.017	35,000	595
23-Jan-03	0.017	25,000	425
21-Jan-03	0.017	10,000	170
17-Jan-03	0.019	20,000	380
16-Jan-03	0.018	9,990	179.82
15-Jan-03	0.018	223,008	4014.144

APPENDIX 3 : TECHNOLOGY COMPANIES

ASX	Name	Profit 6 months to 31 December 2002	Market Capitalisation 11 April 2003
GEE	GES International	\$12,238,000	\$214,000,000
IFM	Infomedia	\$8,274,000	\$266,000,000
AAT	Autron Corporation	\$3,971,000	\$113,000,000
CPU	ComputerShare	\$3,902,000	\$794,000,000
PWR	Powerlan	\$2,610,000	\$15,000,000
RPD	RPData	\$2,432,000	\$36,975,000
IRI	Integrated Research	\$1,764,000	\$28,000,000
CND	Candle Australia	\$1,710,000	\$35,000,000
KYC	Keycorp	\$1,114,000	\$107,000,000
CGO	CPT Global	\$672,000	\$13,000,000
HCN	Health Com	\$636,000	\$30,000,000
FTR	E-investors	\$572,000	\$17,000,000
MUL	Multiimedia	\$518,000	\$5,000,000
ETR	E*trade	\$324,000	\$34,000,000
IDE	Ideas International	\$294,724	\$9,000,000
NTC	Net Comm	\$218,000	\$5,000,000
EMI	Emitch	\$119,000	\$7,000,000
JUM	Jumbo Corporation	\$24,000	\$3,978,365
WNS	World.net	\$4,000	\$13,920,000
TVN	TVSN	-\$3,883	\$33,000,000
BYO	Beyond Online	-\$208,000	\$2,000,000
HWW	HWW	-\$233,000	\$2,000,000
EST	Estar	-\$271,000	\$5,000,000
SFD	Sanford	-\$308,000	\$11,100,000
QMM	Q Multimedum	-\$311,000	\$5,000,000
PNH	Pineapplehead	-\$364,000	\$2,000,000
CHS	Chaos Group	-\$380,000	\$3,000,000
HWG	Host works	-\$466,000	\$14,000,000
ESX	eSec	-\$505,000	\$2,000,000
TMO	Tomato Tech	-\$644,000	\$62,100,000
TST	Trysoft	-\$780,000	\$3,000,000
EWL	Entertainment World	-\$853,995	\$2,000,000
SWT	Swiftel	-\$868,000	\$6,000,000
WEB	Webjet	-\$918,000	\$6,195,800
CSI	Concept Systems	-\$945,000	\$19,000,000
PRO	Prophecy	-\$972,000	\$5,000,000
QPX	QPSX	-\$996,459	\$51,000,000
LAS	Lasseters Corp	-\$1,022,000	\$12,000,000
WSY	Webspy Ltd	-\$1,033,000	\$4,000,000
GCN	GO Connect	-\$1,173,579	\$25,000,000
ESV	eServ	-\$1,219,000	\$12,000,000
WAL	Wavenet	-\$1,233,000	\$5,000,000



ASX	Name	Profit 6 months to 31 December 2002	Market Capitalisation 11 April 2003
HRD	HarvestRoad	-\$1,331,000	\$3,000,000
DES	Destra	-\$1,332,000	\$4,272,835
VCM	VeCommerce	-\$1,571,000	\$13,000,000
MXS	Maxis Corporation	-\$1,590,427	\$9,000,000
REA	Realestate.com.au	-\$2,135,000	\$23,000,000
DBS	Dark Blue Sea	-\$2,813,000	\$3,510,758
QTL	Quadtel	-\$2,833,000	\$4,000,000
FLO	Flowcom	-\$3,148,000	\$3,000,000
PCO	Pracom	-\$3,465,000	\$6,000,000
TVL	Travel.com.au	-\$5,837,000	\$7,020,000

Market capitalisation is as at 11 April 2003.



APPENDIX 4: QUALIFICATIONS, DECLARATIONS AND CONSENTS

The report has been prepared at the request of the independent Directors of Jumbo and is to accompany the notice of the meeting to be given to shareholders for approval of the Proposed Transaction. Accordingly, it has been prepared only for the benefit of the independent Directors and those persons entitled to receive the notice of the meeting in their assessment of the proposed transaction outlined in the report and should not be used for any other purpose.

The report represents solely the expression by Murdoch Corporate Finance of its opinion as to whether the issue of shares to Vesteon is fair and reasonable in relation to Section 611, whether the Proposed Transaction is fair and reasonable in relation to Listing Rule 10 and whether or not the consideration includes a premium for control. Murdoch Corporate Finance consents to this report accompanying the notice of meeting.

Statements and opinions contained in this report are given in good faith but, in the preparation of this report, Murdoch Corporate Finance has relied upon the information provided by the directors and executives of Jumbo and Benon which Murdoch Corporate Finance believes, on reasonable grounds, to be reliable, complete and not misleading. Murdoch Corporate Finance does not imply, nor should it be construed, that it has carried out any form of audit or verification on the information and records supplied to us. Drafts of our report were issued to Jumbo and Benon management for confirmation of factual accuracy.

Furthermore, recognising that Murdoch Corporate Finance may rely on information provided by Jumbo and Benon and its officers and/or associates, Jumbo and Benon has agreed to make no claim by it or its officers and/or associates against Murdoch Corporate Finance to recover any loss or damage which Jumbo and Benon or its associates may suffer as a result of that reliance and also has agreed to indemnify Murdoch Corporate Finance against any claim arising out of the assignments to give this report, except where the claim has arisen as a result of any proven wilful misconduct or negligence by Murdoch Corporate Finance.

The employee of Murdoch Corporate Finance principally involved in the preparation of this report was Grant Murdoch. Grant Murdoch is a Director and authorised representative of Murdoch Corporate Finance. Grant Murdoch has many years experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of expert reports.

Neither Murdoch Corporate Finance nor Mr Grant Murdoch has any financial interest in the outcome of the proposed transaction, which could be considered to affect our ability to render an unbiased opinion in this report. Murdoch Corporate Finance will receive a fee in relation to the preparation of this report.