

ASX RELEASE – Thursday, 22 August 2013

ANALYSTS' BRIEFING



An analysts' briefing by the CEO follows:

“Jumbo had a strong finish to the 2013 financial year which pushed our results up over the top end of our guidance range that was released to the market in April this year.

The results show quite clearly 3 important factors about Jumbo.

1. Growth in Internet lottery sales is continuing at 20% to 30% per annum and actually seems to be accelerating as evidenced by the 38% growth in sales through www.ozlotteries.com

2. Jumbo's international expansion is going well with our websites due to launch in Germany and Mexico before December 2013. Our US website is also live and we have started signing up members. We expensed costs associated with this development and that has been reflected in the lower profit. As these sites go live we will be able to start earning revenue. It's too early to give an accurate idea to how large these new businesses can grow to, however the fact that our population footprint has grown from 22 million to 480 million people clearly indicate the potential is significant.

3. Our balance sheet is strong and able to fund our current and future expansion activities. Cash levels reached \$24.5 million and take away \$7.6 million in players' funds leaves just under \$17 million in net cash - higher than our projected \$15

million balance.

Now to some numbers.

TTV (or total transaction value) reached \$109 million, higher than the \$102 to \$106 million range and Revenue reached \$25.2 million also higher than the announced range. These represent a respective 9% and 5% increase over the previous year driven by a 38% increase in ticket sales through www.ozlotteries.com. This more than compensated for the reducing activity on the NSW co-branded website that we have been operating for Tatts.

EBITDA came in at \$6.7 million on a reported basis and \$12.2 million on a like-for-like basis - a 6% increase over the previous year. These like-for-like numbers were prepared to make it easier for the market to make comparisons with the previous years and discount costs associated with international market development costs and a change in treatment of customer acquisition costs.

NPAT came in at \$3.0 million on a reported basis and \$6.8 million on a like-for-like basis, another increase over the previous year. These numbers highlight the expenses relating to our efforts overseas which resulted in our licenses and agreements in Germany, the USA and Mexico.

Jumbo's cash level reached \$24.5 million and take away \$7.6 million in players funds leaves just under \$17 million in net cash - higher than our projected \$15 million balance. Jumbo has no borrowings and over \$20 million in Net Assets. This strong balance sheet and continued profitability not only gives Jumbo the ability to easily fund our expansion but also to maintain our dividend policy and pay a 3 cent dividend for the financial year.

It's worth noting that this \$7.6 million in players' funds is the highest it has ever been and is partly reflective of the growing customer database.

Jumbo's customer database now sits at 1.57 million accounts, up from 1.38 million at the beginning of the year. This represents 11% of Australians over 18 and on the Internet indicating there is plenty of room for growth.

I'll now look at our Australian operations before commenting on our progress internationally. Sales through www.ozlotteries.com grew 38% indicating the continued popularity of our lottery business. We continue to invest in developing the Internet lottery market along with our major partner, the Tatts Group. Jumbo spent money in marketing and developing new products to give players new and exciting reasons to play lotteries. Smartphones and tablet computers continue to become a popular way for people to play lotteries and now account for a third of our sales.

As I mentioned a year ago, Social media is more than just the new kid on the block and is really becoming a major tool for us to interact with our customers. Our Facebook page has doubled the number of likes it has over 12 months and currently sits at over 22,000 people that like and interact with us using social media. Jumbo will continue to develop this channel and I expect bigger things in the future.

Looking overseas, development is progressing in Germany, the USA and Mexico. The US website is live at www.lotteryrewards.com and has begun signing up members. The German and Mexican websites are expected to go live before December at which point they can start earning revenue and we'll be in a position to

provide some indicative growth rates. Jumbo has most definitely entered these markets at early stages and so I do expect some significant growth.

We are continuing our push into new jurisdictions via our team that is now spread across 3 continents. Our goal is to repeat what we have done in Germany, the USA and Mexico into another 2 or 3 jurisdictions in 2014. There does appear to be a definite trend in many countries towards the authorised internet retailer model that Jumbo has pioneered. We've already proven our abilities in Australia and we intend to do the same in these new countries as I believe this will lead into other markets around the world.

In summary, I am pleased with Jumbo's current position and the potential for growth in the years ahead. I wish to thank our board for their continued guidance and the efforts of all of Jumbo's employees who have worked tirelessly to make it happen.”

About Jumbo Interactive

Jumbo Interactive Limited is listed in Australia (ASX:JIN) as well as the German Frankfurt, Berlin and Stuttgart exchanges (Symbol: JUB).

In 2000, the Company sold its first lottery ticket on the internet and since then has developed www.ozlotteries.com into a popular place for lotteries to be played.

Jumbo has proven its ability to open up new lottery markets with its innovative technology and internet marketing initiatives that have brought lotteries to new demographics via the internet.

Jumbo has recently expanded from the A\$4 billion Australian lottery market into the A\$64 billion North American and Latin American lottery markets, increasing the population base from 22 million to 400 million people.

In addition to this, Jumbo is in the process of establishing operations in the \$10 billion German lottery market to increase the population base a further 80 million to 480 million people.

Jumbo employs over 90 staff, has its headquarters in Brisbane and plays an important role in the Australian lottery industry with over A\$22 million in additional State Government revenue raised from sales in 2012, A\$17 million in 2011 and A\$15 million in 2010.

For further information:

Mike Veverka
CEO and Executive Director
Ph: 07 3831 3705