

ASX RELEASE – Monday 12th September 2005

FY05 PRELIMINARY FINAL RESULTS - FULL YEAR RECORD PROFIT



Jumbo Corporation Limited (ASX:JUM), a leader in online lotteries and ecommerce services, today announced a profit of \$630,371 and an EBITDA of \$720,083. The FY05 result represents significant improvement on last years figures.

ASX Code:	JUM
Shares on Issue:	321 million
Options on Issue:	6.75 million
Share price (12 Sep 2005):	6.9c
Market Cap:	\$22.1 mil
Annual Share Turnover:	570 million
Last Month Share Turnover	23 million
Top 20 hold:	67%

This result includes 1 month of trading from TMS Global Services Pty Ltd. which was fully acquired in May 2005. On a 12 month trading basis, a combined Jumbo and TMS business would have resulted in a FY05 profit of \$1.5 million and a FY05 EBITDA of \$1.8 million.

“Our 3rd straight record profit and the successful acquisition of TMS are the highlights of the most successful year in Jumbo’s history”, said Mr Mike Veverka, CEO. “The addition of TMS improves our profitability and brings many new opportunities due to its unique licenses to sell Australian lotteries online.”

“The company’s financial position is strong with cash levels of \$5.5 million, total assets of \$11.5 million and net assets of \$3.9 million”, said Mr Veverka. “the strong financial position gives Jumbo the ability to take advantage of its early mover advantage in the online lottery industry which is expected to undergo substantial growth over the next 5 years.”

12 month Trading Basis

During FY05, TMS traded 11 months as a separate private company and 1 month as a fully owned subsidiary of Jumbo Corp. The combined Jumbo and TMS business on a 12 month trading basis would have resulted in a FY05 EBITDA of \$1.8 million and FY05 profit of \$1.5 million.

Financial Performance

TMS was acquired towards the end of FY05 so only 1 month trading results were incorporated in the final results. The following table summarizes the results as reported.

	FY05	FY04	% Change
Revenue	\$7.2 million	\$7.7 million	6.5% decrease
EBITDA	\$720K	\$370K	94% increase
NPAT	\$630K	\$290K	117% increase

The small decrease in revenue is attributable to an intentional higher average sales price resulting in a higher profit margin but a lower revenue.

Financial Position

The following table highlights the strengthening financial position over the last 3 years.

	FY05	FY04	FY03
Cash	\$5.4 million	\$1.9 million	\$0.9 million
Total Assets	\$11.5 million	\$3.4 million	\$1.7 million
Total Liabilities	\$7.6 million	\$2.2 million	\$1.1 million
Net Assets	\$3.9 million	\$1.2 million	\$0.6 million

ABOUT TMS

TMS Global Services Pty Ltd is a wholesaler and online retailer of Australian lottery products through agreements with Tattersall's (Victoria) and the NSW Lotteries Corporation. The company retails popular lotteries such as Saturday Lotto, Powerball and OzLotto via its website at www.ozlotteries.com. As well as the online lottery business TMS supports a private network of lottery outlets in various Pacific Islands including Fiji, Cook Islands and Norfolk Island. This network was established in the 1990's and allows traditional retailers to sell Australian lottery products.

ABOUT JUMBO

Jumbo Corporation Limited is a successful online retailer and e-commerce provider. Profitable for the last 3 years, the company retails a range of products such as pharmacy goods, software and luxury items such as fragrances and cosmetics from its popular www.jumbomall.com web site. The company has accumulated in excess of 300,000 online customers which form a base to promote new products such as lotteries. Jumbo also provides a range of e-commerce services to customers worldwide from its www.jumbostore.com web site.

For further information, please contact:

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APPENDIX 4E

PRELIMINARY FINAL REPORT

Name of entity

Jumbo Corporation Limited

ABN or equivalent company reference

66 009 189 128

Financial year ended ('current period')

30 June 2005

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				\$A'000
Revenues from ordinary activities	down	6.5%	to	\$7,229
Net profit (loss) from ordinary activities after tax attributable to members	up	117%	to	\$630
Net profit (loss) for the period attributable to members	up	117%	to	\$630
Dividends (distributions)	Amount per security	Franked amount per security		
Final dividend	0c	0c		
Interim dividend	0c	0c		
Record date for determining entitlements to the dividend	N/A			

Note: The accounts are in the process of being audited or subject to review.

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Appendix 4E Preliminary Financial Report

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2005

	Note	Economic Entity		Parent Entity	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
Revenues from ordinary activities	2	7,229	7,744	1,540	24
Cost of goods sold	3	(4,193)	(5,141)	-	-
Depreciation expense	3	(28)	(15)	-	-
Amortisation expense	3	(39)	(68)	(34)	(80)
Borrowing costs expense	3	(22)	-	(22)	-
Salaries and employee benefits expense	3	(383)	(313)	-	-
Directors Remuneration	3	(278)	(199)	-	-
Consultancy fees	3	(164)	(498)	(6)	(26)
Marketing costs	3	(255)	(103)	-	-
Other expenses from ordinary activities	3	(1,232)	(1,094)	(182)	(148)
Carrying value of assets sold	3	(5)	(23)	(5)	-
Profit from ordinary activities before income tax expense	3	630	290	1,291	(230)
Income tax expense relating to ordinary activities		-	-	-	-
Profit from ordinary activities after related income tax expense		630	290	1,291	(230)
Profit (loss) from extraordinary item after related income tax expense/(revenue)		-	-	-	-
Net profit attributable to members of Jumbo Corporation Limited		630	290	1,291	(230)
Basic earnings per share (cents per share)	4	.24	.13		
Diluted earnings per share (cents per share)	4	.24	.13		

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2005

	Note	Economic Entity		Parent Entity	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
CURRENT ASSETS					
Cash assets		5,484	1,928	419	114
Receivables		583	424	106	64
Inventories		10	5	-	-
TOTAL CURRENT ASSETS		6,077	2,357	525	178
NON-CURRENT ASSETS					
Other financial assets		1,500	62	1,500	62
Receivable from related party		-	-	367	-
Interests in controlled entities		-	-	3,887	-
Property, plant and equipment		407	32	-	-
Intangible assets		2,825	270	236	270
Other assets		700	706	700	706
TOTAL NON-CURRENT ASSETS		5,432	1,070	6,690	1,038
TOTAL ASSETS		11,509	3,427	7,215	1,216
CURRENT LIABILITIES					
Payables		4,506	2,171	28	282
Interest-bearing liabilities		1,023	-	1,027	-
Provisions		173	16	-	-
TOTAL CURRENT LIABILITIES		5,702	2,187	1,055	282
NON-CURRENT LIABILITIES					
Interest-bearing liabilities		1,848	-	1,848	-
TOTAL NON-CURRENT LIABILITIES		1,848	-	1,848	-
TOTAL LIABILITIES		7,550	2,187	2,903	282
NET ASSETS		3,959	1,240	4,312	934
EQUITY					
Contributed equity	5	23,182	21,094	23,182	21,094
Retained losses	6	(19,223)	(19,854)	(18,870)	(20,161)
TOTAL EQUITY		3,959	1,240	4,312	934

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2005

	Note	Economic Entity		Parent Entity	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		7,272	7,577	-	-
Payments to suppliers and employees		(5,167)	(6,576)	(173)	(34)
Interest received		45	10	14	9
Borrowing costs		(43)	-	(72)	-
Net cash provided by (used in) operating activities		2,107	1,011	(231)	(25)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(40)	(4)	-	-
Purchase of investments		-	(556)	(2,300)	(556)
Cash acquired on acquisition of subsidiary		132	-	-	-
Funds placed on deposit		(1,438)	(8)	(1,438)	(8)
Advances from related parties		-	-	1,489	-
Proceeds from sale of assets		35	-	35	-
Net cash provided by (used in) investing activities		(1,311)	(567)	(2,214)	(564)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		250	620	250	620
Proceeds from directors loan		14	-	-	-
Proceeds from borrowings		2,500	-	2,500	-
Advancement of loan		(4)	-	-	-
Net cash provided by (used in) financing activities		2,760	620	2,750	620
Net increase in cash held		3,556	1,063	305	31
Cash at 1 July 2004		1,928	865	114	83
Cash at 30 June 2005		5,484	1,928	419	114

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the economic entity of Jumbo Corporation Limited and controlled entities, and Jumbo Corporation Limited as an individual parent entity. Jumbo Corporation Limited is a listed public company, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a. Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

b. Rounding of Amounts

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest \$1,000.

	Note	Economic Entity		Parent Entity	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
NOTE 2: REVENUE					
Operating activities					
—	Jumbo mall commissions	2,170	4,035	-	-
—	Other commissions	449	359	-	-
—	Revenue from sale of goods	55	495	-	-
—	Licensing Income	3,485	2,456	-	-
—	Revenue from services	55	281	-	-
—	Revenue Online Lottery	930	-	-	-
		7,144	7,626	-	-
Non-operating activities					
—	Rental income	-	8	-	-
—	Interest Received – other persons/corporations	45	10	14	9
—	Revenue from sale of shares	35	-	35	-
—	Debts Forgiven	-	83	-	-
—	Writeback of Provision for loss	-	-	1,491	-
—	Other revenues	5	17	-	15
		7,229	7,744	1,540	24
Total Revenue		7,229	7,744	1,540	24

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	Note	Economic Entity		Parent Entity	
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES		2005	2004	2005	2004
		\$000	\$000	\$000	\$000
Profit from ordinary activities before income tax has been determined after					
a. Expenses					
Cost of sales					
Sale of goods		1,508	472	-	-
Sale of services		2,685	4,669	-	-
Borrowing costs expensed					
— Interest expense – other persons/corporations		17	-	17	-
— Other borrowing costs		5	-	5	-
Depreciation of non-current assets:					
— plant and equipment		28	15	-	-
Amortisation of non-current assets:					
— goodwill		39	68	34	80
Bad and doubtful debts:					
— trade debtors		-	22	-	-
Rental expense on operating leases					
— minimum lease payments		118	95	-	-
Salaries and employee benefits expense					
— Salaries		343	291	-	-
— Superannuation contributions		27	23	-	-
— Annual leave provision		13	(1)	-	-
Consultancy Fees					
— Legal fees		27	28	4	26
— Corporate other		137	470	-	-
Directors remuneration		278	199	-	-
Marketing costs					
— Commissions		39	73	-	-
— Promotions		7	30	6	-
— Other		209	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	Note	Economic Entity		Parent Entity	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES					
Other expenses from ordinary activities					
—	Auditors remuneration	29	63	29	63
—	Accountancy fees	49	37	7	-
—	Bank merchant fees	614	484	-	-
—	ASX fees	47	23	47	23
—	Capital raising costs	15	18	15	18
—	Software licensing	29	119	-	-
—	Other	421	206	85	44
Total costs:		6,599	7,431	249	254
b) Gain / (Loss) on sale of assets					
	Sale of shares	(30)	-	(30)	-
	Sale of property, plant and equipment	-	23	-	-
		(30)	23	(30)	-

	Economic Entity	
	2005 \$000	2004 \$000
NOTE 4: EARNINGS PER SHARE		
a. Reconciliation of earnings to net profit or loss		
	Net profit	630 290
	Net profit attributable to outside equity interest	- -
	Redeemable and converting preference share dividends	- -
	Earnings used in the calculation of basic EPS	630 290
	Dividends on converting preference shares	- -
	Earnings used in the calculation of dilutive EPS	630 290
b. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS		
		258,601,189 218,929,161
	Weighted average number of options outstanding	- -
	Weighted average number of converting preference shares on issue	- -
	Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS	258,601,189 218,929,161

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	Note	Number of shares		\$000	
NOTE 5: CONTRIBUTED EQUITY		2005	2004	2005	2004
Fully paid ordinary shares		321,337,408	223,765,227	23,182	21,094
		321,337,408	223,765,227	23,182	21,094
a. Ordinary shares					
At the beginning of the reporting period		223,765,227	198,765,227	21,094	20,724
Shares issued during the year					
— On 14 August 2003 as a private placement		-	10,000,000	-	130
— On 26 September 2003 as a private placement		-	15,000,000	-	240
— On 5 October 2004 as a private placement		17,993,523	-	250	-
— On 22 October 2004 as a private placement		17,993,523	-	250	-
— On 29 October 2004 as a private placement		1,000,000	-	16	-
— On 13 May 2005 as a private placement		135,135	-	5	-
— On 19 May 2005 as a private placement		59,700,000	-	1,552	-
— On 3 June 2005 as a private placement		750,000	-	30	-
Acquisition costs		-	-	(15)	-
		321,337,408	223,765,227	23,182	21,094
NOTE 6: ACCUMULATED LOSSES					
Accumulated losses at the beginning of the financial year		(19,854)	(20,032)	(20,161)	(19,931)
Outside equity interests purchased by parent		-	(112)	-	-
Net profit/(loss) attributable to the members of the parent entity		630	290	1,291	(230)
Retained profits at the end of the financial year		(19,224)	(19,854)	(18,870)	(20,161)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

NOTE 7: EMPLOYEE BENEFITS

Employees Share Option Arrangement

- i. On 29 March 2002, 500,000 share options were granted to employees service under the Jumbo Corporation Limited employee option plan to take up ordinary shares at an exercise price of 5 cents each. The options are exercisable on or before 5 June 2006.
- ii. On 13 May 2005, 1,250,000 share options were granted to employees service under the Jumbo Corporation Limited employee option plan to take up ordinary shares at an exercise price of 5 cents each. The options are exercisable on or before 5 June 2006.
- iii. On 19 May 2005, 5,000,000 share options were granted to employees service under the Jumbo Corporation Limited employee option plan to take up ordinary shares at an exercise price of 4 cents each. The options are exercisable on or before 19 May 2007.

NOTE 8: DETAILS OF CONTROLLED ENTITIES

Control Gained Over Entities During the Period

Name of entity	TMS Global Services Pty Ltd and controlled entities
Date control acquired, i.e. date from which profit(loss) has been calculated	1 June 2005
Profit (loss) from ordinary activities after extraordinary items and income tax of the controlled entity (or group of entities) during the current period <i>since the date on which control was acquired</i>	\$40,402