

ASX RELEASE – Friday, 22 August 2014

FY 2014 PRELIMINARY FINAL RESULTS



Continuing growth in the Company's customer account database has helped reduce the impact of an 18% decrease in prize and jackpot activity in Australia¹. Both Revenue and Profit came close to FY13 levels, demonstrating that internet lotteries continue to grow and gain in popularity even during natural fluctuations in prizes and jackpots.

Summary of Preliminary Final Results for FY 2014

	FY 2014 Actual	FY 2013 Actual	% Change
TTV	\$106m	\$109m	(2.6%)
Revenue	\$24.1m	\$25.2m	(4.2%)
NPAT	\$2.8m	\$3.0m	(6.6%)
Cash (net of customer funds)	\$16.4m	\$16.9m	(3.0%)
Net Assets	\$19.8m	\$20.5m	(3.4%)
Dividend (Full Year)	3.0c	3.0c	-
Aggregate Jackpots ¹	\$925m	\$1,130m	(18.1%)
Customer Database	1.72m	1.57m	9.6%

¹aggregate Division 1 OZ Lotto and Powerball jackpots of \$15 million or more

“With a 10% larger customer account database and a strong balance sheet, Jumbo is well positioned should a natural upswing in prizes and jackpots occur in the year ahead”, said Mr Mike Veverka, CEO of Jumbo Interactive Limited.

Progressing in Germany

Jumbo has passed significant milestones in Germany with the completion in June of the necessary connections to all 16 state lotteries, giving the Company’s website www.JumboLotto.de access to the entire 80 million German population.

“Jumbo is the only Company in Germany with connections to all 16 state lotteries with technology developed entirely in-house”, said Mr Mike Veverka.

“Focus is now shifting towards marketing and building our customer database using unique features in our software platform”, he said.

The market for internet lottery sales in Germany is expected to reach €6 billion by 2020 (Source: Deutscher Lotto & Totoblock (DLTB) lotteries, Deutscher Lottoverband (DLV), Leibnitz University Hanover), half the expected €12 billion total market size following the deregulation of the lottery market in 2012. The drivers for this growth include the launch of internet resellers (such as www.JumboLotto.de), advances in multi-jurisdictional games (such as the Eurojackpot) and increasing lottery participation rates. Germany lags behind neighbouring countries such as France and the UK in lottery participation metrics such as percentage of population that play the lottery and average customer spend. These factors combine to make the German internet lottery market an attractive target for Jumbo’s efforts.

Other International Markets

In addition to Germany, Jumbo has identified the USA and Mexico as other international markets that have significant internet lottery growth potential. The USA has yet to fully adopt internet lottery sales however management believe that political opposition has declined and the large US lottery market will open up soon. Jumbo is active in the USA via a 50/50 joint venture called “Lotto Points Plus” as well as direct lobbying with specific state lotteries. In Mexico, Jumbo has developed the website www.JumboLotto.mx but has delayed the launch until the required approvals are in place.

Market development expenses in these regions were incurred in the FY14 year supported by Jumbo’s reasonable balance sheet and profitable business in Australia.

“With over \$16.4 million in net cash and a reasonable balance sheet with net assets of \$19.8 million, Jumbo is comfortably placed to steer these projects into profitability”, he said.

Jumbo Annual General Meeting

Details of the Company’s Annual General Meeting are as follows:

Date: Thursday, 30 October 2014
Time: 5:00pm
Venue: Lady Thiess Room
Customs House
399 Queen Street Brisbane, QLD, 4000

Dividend

A 1.5c fully franked dividend has been declared for the 2nd half of the 2014 FY, which brings the full year total to a 3.0c fully franked dividend per share.

The Board intends maintaining a stable dividend at this level for the next few years while the Company works towards achieving profitability in the overseas markets it has successfully entered.

About Jumbo Interactive

Jumbo Interactive Limited is listed in Australia (ASX:JIN) as well as the German Frankfurt, Berlin and Stuttgart exchanges (Symbol: WKN A1C82X).

In 2000, the Company sold its first lottery ticket on the internet and since then has developed www.ozlotteries.com 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 now also active in the European lottery market with its first licensed operation www.jumbolotto.de servicing the German lottery market.

For further information:

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