

# APPENDIX 4E

## PRELIMINARY FINAL REPORT

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**JUMBO CORPORATION LIMITED**  
**ABN 66 009 189 128**

**Reporting period: Financial year ended 30 June 2007**  
**Previous Corresponding period: Financial year ended 30 June 2006**

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

	<b>2007</b>	<b>2006</b>	<b>Change</b>	<b>Change</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	17,925,140	16,573,717	1,351,423	8%
Profit/(Loss) after tax attributable to members	(739,790)	786,973	(1,526,763)	(194%)

### DIVIDENDS

No dividends have been paid or provided for on ordinary shares during the year ended 30 June 2007 - (30 June 2006 - nil).

### EXPLANATION OF RESULTS

The results for the full year ending 30 June 2007 include a loss of \$739,790 from revenues of \$18 million. EBITDA (Earnings Before Interest, Tax, Depreciation, Amortisation and impairment losses) was \$38,114.

The loss is due mainly to impairment of investments, network upgrade and development costs.

#### Impairment of Investments

1. Impairment of Global Approach Limited (GLO) Investment.

As previously announced, GLO was adversely affected by changes in US legislation relating to online gaming. Jumbo recently sold its entire holding in GLO raising \$1.09 million (less brokerage costs) in additional working capital but resulting in a one-time loss.

2. Impairment of Proprietary Online Games.

As announced between September 2006 and December 2006, Jumbo developed and launched a range of proprietary online lottery games that included scratchprizes.com and pinballkeno.com. A decision was made to close these games due to low sales resulting in a one-time loss.

### **Network Upgrade and Development Costs**

Improvements and new additions were made throughout the year to both Internet (Ozlotteries.com) and non-Internet (Pacific Island Network) sales channels to build a platform for future growth. These improvements and new additions were required to build a system capable of sustaining higher sales levels and to take advantage of new marketing initiatives.

### **Manacomm Acquisition**

Throughout the year, management have been active in searching for a suitable acquisition in the Information Technology industry. This effort culminated in the signing of a heads of agreement to acquire Manacomm on 25 June 2007. Furthermore, as announced on 23 August 2007, shareholders voted in favour of issuing 80 million shares as part consideration for the acquisition.

Manacomm is a successful software publisher and distributor of popular titles such as Trend Micro Internet Security. It has contracts to supply major retail chains including Harvey Norman, Dick Smith, JB Hi-Fi and Officeworks. At a recent general meeting of shareholders on 23 August 2007, shareholders approved the issue of 80 million shares as part of the acquisition consideration.

The information provided in this report contains all the information required by ASX Listing Rule 4.3A.

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

**CONSOLIDATED INCOME STATEMENT**  
**For the year ended 30 June 2007**

	Note	2007 \$	2006 \$
Revenue	2	17,925,140	16,573,717
Cost of goods sold	3	(13,430,921)	(11,930,580)
Gross Profit		4,494,219	4,643,137
Borrowing costs expense	3	(95,725)	(167,663)
Depreciation expense	3	(55,220)	(38,187)
Amortisation expense	3	(359,223)	(116,173)
Salaries and employee benefits expense	3	(1,277,431)	(1,041,554)
Directors Remuneration	3	(289,853)	(275,818)
Consultancy fees	3	(577,061)	(396,838)
Marketing costs	3	(492,826)	(391,323)
Other expenses from ordinary activities	3	(2,086,673)	(1,428,608)
Profit (loss) before income tax expense	3	(739,790)	786,973
Income tax expense relating to ordinary activities		-	-
Profit (loss) after related income tax expense		(739,790)	786,973
Net profit (loss) attributable to members of Jumbo Corporation Limited		(739,790)	786,973
Basic earnings per share (cents per share)	4	(0.20)	0.23
Diluted earnings per share (cents per share)	4	(0.19)	0.23

The Income Statement is to be read in conjunction with the Notes to the Financial Statements set out in this report.

**CONSOLIDATED BALANCE SHEET**  
**At 30 June 2007**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>		
Cash assets and cash equivalents	3,795,285	5,267,518
Receivables	961,339	368,110
Inventories	23,708	880,345
<b>TOTAL CURRENT ASSETS</b>	<b>4,780,332</b>	<b>6,515,973</b>
<b>NON-CURRENT ASSETS</b>		
Other financial assets	2,084,935	2,142,782
Property, plant and equipment	124,357	115,540
Intangible assets	3,126,301	3,507,083
<b>TOTAL NON-CURRENT ASSETS</b>	<b>5,335,593</b>	<b>5,765,405</b>
<b>TOTAL ASSETS</b>	<b>10,115,925</b>	<b>12,281,378</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	2,437,291	2,725,024
Short-term borrowings	820,000	830,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,257,291</b>	<b>3,555,024</b>
<b>NON-CURRENT LIABILITIES</b>		
Trade and other payables	-	100,000
Long-term Borrowings	-	830,000
Provisions	14,895	7,370
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>14,895</b>	<b>937,370</b>
<b>TOTAL LIABILITIES</b>	<b>3,272,186</b>	<b>4,492,394</b>
<b>NET ASSETS</b>	<b>6,843,739</b>	<b>7,788,984</b>
<b>EQUITY</b>		
Issued Capital	25,932,142	25,981,042
Retained losses	(19,121,881)	(18,382,091)
Reserves	33,478	190,033
<b>TOTAL EQUITY</b>	<b>6,843,739</b>	<b>7,788,984</b>

**CONSOLIDATED CASH FLOW STATEMENT**  
**For the year ended 30 June 2007**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	19,213,462	16,715,953
Payments to suppliers and employees	(19,554,900)	(19,188,835)
Interest received	145,238	237,343
Interest and other costs of finance	(95,725)	(167,663)
Net cash provided by (used in) operating activities	(291,925)	(2,403,202)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(64,602)	(51,857)
Purchase of investments	(109,775)	(300,393)
Funds placed on deposit	(4,315)	530,100
Advances from related parties	(12,716)	-
Proceeds from sale of assets	-	112,770
Purchase of website	-	(46,910)
Other	-	59,680
Net cash provided by (used in) investing activities	(191,408)	303,389
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	(48,900)	2,906,521
Repayment of borrowings	(940,000)	(915,000)
Capital raising costs	-	(107,822)
Net cash provided by (used in) financing activities	(988,900)	1,883,699
Net increase (decrease) in cash held	(1,472,233)	(216,115)
Cash at 1 July 2006	5,267,518	5,483,633
Cash at 30 June 2007	3,795,285	5,267,518

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

**Note 1: Basis for preparation of Preliminary Final Report**

The Preliminary Final Report has been prepared in accordance with ASX listing rule 4.3A and has been derived from the unaudited Financial Report. The Financial Report has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The Preliminary Final Report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

This Report is based on the Financial Report which is in the process of being audited.

**Note 2: Revenue**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Operating activities		
— Jumbo mall commissions and licensing income	111,147	499,961
— Other commissions	-	270,797
— Revenue from sale of goods	792	5,214
— Revenue from services	50,338	25,644
— Revenue from online lottery	17,587,709	15,457,940
	<b>17,749,986</b>	<b>16,259,556</b>
Non-operating activities		
— Interest Received – other persons/corporations	145,238	237,343
— Gain from sale of shares	-	49,020
— Other revenues	29,916	27,798
	<b>175,154</b>	<b>314,161</b>
Total Revenue	<b>17,925,140</b>	<b>16,573,717</b>

**Note 3: Profit for the Year**

a. Expenses:

Profit from ordinary activities before income tax has been determined after

Cost of sales  
 Borrowing costs expense  
 Depreciation expense  
 Amortisation expense  
 Salaries and employee benefits expense  
 Directors remuneration  
 Consultancy Fees  
 Marketing costs  
 Other Expenses from ordinary activities

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
	13,430,921	11,930,580
	95,725	167,663
	55,220	38,187
	359,223	116,173
	1,277,431	1,041,554
	289,853	275,818
	577,061	396,838
	492,826	391,323
	2,086,673	1,428,608
	<b>18,664,933</b>	<b>15,786,744</b>

b. Significant expenses:

Impairment of Global Approach Limited shares  
 Impairment of other assets

194,725	-
218,249	-

**Note 4: Earnings per share**

a. Reconciliation of earnings to net profit or (loss)  
 Earnings used in the calculation of basic EPS  
 Earnings used in the calculation of dilutive EPS

b. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS  
 Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
	(739,790)	786,973
	(739,790)	786,973
	(739,790)	786,973
	368,292,589	341,145,415
	384,542,589	341,145,415

**Note 5: Issued Capital**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
368,071,110 (2006: 370,071,110) fully paid ordinary shares	25,932,142	25,981,042
	<b>Number of Shares</b>	
At the beginning of the reporting period	370,071,110	321,337,408
Shares issued during the year		
— 4 November 2005 Shares issued under private placement	-	200,000
— 11 November 2005 Shares issued under private placement	-	400,000
— 16 November 2005 Shares issued under private placement	-	400,000
— 28 November 2005 Shares issued under private placement	-	300,000
— 20 December 2005 Shares issued under private placement	-	300,000
— 11 January 2006 Shares issued under exercise of options under employee share option plan	-	150,000
— 31 January 2006 Shares issued under shareholder share purchase plan	-	46,983,702
— 14 May 2007 Share-buy back	(840,000)	-
— 15 May 2007 Share-buy back	(660,000)	-
— 12 June 2007 Share-buy back	(500,000)	-
	<b>368,071,110</b>	<b>370,071,110</b>



**Note 6: Retained Earnings**

	<b>2007</b> <b>\$</b>	<b>2006</b> <b>\$</b>
Accumulated losses at the beginning of the financial year	(18,382,091)	(19,169,064)
Outside equity interests purchased by parent	-	-
Net profit/(loss) attributable to the members of the parent entity	(739,790)	786,973
Retained profits at the end of the financial year	(19,121,881)	(18,382,091)

**Note 7: Details of Entities over which control has been gained or lost during the period**

There has been no gain or loss of control over the entities.

**Note 8: Investments in Associates**

<b>Investment in Associated Entity</b>	<b>Percentage Ownership</b>	
	<b>2007</b>	<b>2006</b>
Global Approach Limited	12%	5%

The above entity did not contribute materially to profit.

**Note 9: Net Tangible Assets per Security**

	<b>2007</b> <b>cents</b>	<b>2006</b> <b>cents</b>
Net Tangible Assets per ordinary share	1.0	1.2

**Note 10: Segment Reporting**

<b>Primary Reporting – Business Segments</b>										
	On-line Shopping Mall		On-line Lottery		Other		Eliminations		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>										
External sales	162,277	1,106,616	17,587,709	15,152,940	-	-	-	-	17,749,986	16,259,557
Other segments	-	-	-	-	175,154	314,160	-	-	175,154	314,160
Total revenue	162,277	1,106,616	17,587,709	15,152,940	175,154	314,160	-	-	17,925,140	16,573,717
<b>RESULTS</b>										
Segment results	334,911	205,678	(461,128)	710,582	(52,325)	(1,354,823)	(561,251)	1,225,536	(739,790)	786,973
<b>ASSETS</b>										
Segment assets	1,209,381	1,431,474	4,999,718	6,100,984	162	162	(2,802,062)	(3,334,531)	3,407,199	4,198,089
Unallocated assets	-	-	-	-	-	-	6,708,726	8,083,289	6,708,726	8,083,289
Total assets	1,209,381	1,431,474	4,999,718	6,100,984	162	162	3,906,664	4,748,758	10,115,925	12,281,378
<b>LIABILITIES</b>										
Segment liabilities	2,506,164	3,063,169	2,922,493	3,534,137	-	-	(3,158,312)	(4,252,031)	2,270,335	2,345,275
Unallocated liabilities	-	-	-	-	-	-	1,001,851	2,147,119	1,001,851	2,147,119
Total liabilities	2,506,164	3,063,169	2,922,493	3,534,137	-	-	(2,156,461)	(2,104,912)	3,272,186	4,492,394
<b>OTHER</b>										
Amortisation	18,833	1,694	324,753	35,722	15,637	771	-	-	359,223	38,187
Depreciation	26,190	13,793	29,030	102,380	-	-	-	-	55,220	116,173
Impairment loss on intangibles	-	-	218,249	-	-	-	-	-	218,249	-
Fair value loss	-	-	194,725	-	-	-	-	-	194,725	-

**Note 11: Contingent Liabilities**

Jumbo Corporation Limited is currently in dispute with a former contractor, relating to unpaid invoices, the current estimate of potential liability is \$30,000.

**Note 12: Events Subsequent to Reporting Date**

Jumbo Corporation Limited disposed of its 21,778,817 shares in Global Approach Limited on 4 July 2007, for \$1,088,941 less brokerage costs.

Jumbo Corporation Limited has entered into a formal Heads of Agreement with Manaccomm Pty Ltd to acquire its business for the consideration of a cash payment of \$2,500,000 and the issue of 80,000,000 shares at an issue price of \$0.0325 per share.