



Jumbo Corporation Ltd

ABN: 66 009 189 128
PO Box 7118
Riverside Centre
Brisbane QLD, 4000
Ph: +61 7 3831 3705
Fax: +61 7 3831 9720

13 May 2002

Dear Shareholder,

Invitation to Participate in the Jumbo Corporation Limited Shareholder Share Purchase Scheme

The Board of Directors of Jumbo Corporation Limited ("Jumbo") is pleased to advise the introduction of a Shareholder Share Purchase Scheme ("the Scheme"). The Scheme entitles shareholders in the company, irrespective of the size of their shareholding, to purchase up to \$3000 worth of shares in Jumbo at an attractive price, free of all brokerage, commission and stamp duty.

Jumbo Corporation has successfully demonstrated its business model and is now seeking to continue its growth by raising up to \$250,000 through this shareholder share purchase scheme. The recent March 2002 quarterly result demonstrated a positive operating cash flow and also its 7th straight quarter of increasing turnover (reaching just under \$3 million for the quarter). These encouraging signs have prompted the board to release this shareholder scheme to grow the business, reward shareholders and encourage small shareholders to build up their shareholdings.

Details of the Scheme are set out in the enclosed Terms of the Jumbo Corporation Limited Shareholder Share Purchase Scheme. A blue Application Form is also enclosed, should you wish to participate.

The right to participate in this initial offer under the Scheme is available exclusively to persons who are registered as holders of fully paid ordinary shares in Jumbo at 5pm on the record date of **Friday, 17 May 2002** and whose registered address is in Australia or in any other jurisdiction in which it is lawful for the Company to offer shares under the Scheme.

As an incentive to Shareholders, the purchase price of the new shares to be offered under the Scheme has been set at 2.5 cents per share. This represents:

- ? A 11% discount to the average trading price of Jumbo shares since the beginning of May 2002 of 2.8 cents and:
- ? A discount of 17% on the trading price at the close of trade on 13 May 2002 of 3.0 cents.



ABN: 66 009 189 128
PO Box 7118
Riverside Centre
Brisbane QLD, 4000
Ph: +61 7 3831 3705
Fax: +61 7 3831 9720

Company Activities

The Shareholder Scheme has been introduced at a time when the Company has the opportunity to grow the business through natural growth and through acquisitions. The encouraging signs from the past 2 years indicate the business model is working and has the potential to continue its growth.

The principal use of the funds to be raised by this share offer will be:

- a) to continue expansion of the various Jumbo websites
- b) to allow acquisitions in the on-line industry should they arise

Jumbo Corporation sells a variety of goods and services globally over the Internet. The Jumbo secure payments technology and online marketing experience provides the company with a competitive advantage in a marketplace that has continued to grow over the last 7 years. Goods and services are sold through a variety of web sites including the following:

- ? Jumbomall.com – Online shopping mall which offers the products from a single location.
- ? Rocketfuel.com – Online software station that sells a variety of downloadable software titles.
- ? Dealerdan.com.au – Online computer hardware wholesaler.
- ? Lottolagoon.com – Online lotteries.

The Jumbo technology is available from the following sites:

- ? Jumbostore.com – Online store builder
- ? Jumbopay.com – Secure online payments solution
- ? Jumbosite.com – Business web hosting.

A key ingredient to the Jumbo business model is the security software that handles all online transactions. This software has been in development for the last 5 years and is fully owned by Benon Technologies Pty Ltd, a subsidiary of Jumbo Corp. The benefits of this software include:

- ? Low ongoing costs because of no royalties required to be paid to third party developers.
- ? Ability to license to customers to increase revenue at a low cost to deliver.
- ? Ability to modify the software to meet the demands of the changing online marketplace.

The

goal for the company is to continue using its technology to grow turnover while keeping costs to a minimum with a high level of automation.



Jumbo Corporation Ltd

ABN: 66 009 189 128
PO Box 7118
Riverside Centre
Brisbane QLD, 4000
Ph: +61 7 3831 3705
Fax: +61 7 3831 9720

Additional Information and Important Dates

If you would like to participate in the Scheme, please return your completed blue Application Form, together with your cheque for the purchase price for the number of shares you wish to acquire, on or before the **Closing Date of 5pm on 20th June 2002**.

Please note that the **maximum investment** per shareholder is **\$3,000** (representing 120,000 shares at 2.5 cents per share) and the **minimum investment** is **\$250** (10,000 shares at 2.5 cents per share). Shares allotted under the Scheme will be issued no later than 15 days after the Closing Date of the Offer.

Application for quotation on ASX of the new shares will be made immediately following the issue of those shares.

This initial offer of shares under the Scheme is limited to \$250,000 (representing 10,000,000 shares at 2.5 cents per share). If Jumbo receives applications in respect of more than 10,000,000 shares, Jumbo will reduce the maximum number of shares that may be issued to a shareholder (i.e. 120,000 shares) on a pro rata basis in proportion to the number of shares for which each shareholder applies so that the total number of shares issued under the Scheme does not exceed 10,000,000 shares.

Should you wish to discuss this matter with the Company please do not hesitate to contact Mike Veverka on 07-3831-3705

Yours faithfully

Jumbo Corporation Limited

Mike Veverka

CEO Jumbo Corporation Limited