Jumbo Interactive Ltd



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ABN 66 009 189 128 (ASX:JIN)

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TRADING UPDATE HALF YEAR DECEMBER 2013



- HY DECEMBER 2013 TRADING SIMILAR TO PRECEEDING HY
 JUNE 2013 DESPITE LOWER JACKPOT RUN
- GERMANY POISED TO MAKE A CONTRIBUTION IN HY2
- STRONG BALANCE SHEET AND CASH POSITION

Leading interactive lottery business, Jumbo Interactive (ASX:JIN), is pleased to announce continued robust trading despite a low run of jackpots, with results in line with the June 2013 half year period. Progress in Germany is on track for a launch in December with that business poised to make a contribution in the second half of the current financial year. The following guidance is provided for the six months to 31 December 2013.

	HY Dec 13	HY June 13	HY Dec 12
	Forecast	Actual	Actual
TTV	\$48 to \$51 mil	\$50 mil	\$59 mil
Revenue	\$11 to \$12 mil	\$11.8 mil	\$13.4 mil
NPAT	\$1.3 to \$1.6 mil	¹ \$0.5 mil	\$2.5 mil
Number of Jackpots (\$30 million or more)	4 (to Nov 30)	8	11
Database	1.61 mil	1.57 mil	1.52 mil

¹including \$0.6 mil once-off tax expense in respect of prior year tax concession overclaims

TTV (Total Transaction Value) is in line with the previous half year period despite only four jackpots reaching \$30 million or more compared to eight in the previous half and 11 the half year before that. Jackpots of \$30 million or more are a major driver of ticket sales and new customer accounts.

"Reaching the sales level of the previous period with less jackpots to work with is a result of a growing database and customer retention efforts", said Mr Mike Veverka. CEO of Jumbo Interactive.

"The internet lottery market in Australia continues to grow but is subject to the same short-term fluctuations caused by jackpots", he said.

Furthermore, the bulk of ticket sales for the \$30 million New Year's Eve Megadraw will be booked in the second half rather than the current half year period with the draw scheduled for 4 January, 2014.

The balance sheet remains strong with Net Assets rising from \$20.5 million at 30 June 2013 to \$21.3 million at 31 October 2013 despite international expansion expenses in Germany, Mexico and the USA. The Company's cash position also remains strong at \$23.3 million at 31 October 2013 (\$15.7 million net cash plus \$7.6 million players' funds).

Launch in Germany and Mexico

The launch of www.jumbolotto.de, Jumbo's new lottery website in Germany, is on track for December 2013 and will begin making a contribution in the second half year period. Licences have been obtained in all 16 landers (states) and the initial launch will cover at least seven landers where contracts have been finalised. Contracts with the remaining landers are expected to be signed in early 2014 at which point the interactive marketing campaign will begin.

The launch of the Mexican website www.jumbolotto.mx is not expected until later in 2014 due to delays in obtaining approval. The site has been completed and requires minimal further development.

About Jumbo Interactive

Jumbo Interactive Limited is listed in Australia (ASX:JIN) as well as the German

Frankfurt, Berlin and Stuttgart exchanges (Symbol: JUB).

In 2000, the Company sold its first lottery ticket on the internet and since then has

developed <u>www.ozlotteries.com</u> into a popular site for lotteries to be played.

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.

Jumbo is in the process of establishing operations in its first European market with

an office in Munich to service the \$10 billion German lottery market.

For further information:

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