

ASX RELEASE – Tuesday, 17 January 2012

USA GIVES GREEN LIGHT TO INTERNET LOTTERY SALES



- Landmark USA ruling gives green light for Internet lottery sales.
- Jumbo appoints two senior US-based lottery executives to assist in securing contracts with state lottery operators.
- Issues two lots of 500,000 3-year 70c options as incentive.

Leading interactive lottery business, Jumbo Interactive (ASX: JIN), is pleased to announce the appointment of two senior US-based lottery executives to assist in the Company's efforts to play an integral role in the US\$56 billion US lottery market after the US Department of Justice (DOJ) recently gave the green light for Internet lottery sales.

“Jumbo began working with US state lotteries in 2009 in anticipation of the US Department of Justice eventually clarifying the Wire Act and effectively giving US state lotteries the green light for Internet lottery sales”, said Mr Mike Veverka, CEO of Jumbo.

“With over 11 years experience growing lottery sales in Australia via the Internet and proven in-house technology, Jumbo is well placed to work with state lotteries and expand into the US\$56 billion lottery market”, he said.

Jumbo has appointed Mr Brian Roberts and Mr John Carson to its team dedicated to working with North and South American lotteries. Both have over 20 years

experience in American lottery markets and both believe Jumbo is well placed to sign contracts with lottery operators. Mr Roberts and Mr Carson have each been issued with 500,000 3-year 70c options contingent on Jumbo signing a contract with a lottery operator on terms acceptable to Jumbo. Mr Roberts is specifically focusing on North American markets while Mr Carson is focusing on Central and South American markets.

The US Department of Justice gives the green light

On 23 December 2011, the DOJ declared that the prohibitions in the Wire Act do not apply to lotteries and apply specifically to sports betting. The 1961 Wire Act has historically been interpreted as prohibiting interstate transmission of bets by wire (telephone and Internet) but has been unclear in relation to lotteries over the Internet. The recent clarification was in response to queries raised by the New York and Illinois state lotteries. Expanding lotteries onto the Internet is widely seen as an effective way to help states increase revenues and reduce budget deficits. Of the 43 US states that offer lotteries, 26 saw revenue growth with total sales up 3% to US\$56 billion according to lottery research firm, LaFleurs.

The Jumbo Competitive Offering

Jumbo is well placed to work with American lotteries because of its extensive 11 years of experience in the field as well as its proven technology on display at www.ozlotteries.com.

In 2000, Jumbo sold its first lottery ticket on the Internet and has accumulated vast experience in Internet security, marketing, industrial relations and partnerships.

This is in addition to traditional lottery sales via in-store computer terminals developed by Jumbo dating back to 1984.

The technology used to manage Internet sales has been in constant in-house development since 2000 and provides a very high standard of customer security, smartphone compatibility and customer loyalty solutions. The web-based system integrates with land-based retailers offering an internet solution to traditional retailers planning to embrace the internet.

Jumbo has also been accumulating and building a portfolio of Internet properties designed to attract new lottery customers and build brand loyalty similar to traditional retailers. The most visible of these properties is www.lotteryresults.com, a US-focused website with comprehensive lottery results information and ultimately, the ability to purchase tickets online.

About Jumbo Interactive

The Company recently announced profit guidance that predicted revenue in the range \$44 to \$48 million and Net Profit After Tax in the range \$2.9 to \$3.4 million for the 6 month period to December 2011. Full year results for FY2011 included revenue \$76 million and Net Profit After Tax \$4.8 million. A fully franked 1.0c dividend was paid for that year.

OzLotteries.com plays an important role in the Australian lottery industry with over \$17 million in additional State Government revenue raised from sales in 2011 and \$15 million in 2010.

Jumbo has signed Internet-based lottery agreements with the Tatts Group, NSW Lotteries Corporation (now owned by the Tatts Group) and recently with SA Lotteries.

Jumbo has proven its ability to open up new lottery markets with its innovative technology and Internet marketing initiatives that have brought lotteries to new demographics via the Internet.

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