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ASX RELEASE

Thursday 18 November 2004 – New Business Initiatives

Jumbo Corporation Limited (ASX:JUM) is pleased to announce a number of new initiatives following a series of meetings in Europe and Asia. The company CEO and staff have successfully negotiated supply arrangements with new and existing partners and suppliers for the Jumbo online retailing business as well as launching the Betexware betting exchange software system in Barcelona, Spain. Negotiations have commenced for 4 betting exchange licences with operators in the UK, France, Germany and Belgium.

“I am pleased to report that negotiations have been beneficial for the company by strengthening existing relationships with suppliers and negotiating new supply arrangements for the year ahead to continue the profitable growth of the core business”, said Mr Mike Veverka, CEO for Jumbo. “The launch of Betexware sets the stage for future expansion of the company in the booming I-gaming sector and negotiations for 4 betting exchange licences has commenced.”

New deals with suppliers and partners

The higher sales volumes of the past year have enabled the negotiation of more favourable terms for many of the company’s core retailing products. Jumbo has continually increased retailing turnover to \$28 million per year and has developed a reputation in the industry as a professional and reliable partner. Suppliers are now willing to offer better terms and priority service to Jumbo’s customers.

“As mentioned in previous announcements, our strategy of growing retailing revenue at a low initial margin and then gradually increasing these margins has paid off”, said Mr Veverka. “Existing suppliers are willing to offer better terms to keep our business and new suppliers are making Jumbo special offers as an incentive to win part of our business.”

Jumbo has developed strong retailing marketing techniques and has accumulated a significant online customer database of up to 250,000 customers which gives the company a competitive advantage over new entrants. The effort put into customer service has ensured customers are loyal and repeat business is maximized.

Relationships with suppliers and partners are a key aspect to the future of the core retailing business. In an increasingly virtual world it is good business practice to conduct face-to-face meetings with international suppliers to improve systems, negotiate better pricing and generally strengthen relationships.

Betting Exchanges

As announced on 9 November, the company presented the Betexware betting exchange software at the 3rd annual EIG European I-Gaming Congress and Expo in Barcelona Spain. The software (www.betexware.com) is one of the few betting exchange software systems available in the world and attracted a great deal of interest from gaming and betting operators from around the world.

Negotiations have commenced with 4 betting operators following initial product demonstrations and budgeting. Typically the agreements will contain an upfront setup fee and an ongoing usage fee that is a revenue share arrangement. Customization and setup procedures are expected to take 1 to 2 months. Once a number of sites go online, it is anticipated that this would encourage many more operators with the confidence to use the Betexware system.

Demonstrations have also commenced with a number of potential Australian operators that have contacted the company over the past few months.

European Court of Justice rules in favour of online betting companies.

A major victory for online betting exchanges was handed down by the European Court of Justice in Luxembourg last week. The decision was in relation to granting betting exchanges the right to use fixture lists and event information for UK football and horseracing events. Major UK football and horseracing companies argued that non-UK betting organisations breached EU rights over database ownership by publishing fixture information, however the courts found that there was no breach and betting exchanges were within their rights to use the information.

“This decision is typical of the victories that betting companies are having in courts around the world”, said Mr Veverka. “It demonstrates that there is nothing fundamentally wrong with the betting exchange concept and the various court battles are merely attempts to slow the growing betting exchange phenomenon”.

Football and Horseracing are traditionally the most active markets for online betting. Other popular sporting events in Europe include Rugby, Cricket, Tennis, Golf and motor sport. Even niche markets such as Australian Idol, Political and Financial markets are attracting growing betting volumes.

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