

ASX RELEASE – Monday, 7 July 2014

COMPANY UPDATE



- GERMANY: ALL 16 STATES NOW ONLINE AND SELLING
- AUSTRALIA: CONTINUED GROWTH IN OZLOTTERIES.COM
- MEXICO: FAIR VALUE OF \$2.5 MILLION INVESTMENT IN SORTEO GAMES REDUCED TO ZERO. SIGNIFICANT PROGRESS MADE FOR THE LAUNCH OF THE MEXICAN LOTTERY WEBSITE JUMBOLOTTO.MX

Leading interactive lottery business, Jumbo Interactive Limited (ASX:JIN) provides the following Company update for each of the Company's major markets at the end of the June 2014 Quarter.

GERMANY

In Germany, the final state lottery (Saarland) went live last week successfully completing the establishment phase ahead of schedule. Connections have now been established to all 16 German state lotteries giving the Company's website, www.jumbolotto.de, access to the maximum number of potential customers from the entire German population of 80 million people.

Efforts have now shifted to the customer acquisition phase with a goal of signing up enough customers to generate sufficient sales to cover fixed costs excluding marketing. This will be followed by the next goal of generating sufficient sales to cover all costs including marketing at which point the business will be cash flow positive. With the final state only recently connected, it is too early to release marketing results at this time.

“Jumbo is now the only company in Germany with its own in-house developed software platform connected to all 16 states in Germany. This is an important milestone and allows the marketing team to compete aggressively with other operators in the Germany online lottery market”, said Mr Mike Veverka, CEO of Jumbo Interactive Limited.

AUSTRALIA

In Australia, whilst Group Total Transaction Value (‘TTV’) is expected to be close to FY13 levels, the Company’s website, www.ozlotteries.com, continued its unbroken run of sales growth since relaunch in 2005 with 4% growth in FY14 over FY13. This growth rate is lower than in previous years due to the higher base from extraordinary jackpots in FY13 that did not occur in FY14.

“FY13 was a remarkable year in terms of record jackpots which drove annual growth to an enormous 38% over the previous year. It was always going to be a struggle for FY14 to beat that year without the same record jackpots, however the continued growth in customer accounts has helped us to maintain our unbroken run of continued growth in www.ozlotteries.com”, said Mr Mike Veverka.

The following table puts into perspective the sales growth on www.ozlotteries.com in recent years.

	1 year	3 year	5 year
FY14 TTV CAGR	4%	23%	26%

CAGR – Compound Annual Growth Rate

The number of customer accounts grew 9.6% over FY14 to 1.72 million accounts. This represents an additional 80,000 customer accounts in the second half compared to 70,000 in the first half, clearly demonstrating the continued growth in the online lottery industry.

	FY14	HY Dec 13	HY June 13
Number of customer accounts www.ozlotteries.com	1.72 million	1.64 million	1.57 million

The 30 June 2014 financial results are expected to be approximately slightly less than FY13 for both TTV and net profit after tax.

MEXICO

Relating to Mexico, management has decided to fair value its current \$2.5 million investment in Sorteo Games at zero due to uncertainty with regards to the position of that company. This will not affect the net profit after tax of Jumbo as it will be recognised in other comprehensive income but will affect shareholder's equity accordingly. Notwithstanding this, for the Jumbo group both the financial and cash positions remain sound.

However Jumbo has made significant progress in the launch of its Mexican lottery website www.jumbolotto.mx via alternate channels.

"Mexico still represents an enormous opportunity for Jumbo, despite the initial setbacks. Significant progress has been made in reaching our ultimate goal of

launching our Mexican lottery website to a population of 118 million people”, said Mr Mike Veverka.

In November 2012, Jumbo announced a deal in Mexico with a partner (Sorteo Games) designed to give Jumbo access to the Mexican online lottery market. Jumbo completed the development of www.jumbomexico.mx and expected to begin selling official Mexican lottery tickets around mid-2013, however delays arose outside of the Company’s control. In March 2014 Jumbo terminated its operational agreements with Sorteo Games and began considering alternative options. Jumbo is still hopeful of launching the website in FY15.

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, the Company sold its first lottery ticket on the internet and since then has developed www.ozlotteries.com into a popular site 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 is now also active in the European lottery market with its first licensed operation www.jumbolotto.de servicing the \$11 billion German lottery market (since December 2013).

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