



Jumbo Interactive Ltd

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## ASX RELEASE – Friday, 17 July 2015

### FY15 GUIDANCE



- TTV CLOSE TO **\$132 million** AN INCREASE OF 24%
- REVENUE CLOSE TO **\$32 million** AN INCREASE OF 33%
- NPAT CLOSE TO **\$2.6 million** A DECREASE OF 7%
- GERMANY RESTRUCTURE

Continued strong growth in the Australian lottery business has driven TTV (Total Transaction Value) and Revenue to record levels. This assisted growth in the new German lottery business which has completed its first year of operations.

The following guidance is provided for the 12-month period to 30 June 2015:

	<b>30 June 2015</b> Forecast	<b>30 June 2014</b> Actual
TTV <sup>1</sup>	+/- \$132 mil	\$106.3 mil
Revenue <sup>1</sup>	+/- \$32 mil	\$24.1 mil
NPAT <sup>1</sup>	+/- \$2.6 mil	\$2.8 mil
Customer Database	1.92 mil	1.72 mil

<sup>1</sup> Refer to explanation of the **Revenue and GST Adjustment** below



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Excluding the effect of a once-off GST adjustment, general trading is forecast to be close to a breakeven NPAT position after an estimated loss of +/- \$3.6 million for the German business from its first full year of operations. Total costs associated with Jumbo's overseas expansion strategy continue to constrain profitability, with potential financial benefits only expected in future years.

### **Growth in the Australian Lottery Business**

The Australian lottery business continued to grow driven by (i) continued investment in proprietary technology and marketing, which has resulted in a good increase in the customer database size and (ii) jackpot activity during the financial year. The number of accounts on OzLotteries.com now stands at 1.92 million at the end of June 2015, an increase of 200,000 accounts in 12 months.

As announced in June 2015, Jumbo expanded its lottery portfolio with the launch of three new charity lottery games to compliment its portfolio of national lottery games in Australia. The new games include the Surf Life Saving Foundation, ACT for Kids, and the Prince Of Wales Hospital Foundation. The first month of sales has been promising and lays the foundation for the possible addition of further games in the year ahead.

### **Germany Restructure**

Following a review of the first full year of operations, the German business has been restructured to significantly reduce expenses and improve focus on building the customer database via online sales and marketing. The office is being moved to Hamburg from Munich and a new Managing Director will be appointed. The new structure should significantly reduce expenses which are expected to reduce the FY2015 estimated loss of +/- \$3.6 million by a third.

"The new structure in Germany is leaner and focused more on closing the gap to break even", said Mr Mike Veverka, CEO of Jumbo Interactive.



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## Revenue and GST Adjustment

TTV, Revenue and NPAT have all been affected by a once-off adjustment to Revenue and GST in respect of GST that has been overprovided for over the past eight years. This occurred due to a systemic process which was of an incremental nature over a long period of time and has been identified through more robust internal checks as part of the Company's current preparation for the 2015FY annual audit. The Revenue and GST adjustment included in the estimated forecast is as follows:

TTV	+\$3.7 mil
Revenue	+\$3.7 mil
NPAT	+\$2.8 mil

## Options

The Company advises that a total of 300,000 Options exercisable at \$4.00 have lapsed unexercised following staff changes.

There remain 2,100,000 Options exercisable at \$4.00 expiring 3 September 2018, and 400,000 Options exercisable at \$4.00 expiring 6 November 2018.

## Continued Dividend

The Board intends maintaining a stable dividend for the next few years while the Company works towards achieving profitability in the overseas markets it has successfully entered.

The total dividend paid for the 2014FY was three cents per fully paid ordinary share (2013: 3 cents)



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## 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 and [www.jumbolotto.de](http://www.jumbolotto.de) in Germany. In the USA, Jumbo is in a partnership to develop [www.lotteryrewards.com](http://www.lotteryrewards.com) and is working towards being able to sell US lotteries on the Internet.

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 39% of all online sales.

### For further information:

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