



Jumbo Interactive Ltd

ABN 66 009 189 128 (ASX: JIN)

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[www.jumbointeractive.com](http://www.jumbointeractive.com)

## ASX RELEASE – Friday, 19 August 2016

### FY16 PRELIMINARY FINAL RESULTS



Leading internet lottery business, Jumbo Interactive (ASX:JIN), today released record Revenue and TTV figures, as well as the highest Profit in four years, due to strong growth in the Australian lottery business. This was a direct result of solid customer growth, improved customer activity and a good run of Jackpots throughout the 2016 financial year. Tighter controls of operating expenses also contributed to the seven-fold increase in Net Profit After Tax. Cash levels remain strong which has prompted an increase in dividends to 7.0c for the full year.

#### Summary of Preliminary Final Results for FY 2016

	<b>FY 2016 Actual</b>	<b>FY 2015 Actual</b>	<b>% Change</b>
TTV (Total Transaction Value)	\$155.7m	\$130m	20% increase
Revenue	\$34.3	\$29.2m	18% increase
NPAT	\$4.670m	\$0.663m	604% increase
Dividend (Full Year)	7.0c	3.0c	133% increase
Number of large Jackpots <sup>1</sup>	45	34	32% increase
Additional new accounts	206,858	197,670	5% increase

<sup>1</sup>large Jackpots are Division 1 OZ Lotto and Powerball jackpots of \$15 million or more

“Building on a solid base of established customers and a trusted brand, the Jumbo team was able to deliver the Company’s best result in 4 years”, said Mr Mike Veverka, Founder and CEO of Jumbo Interactive Limited.



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The growth is a result of a simultaneous increase in the number of online customer accounts and activity. The number of new online accounts increased by almost 207,000 for the year boosting the total number of accounts to well over 2 million. Customer activity has increased 13% to 376,000 over the year due to a better player experience stemming from continual investment in the software platform.

“Jumbo has more customers interacting more often with our App and website due to a better player experience”, said Mr Mike Veverka.

## Cash Management

Cash levels remain strong with total cash at \$25.3 million and Net assets of \$24.7 million. Players’ funds were constant at just over \$7 million and cash net of players’ funds available to the Company remains strong at \$18.3 million.

## Dividend

Management are considering some investment opportunities of both an internal and external nature, to be funded from existing available cash. In the meantime, an increased final dividend of 5.0c per share is proposed which brings the total fully franked ordinary dividend to 7.0c for the full year.

- Record date: 2 September 2016
- Payment date: 23 September 2016

“With a stronger performance and significant cash reserves, Jumbo is well placed to grow its current business, take advantage of opportunities in the marketplace as well as increase the dividend for the benefit of current and future shareholders”, said Mr Mike Veverka.



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## Australia

Improvements to online marketing and player experience together with strong jackpot activity resulted in 16.5% growth in Revenue and other income from an increase in TTV of 19.3%. Net profit before tax increased by 52.3% due to increased Revenue and cost containment which only increased by 2.9%.

Jumbo invests extensively in online marketing to grow and activate the customer database whom transact via its website ([www.ozlotteries.com](http://www.ozlotteries.com)) and associated mobile apps (iOS & Android). The following key performance indicators (KPIs) are used to track the effectiveness of these campaigns:

<b><a href="http://www.ozlotteries.com">www.ozlotteries.com</a> and mobile apps</b>	<b>FY 2016</b>	<b>FY 2015</b>
Number of new online accounts	206,858	197,670
Cost per Lead	\$15.13	\$16.35
Number of active online customers	375,988	333,475
Average spend per active online customer	\$335.27	\$315.59

and other performance indicators:

Mobile Interactions	75%	50%
Facebook Likes	114,500	95,000

These improvements in marketing and player experience help minimise the impact of Jackpot fluctuations which are also a major driver of sales. For instance, the second half of FY16 saw reduced large Jackpots activity (13% by number and 23% by aggregate value) compared to the first half, yet Revenue was only 7% lower for the same period.

## New Business Initiatives

The Company's current focus is in further development of Australian Charity Lotteries.



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The Australian Charity Lottery business involves the sale of a number of charity-based lottery games to the established customer base in Australia. The business has expanded to include four charities and the games have been further integrated into the OzLotteries.com website and App. Early indicators have been pleasing, prompting further expansion plans in the year ahead.

## Jumbo Annual General Meeting

Details of the Company's Annual General Meeting are as follows:

Date: Thursday, 3 November 2016  
Time: 5:00pm  
Venue: The River Room  
Customs House  
399 Queen Street Brisbane, QLD, 4000

## About Jumbo Interactive

Jumbo Interactive Limited is listed in Australia (ASX: JIN) as well as the German Frankfurt, Berlin and Stuttgart exchanges (Symbol: WKN A1C82X).

In 2000, Jumbo sold its first lottery ticket on the internet and witnessed a dramatic rise in popularity due to the convenience of buying tickets online. At first customers were attracted to the security of never losing a ticket and the convenience of automatic number checking, prize payments and auto-play. In 2012, Jumbo released a lottery app for the iPhone and a new transition began driven by the convenience of mobile lotteries. A new app for the Apple watch takes the customer experience a step further with prize alerts, winning numbers and ticket management now available on the wrist.

The Company operates the popular website [www.ozlotteries.com](http://www.ozlotteries.com) in Australia under agreement with the Tatts Group (ASX: TTS) and [www.jumbolotto.de](http://www.jumbolotto.de) in Germany under federal licence and agreement with all 16 Länder (states). In the USA, Jumbo has a minor investment in a business to



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develop [www.lotteryrewards.com](http://www.lotteryrewards.com) which is working towards a mobile platform to engage US lottery players in second chance draws.

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 succeeded in targeting a younger and more mobile demographic with mobile now accounting for 75% of all customer interactions.

For further information:

Mike Veverka

CEO and Executive Director

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