

ASX RELEASE - Tuesday 22nd March 2005

ACQUISITION OF LOTTERY COMPANY



Jumbo Corporation Limited (JUM) is pleased to advise that it has entered into a Heads of Agreement to acquire Melbourne based gaming business TMS Global Services Pty Ltd (TMS), a wholesaler and online retailer of lottery products through agreements with Tattersall's (Victoria) and the NSW Lotteries Corporation.

ASX Code:	JUM
Shares on Issue:	261 million
Options on Issue:	6.5 million
Share price (21 Mar 2005):	8.4c
Market Cap:	\$21.9 mil
EPS (Annualized)	0.2 c
P/E (Annualized NPAT)	43
03/04 Profit Growth	115%
Monthly Share Turnover:	152 mil
12 month high / low:	8.7c / 1.5c
Top 20 hold:	67%

TMS has unaudited annual revenue in excess of \$19 million and earnings before interest, tax, depreciation and amortisation of \$925,000 for the 12 month period ending 30 June 2004. TMS has been profitable in FY03, FY04 and HY Dec 04 with increasing revenues. The acquisition of TMS will substantially strengthen JUM's consolidated revenue and expands its operational activities into new growth areas. JUM has annual revenues of \$7.7 million and has been profitable in FY03, FY04 and has recently announced a profit of \$247,857 for the 6 months ending 31 December 2004.

JUM have been investigating a number of potential acquisition targets and have identified TMS as a solid company with a profitable track record and strong synergies with its business. JUM is a publicly listed company with a successful track record in online retailing and secure ecommerce software development. TMS Global Services is a private company involved in wholesaling lottery products through agreements with Tattersalls (Victoria) and the NSW Lotteries Corporation. JUM has identified the unique position of TMS and the benefits that JUM's strengths can bring to the merged entity.

The fastest growing business in TMS is the online lottery division which allows customers to purchase games such as Keno, Lotto and Powerball from its website at www.ozlotteries.com. As TMS is historically a non-internet based lottery distributor, it will benefit from the right technical and marketing skill which JUM has developed over the past 10 years in internet based retailing.

As well as the online lottery business TMS has two other mature business sectors.

1. Private Network of lottery outlets in various Pacific Islands including Fiji, Cook Islands, Norfolk Island and Samoa. This network was established in the 1990's and allows traditional retailers to sell Australian lottery products. This network will require significant software upgrades to continue operations for the next 5 years.

2. Mail Order Lotteries. TMS is involved in mail-order lotteries to foreign countries and also wholesales the products to other companies in the mail-order business.

The existing management of TMS will be continued and key staff will be secured under employment contracts.

JUM'S CHIEF EXECUTIVE MIKE VEVERKA COMMENTED:

"The acquisition of TMS Global Services is a bolt-on acquisition that will easily integrate and compliment JUM's existing international business operations. JUM has 10 years experience in online retailing and 5 years experience in the online sale of lottery tickets. Our skills, software and database of over 300,000 customers would be ideally suited to promoting the range of lottery products that TMS has agreements to sell".

"The purchase of TMS is expected to lift JUM into a new league and has the potential to open further opportunities on a global scale".

TMS UNAUDITED RESULTS

TMS has provided the following unaudited results:

	12 months to June 2004	6 months to December 2004
Operating Revenue	\$19,071,164	\$9,396,064
EBITDA	\$924,984	\$839,848
EBIT	\$764,902	\$686,520

JUM AUDITED RESULTS

	12 months to June 2004	6 months to December 2004
Operating Revenue	\$7,744,052	\$4,181,427
EBITDA	\$400,033	\$295,670
EBIT	\$289,705	\$247,857

PRO FORMA RESULTS JUM/TMS POST MERGER

	6 months to 31 December 2004
Operating Revenue	\$13,577,491
EBITDA	\$1,135,518
EBIT	\$934,377

PRO FORMA WORKING CAPITAL JUM/TMS POST MERGER

Post merger the combined entity will have \$3.6 million in working capital.

	JUM 31 Dec 2004	TMS 31 Dec 2004	TOTAL 31 Dec 2004
Cash	\$1,703,909	\$1,926,997	\$3,630,906

PRO FORMA BALANCE SHEET POST MERGER (UNAUDITED)

	31 December 2004
Total Assets	\$8.7 million
Total Liabilities	\$2.9 million
Net Assets	\$5.8 million

PURCHASE CONSIDERATION

The purchase consideration of \$4.23 million (subject to certain conditions including shareholder approval) has been structured as follows:

- \$2.3 million cash on settlement
- A further \$375,000 payable within 18 months
- 59.7 million JUM Shares subject to escrow arrangements that have yet to be finalized. The deemed issue price is 2.6c per share which is 80% of daily share price average for the last 3 months.
- 5 million options for JUM Shares with a conversion price of 4.0c and an exercise period of 24 months. These options can only be converted if the JUM share price is above 6.0c

Number of shares and options on issue pre acquisition (fully diluted):	267.2 million	(80.5%)
Number of shares and options to be issued to TMS vendors:	64.7 million	(19.5%)
Number shares and options on issue post acquisition (fully diluted):	331.9 million	(100.0%)

The acquisition of TMS is subject to the following conditions precedent:

- Ratification of the Board of JUM
- JUM obtaining shareholder approval from the acquisition
- JUM obtaining acceptable debt finance. Preliminary finance approval has been obtained.
- JUM completing due-diligence on TMS to its satisfaction.
- JUM finalising employment agreements with TMS executives.

TMS has 4 vendors with the major shareholder (75%) an entity associated with Cullen Investments, a large New Zealand based investment firm associated with Mr Erik Watson. The remaining shares are held by senior management.

TIMEFRAME

Directors have begun preparing a Notice of Meeting and Explanatory Memorandum with a view to calling a meeting of shareholders in early May. If approved the acquisition would be completed by the end of May 2005.

LOTTERY TENDER

As announced on 4th March 2005, JUM has lodged a submission for a tender to operate the online component of a well known lottery business. As yet the results from the tender have not been released, but are expected shortly.

CONCLUSION

The Directors of JUM believe the acquisition of TMS will provide JUM shareholders with involvement in a high growth market sector with established revenues and the benefit of synergies with JUM's existing international business operations.

Furthermore the acquisition of TMS represents a significant milestone for JUM in its policy to expand the company's operation beyond its existing retail online business. The pursuit of growth organically and by acquisition is viewed by the board as a mechanism for shareholders to enjoy a broader base of quality growth opportunities.

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

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