

**ASX RELEASE – Wednesday, 6 November 2013**

## **CEO ADDRESS TO SHAREHOLDERS**

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Good afternoon and welcome to the 2013 Jumbo Interactive Annual General Meeting.

At last year's AGM, I stood before you and spoke of our record year and our goal to become a multi-jurisdictional lottery Company. This year we are on the cusp of kicking that goal with our first major international website going live next month. I am of course talking about Germany, a country with over three times the population of Australia and the 4<sup>th</sup> largest economy in the world.

What is interesting about Germany (besides the sheer potential of the lottery market) is that it has legislated the free-market model that Jumbo is campaigning for. Germany has the potential to influence other lotteries around the world to adopt authorised internet retailers, like Jumbo, to help deliver sustainable growth and innovation with direct benefits to their communities. Jumbo is proud of the \$100 million it has helped raise for public causes in Australia over the past 5 years and there is no reason why this can't be repeated in other countries.

The internet is enormous and its potential can only be harnessed with the combined efforts of the lottery and authorised retailers working together. Our goal for the next 12 months is to do such a good job in Germany, as we have here in Australia, so that all the other surrounding countries who participate in the Eurojackpot will open their lottery markets as well. Later this month I will address the leading Asian lotteries at the Asia Pacific Lottery Association conference with the benefits of a

free-market model and then onto Europe for a World Lottery Association Strategic Planning discussion. Finally I will be at Jumbo's new office in Munich for the launch of its business in Germany.

In the past few months, Jumbo has signed contracts with seven landers ("states"), (Lotto Bayern, Deutsche Klassenlotterie Berlin, Toto-Lotto Baden Wurttemberg, Lotto Rheinland-Pfalz, NordWestLotto Schleswig Holstein, Lotto Hessen and Lotto Hamburg) and we are reviewing contracts with three further landers. There are 16 landers in Germany and we are licensed to operate in all of them; however a contract must be signed in each lander prior to the commencement of online sales in that lander. At launch date, we will accept orders from the landers where we have contracts completed and add the rest as they come through.

In Australia, we reached further milestones such as Total Transaction Value of \$109 million and paid our 10<sup>th</sup> dividend. Proving once again that the internet is indeed a enormous with huge opportunities to build new markets, our social media strategy is working with our Facebook activity doubling over the past year and mobile devices now making up a third of our customer traffic. Our web platform handled over 550,000 unique visitors in a single day and our customer database increased from 1.38 million to 1.57 million accounts over the past year. I see continued and sustained growth in the Australian market for Jumbo and our major partner, the Tatts Group, as the internet market continues to mature and grow to over 10% of the overall lottery market in the year ahead.

In the Americas, we are moving forward as the various markets grow. We completed and delivered our Mexican website however we must now wait for official approval from the national lotteries. In the USA our Joint Venture in New York called "Lottery Rewards" is gathering pace as the team is busy rolling out our lottery program to all 800 Hess Express and Tops Friendly Markets retail outlets. The USA has yet to fully

open their markets to the internet but I predict we'll see a lot more activity in this area in the year ahead.

In a room full of shareholders, I hardly need to draw attention to Jumbo's share price over the past year. 43% growth over 12 months to \$1.50 at June 30, 2013 and a further 53% increase since then has rewarded our patient shareholders. The board has committed to maintaining our annual dividend of at least 3.0c during our growth phase in the years ahead as we execute our expansion plan. With less than 1% of the world's lottery tickets sold today on the internet and some countries already reaching 30%, the potential is clear and our goal at Jumbo is to be at the forefront of this growth trend.

### **Appreciation**

I'd like to express my appreciation to the growing staff at Jumbo who now span from Australia to Germany to the USA to Mexico and in particular our Leadership Team. Building these regional offices requires a lot of hard work with regular after hours Skype calls to sort through all the issues. We're also becoming a truly multi-cultural company that appreciates the value of individual cultures of the world.

I'd also like to thank our Australian lottery partner, the Tatts Group for their continued support as we help develop the Australian internet lottery market. Internationally I'd like to acknowledge the support of the various lottery partners we work with from the state lotteries in Germany and Mexico to our retail partners in the USA.

To my fellow directors, David Barwick and Bill Lyne, I wish to thank them for their guidance and encouragement over the past year. Finally, thank you to our shareholders for your ongoing support as we look forward to the years ahead.

Thank you,

Mike Veverka

CEO and Executive Director

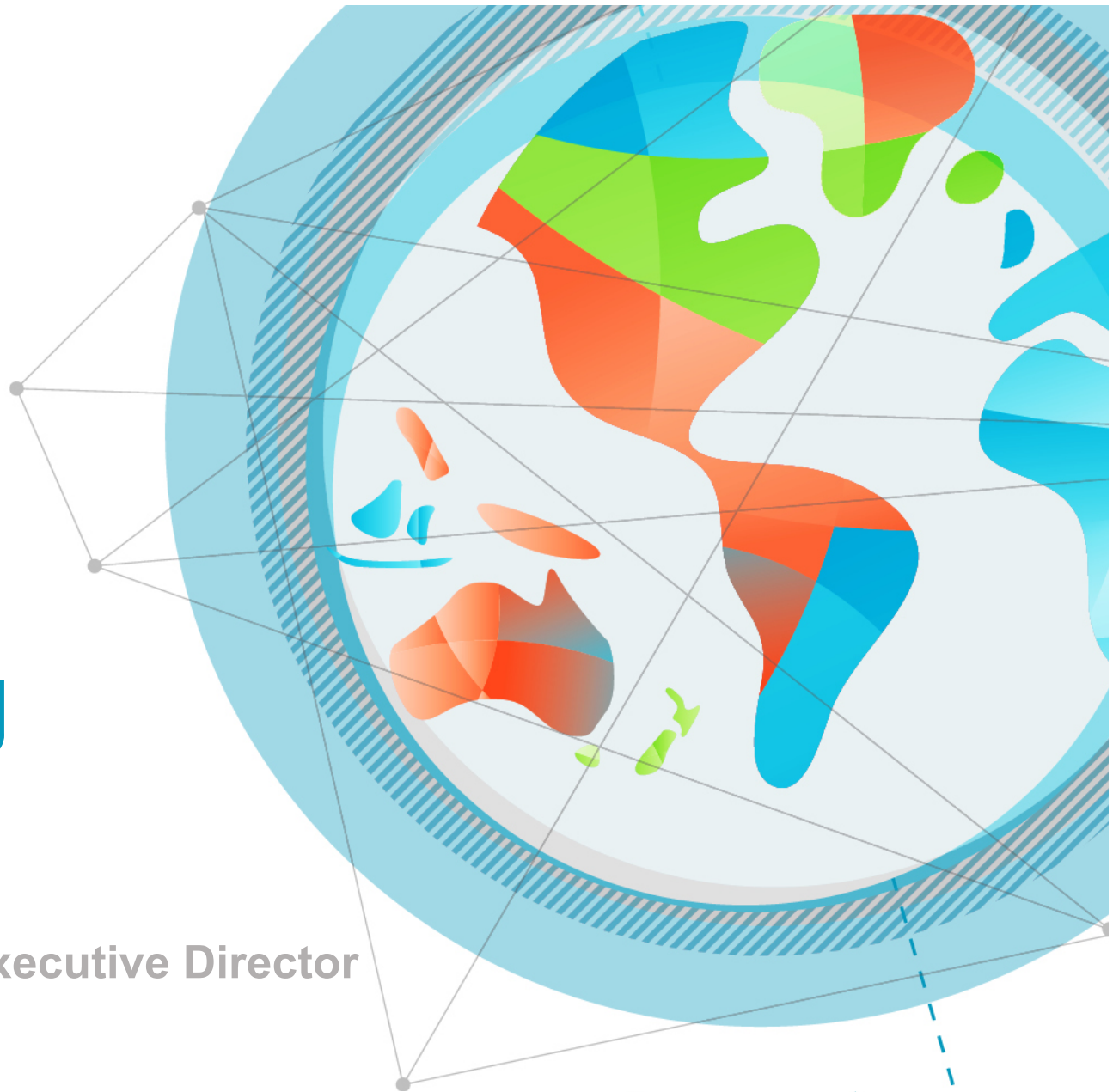
Ph: 07 3831 3705



# Annual General Meeting

Mike Veverka  
Founder, CEO and Executive Director

6 November 2013



# Highlights FY 2013

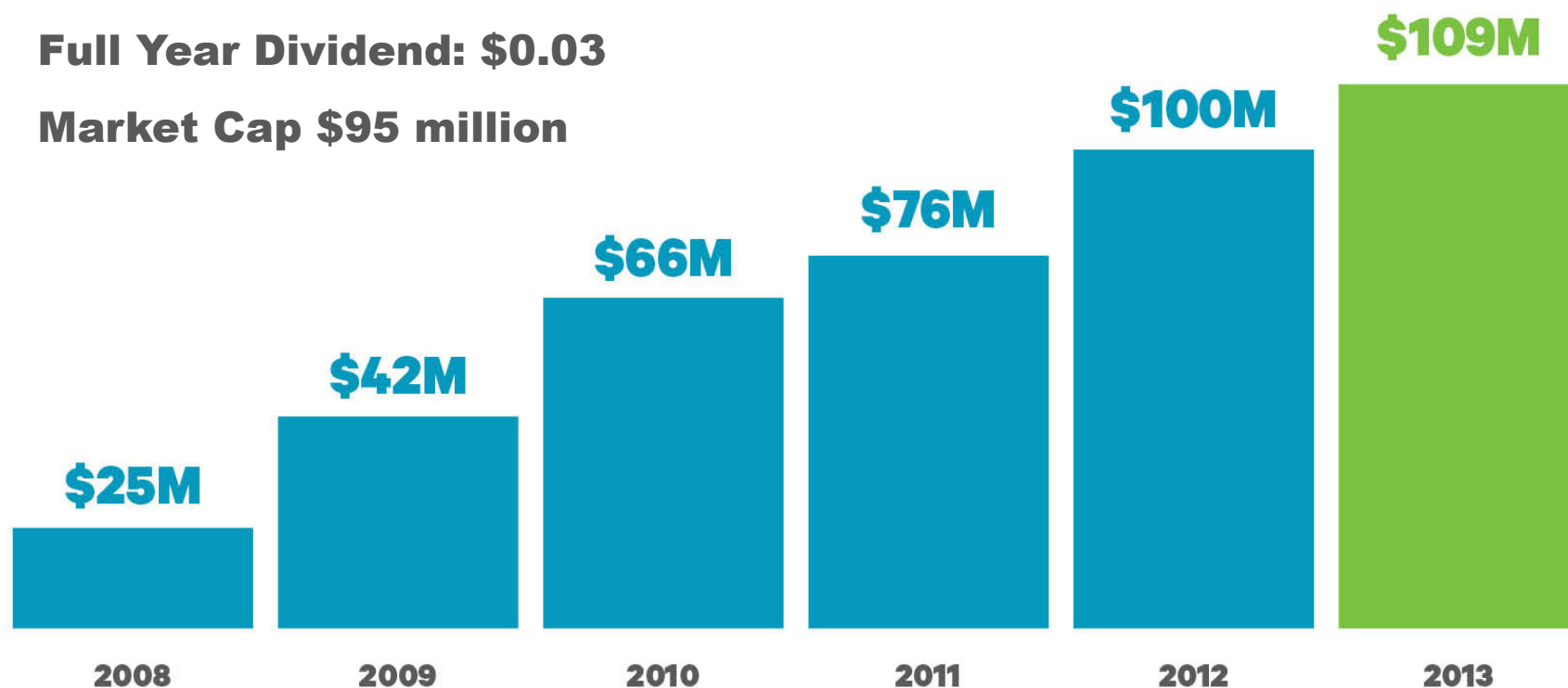
(Year to June 30, 2013)

**Total Transaction Value – Lottery Ticket Sales**

**Net Profit After Tax \$6.8 million (Like for like basis)**

**Full Year Dividend: \$0.03**

**Market Cap \$95 million**



# Germany

## **LAUNCH IN DECEMBER 2013:**

- Received licences in all 16 landers.
- Internet lottery market in Germany expected to grow to \$1.82 billion over five years.
- Jumbo has competitive marketing skills and a competitive software platform.
- Experienced team in Germany and Australia.
- Shared cost base with Australia.



# Euro Jackpot

**Iceland**

**Finland**

**Sweden**  
**Norway**

**Estonia**  
**Latvia**  
**Lithuania**

**Denmark**

**Netherlands**

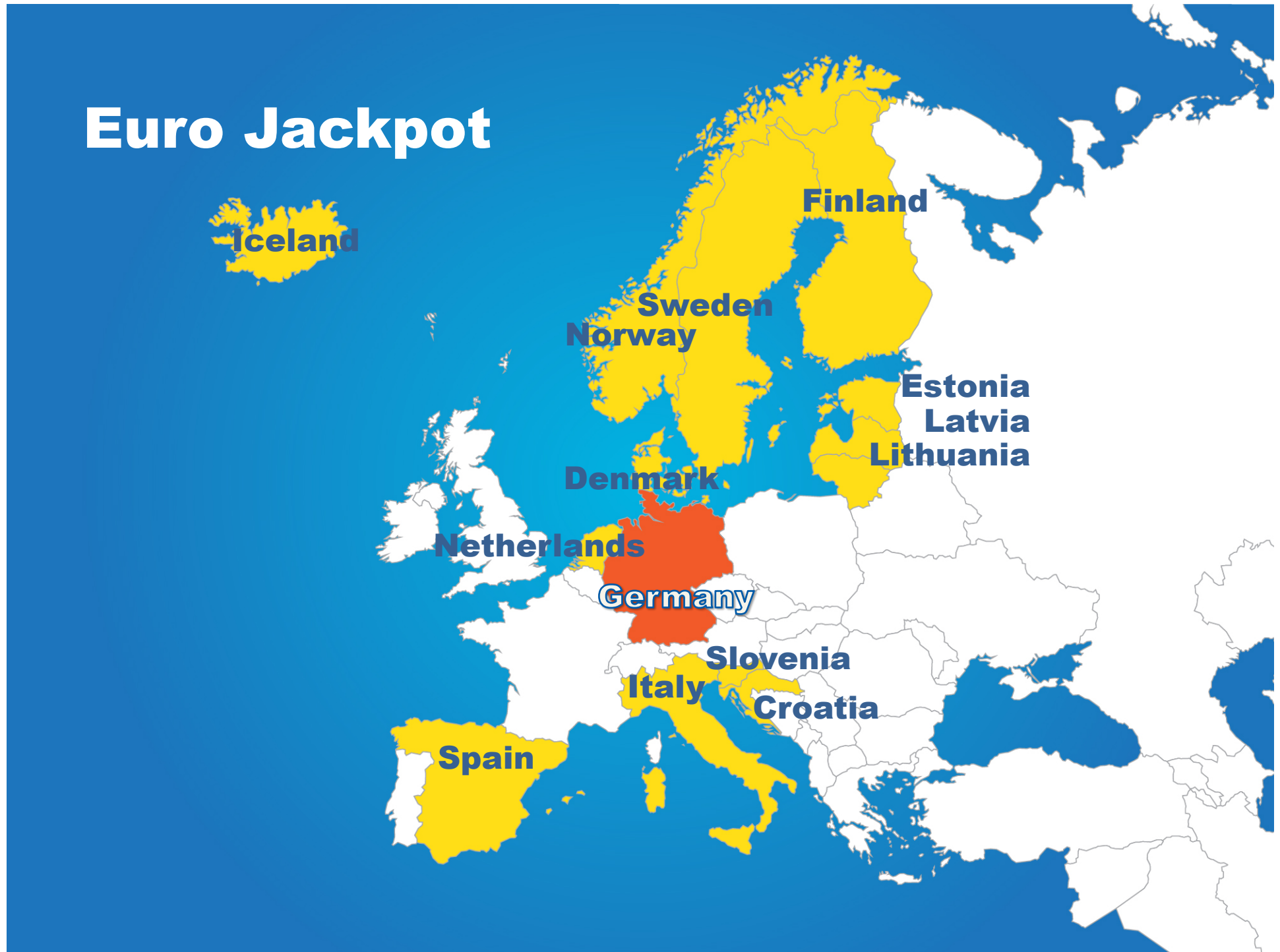
**Germany**

**Slovenia**

**Italy**

**Croatia**

**Spain**





# Australia

www.ozlotteries.com

## 2000:

- Jumbo began selling lotteries in Australia

## 2013:

- Ticket sales reach \$109 million.
- 1.57 million accounts (11% of pop' over 18 on the internet)
- Very advanced lottery website with features not available anywhere in the world.
- Strong partnership with the Tatts Group.





**Annual increase  
in Likes to Oz Lotteries  
Facebook page**

33,781 Nov 12 - Nov 13

**550,000**

**unique visitors in one day.**

OZ Lotto \$100m jackpot attracted over 550,000 unique visitors to OzLotteries.com in one day.



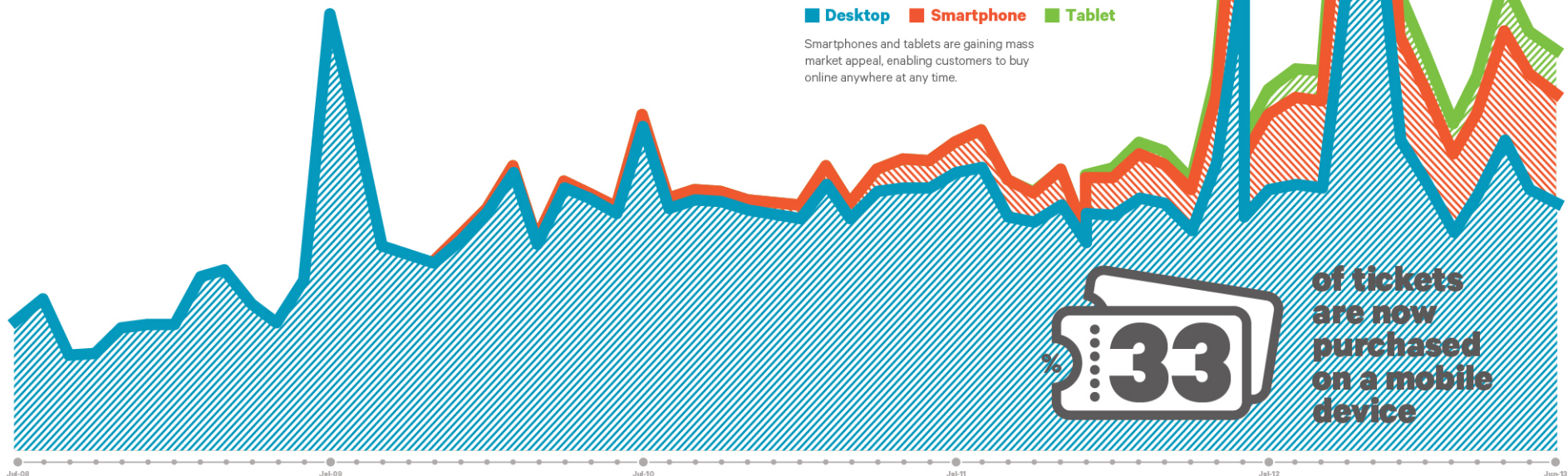
**Customer Accounts**

**Unique lottery technology,  
patents and domains not  
available anywhere else in  
the world.**

**OzLotteries.com websites visits**

■ Desktop ■ Smartphone ■ Tablet

Smartphones and tablets are gaining mass market appeal, enabling customers to buy online anywhere at any time.



## Positioned for Launch

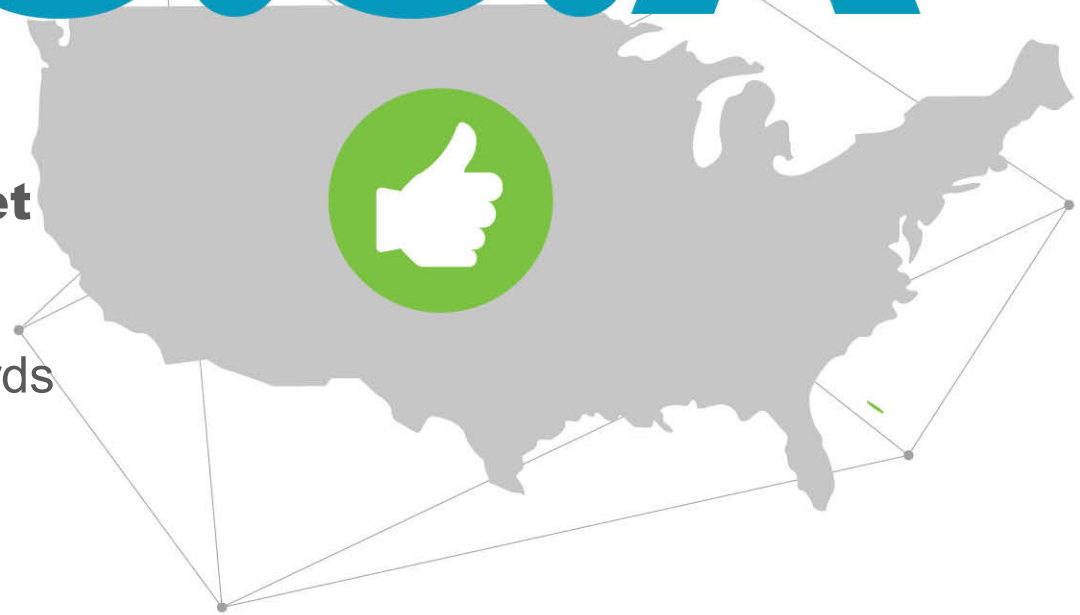
- **\$63.5 billion lottery market**
- **42 states sell lotteries**  
Each state is now working towards selling lotteries on the internet



### November 2012:

Jumbo forms JV in New York with ex-CEO of NY Lottery to begin providing interactive lottery services to retailers.

# U.S.A



### Deals Signed:



Over 800 Outlets



Over 130 Outlets





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Less than 1% of lottery tickets sold today around the world are on the internet. Some countries have already reached 30% internet penetration. Our goal at Jumbo is to be at the forefront of this growth trend.”

**Mike Veverka**

*Founder, CEO and Executive Director*

# Jumbo Worldwide



# Leadership Team



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