

ASX RELEASE – Monday 25 June 2007

JUMBO TO ACQUIRE MANACCOM

Leading Australian e-commerce company, ASX-listed Jumbo Corporation Limited (ASX code: JUM), announced today it had entered into a conditional Heads of Agreement to acquire Manaccom, a specialist software publishing and distribution business with contracts to supply major retail chains including Harvey Norman, Dick Smith, JB Hi-Fi and Officeworks.

Manaccom was named in the BRW Fast 100 list and distributes a range of leading computer software including Trend Micro PC-cillin Internet Security, as well as Net Nanny, the popular child online protection software (www.manac.com.au).

The highlights of Manaccom's audited accounts for the 12 month period ended 30 June 2006 are:

- \$11 million in Revenue
- \$1.6 million in EBITDA

The results for the 2007 financial year are forecast to exceed these results.

The purchase consideration of \$5.1 million was structured as follows:

- \$2.5 million cash on settlement (bank finance).
- 80 million JUM shares (at 3.25c).



“This acquisition represents a positive move by the Company to further develop its ecommerce and IT division”, said Mr Mike Veverka.

“The combined talents of Jumbo and Manacomm provide some strong synergies, and some exciting opportunities to grow the business.

“Manacomm enjoys strong distribution agreements with some of Australia’s leading retail outlets including Dick Smith Electronics, JB Hi-Fi, Officeworks and Harvey Norman and has representation in all Australian states and New Zealand. Manacomm has been the recipient of the last two prestigious “Software Supplier of the Year” awards from Harvey Norman.



“Jumbo and Manacomm have already worked together on web-based software off-shore distribution projects for software vendors and this acquisition would increase the focus on these projects.

It is envisaged a “best of both worlds” solution can be offered with Australian customers satisfied through the national retail channel and software sold online internationally.

Manaccomm Founder and Managing Director, Mr Ian Mackay said: “The combined Manaccomm and Jumbo business will be well positioned to take advantage of growth opportunities in the IT sector”.

“We believe the combination of Jumbo’s e-commerce expertise and Manaccomm’s software expertise will create a formidable force.

Mr Mackay said “Manaccomm was established in 1986, has been profitable since inception and has had significant profit growth in the past three years.

Jumbo has also been profitable for the past 4 years and directors expect that the acquisition will substantially expand its operational activities.

About Jumbo

Jumbo has long history in the information technology industry dating back to 1995 with the development of some of the first software applications in the world to handle secure online sales.

In 2005, Jumbo acquired TMS Global Services Pty Ltd, a lottery network operator with licenses to sell Australian lotteries from Tattersalls’ and NSW Lotteries Corporation. Jumbo used its e-commerce experience to transform the Ozlotteries.com division into the fastest growing division within TMS. It is now in the process of reinvigorating the Pacific Island division which sells lotteries through a computer network around the Pacific in countries such as Fiji, Norfolk Island and the Cook Islands.

Jumbo has made several announcements regarding its efforts to expand its scope for future growth by reviewing acquisition opportunities in the e-commerce and information technology industries. The acquisition of Manaccomm is a direct result of this effort.

“Jumbo will continue its commitment to growing the lottery division at the same time as integrating Manaccomm into the group”, said Mr Veverka.

“I believe the efforts made over the past 2 years to improve the lottery division provide Jumbo with a good base from which to grow the division in the future”, he said.

About Manaccom

Manaccom is based in Brisbane with representatives covering all of Australia and New Zealand. It employs approximately 50 staff and is one of the very few software distributors in Australia that is able to service almost the whole country with its own representatives (using agents only in SA and WA). Manaccom’s call centre in Brisbane provides technical support to end users of products distributed by the company by telephone and email. Software products are manufactured locally under licence rather than imported enabling products to be packaged and marketed according to local requirements. The range of software includes internet security, payroll processing, PDF creation, disk backup and a wide range of lifestyle products.

Mr Ian Mackay is the sole shareholder of Manaccom and following the acquisition will become a significant shareholder and will be invited to join the board of Jumbo as a non-executive director.

Mr Mackay has a background in accounting and auditing before establishing Manaccom in 1986 to provide software for the booming PC market. During that time he has established strong relationships with large international software vendors such as Trend Micro as well as large retail outlets such as Harvey Norman, The Coles Group and JB Hi-Fi.

Mr Mackay was a past National President of AIMIA (Australian Interactive Multimedia Industry Association), a board member of QANTM (Government funded Co-operative Multimedia Centre) and chaired the Queensland Government IIB (Information Industries Board) panel to review the computer games industry in Queensland.

Financial performance

Manaccom has provided to Jumbo the following unaudited profit guidance for the year ending 30 June 2007 (based on unaudited management accounts):

	12 months to 30 June 2006 (Audited)	12 months to 30 June 2007 (Unaudited Forecast)
Operating Revenue	\$11.5 million	\$12.2 million
EBITDA	\$1,600,000	\$1,700,000
EBIT	\$1,500,000	\$1,600,000

The actual trading results from Manacom will only be consolidated with Jumbo's results from the date of the acquisition.

Jumbo recently released a profit guidance on 8 June and anticipates to release more detailed results in the coming weeks.

Based on the above results the directors anticipate that the acquisition will substantially strengthen the Company's consolidated revenue to over \$30 million.

As an indication of the combined size of Jumbo and Manacom, the following pro forma balance sheet is provided.

	Jumbo Audited at 31 December 2006	Manacom Unaudited at 31 May 2007	Goodwill arising from the acquisition	Pro forma balance sheet
Total Assets	\$11.5 million	\$2.7 million	\$4.6 million	\$18.8 million
Total Liabilities	\$3.6 million	\$2.2 million	-	\$5.8 million
Net Assets	\$7.9 million	\$0.5 million	\$4.6 million	\$13.0 million

The goodwill arising from the acquisition of \$4.6 million is based on a purchase price of \$5.1 million and Manacom net assets of \$0.5 million.

Purchase consideration and effect on share capital

The purchase consideration of \$5.1 million (subject to certain conditions including shareholder approval) has been structured as follows:

- \$2.5 million cash on settlement (bank finance)
- 80 million JUM shares (at 3.25c).

The effect of the proposed acquisition on the share capital of Jumbo is shown below:

	Current	Post Acquisition
Number of shares on issue	370 million	450 million
Number of options on issue	16.25 million	16.25 million
Number of shares and options (fully diluted)	386.25 million	466.25 million

Conditions precedent

The acquisition of Manaccom under the Heads of Agreement is subject to a number of conditions precedent including:

- Jumbo obtaining shareholder approval for the purpose of the ASX listing rules.
- Jumbo obtaining acceptable debt finance (preliminary finance approval has been obtained).
- Jumbo completing due diligence on Manaccom to its satisfaction.
- Jumbo finalising employment agreements with key Manaccom executives.
- The parties entering into a formal sale agreement.

Timeframe

Directors have begun preparing a Notice of Meeting and Explanatory Memorandum with a view to calling a meeting of shareholders in July. If approved, and if all other conditions precedent are satisfied or waived, the Directors anticipate that the acquisition will be completed by the end of July or early August 2007. Further details of the transaction and an indicative timetable will be provided in the Notice of Meeting and Explanatory Memorandum.

Conclusion

The Directors of Jumbo believe the acquisition of the Manaccom business will provide Jumbo shareholders with involvement in a growth market sector with established revenues and the benefit of synergies with Jumbo's skills and operational interests.

This announcement together with general information on the company and ASX releases are available at: www.jumbocorporation.com



(this is not an asset of the company)

For further Information:

Press Material at www.jumbocorporation.com

Mike Veverka
CEO, Jumbo Corporation
(07) 3831 3705

Sean Whittington
Field Public Relations
(08) 8234 9555 / (0412) 591 520

Notes

EBITDA: Earnings before Interest, Tax, Depreciation and Amortisation