

ASX RELEASE – Monday, 8 December 2014

TRADING UPDATE

HALF YEAR DECEMBER 2014



- RECORD SALES IN AUSTRALIA
- GERMANY SLOWLY GAINING TRACTION

Leading interactive lottery business, Jumbo Interactive Limited (ASX:JIN), is pleased to announce sales in Australia are on track for a record half year in the range of \$62 to \$65 million, up approximately 23% on the preceding June 2014 half year. This is a direct result of the growing customer account database coupled with a good run of Jackpots including a \$70 million Powerball. The number of customer accounts on OzLotteries.com has reached 1.81 million at 30 November 2014.

The following guidance is provided for the six months to 31 December 2014.

	HY Dec 14 Forecast	HY June 14 Actual	HY Dec 13 Actual
Total Transaction Value (“TTV”)	\$62 to \$65 mil	\$51 mil	\$55 mil
Revenue	\$13.3 to \$13.9 mil	\$11.8 mil	\$12.3 mil
NPBT/ (NLBT)	(\$0.5) to \$0.1 mil	\$1.6 mil	\$2.9 mil
Income tax	(\$0.7) to (\$0.9) mil	(\$0.7 mil)	(\$1.1 mil)

	HY Dec 14 Forecast	HY June 14 Actual	HY Dec 13 Actual
NPAT/(NLAT)	(\$1.2) to (\$0.8) mil	\$1.0 mil	\$1.8 mil
Number of jackpots ¹	14 (to Nov 30)	8	22
Database	1.81 mil	1.72 mil	1.64 mil

¹OZ Lotto/ Powerball jackpots of \$15 million or more

The balance sheet remains healthy with Net Assets of \$19.8 million as at 31 October 2014 despite continuing international expansion expenses in Germany, Mexico and the USA. The Company's cash position remains strong at \$24.2 million as at 31 October 2014 (\$15.1 million net cash plus \$9.1 million players' funds).

The current dividend policy of a stable dividend payment remains unchanged with 1.5 cents per ordinary share planned for the half year.

Germany

The launch into all 16 Lande (states) in Germany from July 2014 has increased expenses for marketing, software development and staff as part of Jumbo's strategy of growth in international markets. Initial customer acquisition has been slow due to minimal differentiation in the first version of www.Jumbolotto.de from other websites. A new version is due for release in December 2014 with the first of a series of premium product enhancements that will continue in 2015 with further releases.

“It’s clear from the first few months that a premium product offering is essential in Germany”, said Mr Mike Veverka, CEO of Jumbo Interactive Limited.

“Our first premium product – Jumbo Syndicates – will be released this month with further premium products to be released in the second half”, he said.

Losses in Germany have not reduced the effective income tax expense for the Group. This is due to directors taking a conservative approach by not recognising a deferred tax asset until the business becomes further established. However, these losses are still available to offset against future profits.

Australia

TTV is expected to be approximately 23% higher than the previous half year to June 2014 and approximately 14% higher than the corresponding December 2013 half year period.

“Record sales in Australia are a result of a growing database and a good run of jackpots including a \$70 million powerball”, said Mr Mike Veverka, CEO of Jumbo Interactive.

“This clearly demonstrates continuing growth in the internet lottery market in Australia”, he said.

“Jumbo’s customer demographic is skewed towards younger age groups indicating that internet lotteries are growing the overall market by attracting customers that would not play the lottery through traditional outlets”, he concluded.

As was the situation for the December 2013 half year, the bulk of ticket sales for the upcoming \$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 3 January, 2015 (Dec 2013: 4 January 2014).

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 \$11 billion German lottery market (since December 2013).

For further information:

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