

ASX AND PRESS RELEASE

Tuesday 20 July 2004 – JUMBO TO LAUNCH BETTING EXCHANGE

Jumbo Corporation Limited (ASX:JUM) today announced plans to launch a betting exchange called “Betexsports.com” aimed at accelerating the companies growth via the emerging online betting exchange industry. These plans also include providing betting exchange software and services to clients wishing to develop their own betting exchange. Jumbo has a proven track record as a profitable online retailer and secure ecommerce service provider with 9 years experience in online marketing, payment processing, online security and customer service.

“The past 2 years has seen a meteoric rise in betting exchange popularity worldwide giving rise to numerous opportunities in this sector”, said Mr Mike Veverka, CEO of Jumbo Corp. “The online skills that Jumbo has accumulated over the past 9 years puts the company into an ideal position to develop a new betting exchange business in addition to the already profitable online retailing business”.

In April 2003, Jumbo entered the online gaming industry via a strategic investment in Global Approach Pty Ltd that owned the “Music Hall” online casino at www.musicchallcasino.com. This company has since listed on the Australian Stock Exchange and has recently acquired part of a second online casino called the “UK Casino Club” at www.ukcasinoclub.com.uk.

The Betting Exchange Phenomenon

A betting exchange is an online service that assists people from around the world to bet with each other on the outcome of sports events as well as political and other general interest events. Comparisons can be made with traditional stock markets where buyers and sellers of shares are likened to “backers” and “layers” of event outcomes. A betting exchange web site provides an orderly system of matching bets based on agreed odds in a similar way that shares are exchanged at an agreed price.

To participate, players are required to transfer money to the betting exchange to create an account with which they may place bets. The players place bets in their selected event and the betting exchange matches those bets, frequently splitting bets between many players to completely fill orders. At the conclusion of an event, the bet amounts are transferred between the players and a commission is earned by the betting exchange.

“The Internet is the ideal medium for punters to not only exchange bets, but also follow their favourite sports and download information on a worldwide basis”, said Mr Veverka. “The online community built up around an event provides further opportunities for cross selling our established retail products”.

In 1996, Jumbo was among the first companies in the world to provide online coverage of sports events, providing valuable experience in the use of the Internet to deliver a better sporting experience to fans around the world.

Legislative and Industry Considerations

On 12th July 2004, the Australian Federal Government announced a key decision not to regulate betting exchanges following a review of interactive gambling laws. The review concluded that betting exchanges were unlikely to boost problem gambling and the decision paves the way for states to license betting exchanges. Several betting exchanges have already acquired licenses in the UK and Europe indicating a trend towards acceptance of betting exchanges.

While the debate over betting exchanges is expected to continue, Jumbo considers this key decision to encourage many industry participants including TAB's, bookmakers and Internet companies to consider implementing betting exchanges as part of their overall strategies.

“Betting exchanges are a disruptive technology similar to online auctions and digital music distribution”, said Mr Veverka. “I am confident that a resolution will eventually be found allowing industry participants to benefit from this new technology. Our plan is to be involved and grow from the evolution of this exciting industry”.

The scale of the betting exchange market can be seen from the rapid growth of Betfair, the current market leader. The UK based company matches bets in the order of AUD\$130 million per week and at peak times matches over 12,000 bets per minute. Industry observers have estimated the volume of matched bets in 2004 to be AUD\$21 billion and rising to AUD\$217 billion in 2008, a compound growth rate of 79% per year.

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