



Manaccom Corporation Limited

ABN 66 009 189 128

ASX: MNL

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ASX RELEASE – Tuesday, 26 August 2008

Record Profit and Maiden Dividend



Leading Australian IT and e-commerce company, Manaccom Corporation Limited (ASX:MNL), today announced a record net profit after tax (NPAT) of \$2.73 million and revenue of \$37.8 million for the 2008 financial year.

The Company also confirmed a maiden 1.0c dividend would be paid being 100% franked, representing a 4% yield based on yesterday's closing share price of 25c.

The results include a deferred tax adjustment that increased the NPAT by \$765,967. Without this provision, NPAT would have been \$1.96 million which is within the Company's forecast range of \$1.7 to \$2.3 million.

"Our record result was driven by the successful acquisition of Manaccom Pty Ltd, as well as strong growth in the online division," said Manaccom Corporation Limited CEO, Mr Mike Veverka.

"Both divisions performed well recording record sales months in the final months of the year", he said.

"Manaccom has now established a solid foundation as a platform for continued growth in the IT industry."

"I wish to thank all staff for their professionalism and effort throughout the year for this excellent result", said Mr Veverka.

COMPANY SNAPSHOT

ASX Code:	MNL
Shares on Issue:	43 mil
Options on Issue:	3 mil
Share price (25 August 2008)	25c
Market Cap:	\$11 mil
PE (FY 2008 NPAT)	4.0
PE (FY 2008 EBITDA)	3.8
Projected share price based on FY 2008 NPAT \$2.73 mil	
PE of 7.5	47c
PE of 10	63c
PE of 15	95c
EPS (FY08 NPAT)	6.3c
Dividend per share	1.0c



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Highlights of the results are summarised below.

	FY08	FY07
Revenue	\$37.8 million	\$17.9 million
EBITDA	\$2,866,437	\$38,114
Net Profit Before Tax	\$2,294,486	(\$739,790)
Net Profit After Tax	\$2,730,526	(\$739,790)

About Manaccomm

Manaccomm Corporation Limited is the amalgam of two successful businesses plus two emerging new ventures.

1. Online Division. This business was acquired in 2005 and is involved in the online sale of Australian lottery tickets from www.ozlotteries.com and from a number of outlets in Pacific countries such as Fiji, Samoa and Norfolk Island. Key relationships include Tattersalls' and NSW Lotteries Corporation.

2. Distribution and Software Publishing. This business was acquired in 2007 and it publishes and markets popular software titles through large retailers and independent resellers in Australia and New Zealand. Key retail relationships include Harvey Norman, Dick Smith, Officeworks, JB Hi-Fi, Big W, and Noel Leeming. Products include Trend Micro Internet Security , Net Nanny and Zone Alarm. Full technical support on all products is provided through an in-house call centre.



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To ensure continued growth and to remain at the forefront of the IT industry, Manaccom has two emerging ventures.

1. Jumbo Interactive. This division is involved in internet advertising and online traffic management. The division operates a number of websites including www.jumborewards.com and www.jumboaffiliates.com.

2. Sellerbyte. This division markets software online on behalf of developers. Sellerbyte also develops web based applications to simplify the use of the internet by business - the flagship product (www.2large2email.com) allows for large files to be shared worldwide.

Deferred Tax Adjustment

The group changed to a consolidated basis for taxation purposes from 1 July 2006. This change allowed the group to take advantage of carried forward tax losses (subject to conditions of deductibility). These losses and other timing differences has generated a future income tax benefit in the 2008 financial year of \$765,967. Without this provision, the NPAT is \$1,964,559 which is within the forecast range of \$1.7 to \$2.3 million. Net profit before tax was \$2,294,486 and EBITDA was \$2,866,437.

The Appendix 4E is attached.

For further Information:

Mike Veverka
CEO, Manaccom Corporation Limited
(07) 3331 5950

APPENDIX 4E PRELIMINARY FINAL REPORT

MANACCOM CORPORATION LIMITED
ABN 66 009 189 128

Reporting period: Financial year ended 30 June 2008
Previous Corresponding period: Financial year ended 30 June 2007

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	2008	2007	Change	Change
	\$	\$	\$	%
Revenue	37,828,381	17,925,140	19,903,241	111%
Profit/(Loss) after tax attributable to members	2,730,526	(739,790)	3,470,316	n/a

DIVIDENDS

Proposed total and final fully franked ordinary dividend of 1 cent per share (2007: Nil) with a franking percentage of 100% (2007: n/a).

The record date for determining the dividend entitlements is 10 September 2008, and the payment date is 19 September 2008.

Shareholders are reminded that dividends will be paid by direct credit, and to complete the relevant forms if not already done. Information is available at www.manaccomm.com.

EXPLANATION OF RESULTS

The results for the full year ending 30 June 2008 include a profit of \$2,730,526 from revenues of \$37.8 million. EBITDA (Earnings Before Interest, Tax, Depreciation, Amortisation and impairment losses) was \$2,866,437

The results include 10 months from the Manaccomm Pty Ltd business acquired 31 August 2007 (refer note 7. for full details), one-time expenses associated with the acquisition, and a one-time loss in the sale of the entire shareholding in Global Approach Limited (ASX: GLO) 4 July 2007.

As approved at the AGM 22 November 2007, the company changed its name from Jumbo Corporation Limited to Manaccomm Corporation Limited to reflect the contribution that the newly acquired Manaccomm business would have to the company and, the shares were consolidated on a 1:10 basis effective 7 December 2007 to reduce shareholder-related costs. These new shares traded under the ASX code JUM until 10 December 2007, and the company's new ASX code MNL applied from 11 December 2007.

During the year, the group went through the process of becoming a Consolidated Entity for tax purposes, commencing 1 July 2006. This change allows the group to take advantage of carried forward tax losses subject to an available fraction. The tax benefits from these carried forward tax losses were not taken up last year as the consolidation process was only finalised this financial

year. This, along with other prior year timing differences, resulted in an over-provision of tax in the prior year of \$1,067,493. This over-provision and resultant benefit are a one-time adjustment and will not impact future years. Also impacting the profit is an adjustment for current year deferred taxes (timing differences) of \$301,526. Overall, these adjustments have resulted in a net increase in profits of \$765,967.

Loss on sale of Investments

1. Loss on Global Approach Limited (ASX: GLO) Investment.

Global Approach Limited is now known as Teys Limited (ASX: TYS). As previously announced, GLO was adversely affected by changes in US legislation relating to online gaming. Manaccomm sold its entire holding in GLO 4 July 2007, raising \$1.09 million (less brokerage costs) in additional working capital but resulting in a one-time loss of \$21,779

Growth in Online Division

Improvements and new additions made throughout the previous year have enabled the Online Division to rise to new heights and post record sales in the later months of the financial year. Growth in the flagship website www.ozlotteries.com was assisted through alliances with ninemsn and Yahoo!7 as well as a run of Australian record jackpots. The relationship with Tattersall's was extended to 2013 and further marketing initiatives are planned for the year ahead.

Manaccomm Acquisition

Management has been active in searching for a suitable acquisition in the Information Technology industry. This effort culminated in the successful acquisition of the Manaccomm Pty Ltd business on 31 August 2007 (refer note 7. for full details)

Manaccomm is a successful distributor and software publisher of popular titles such as Trend Micro Internet Security. It has contracts to supply major retail chains including Harvey Norman, Dick Smith, JB Hi-Fi and Officeworks. At a general meeting of shareholders on 23 August 2007, shareholders approved the issue of 80 million shares (pre-consolidation) as part of the acquisition consideration.

The information provided in this report contains all the information required by ASX Listing Rule 4.3A.

Note: The accounts are in the process of being audited.

CONSOLIDATED INCOME STATEMENT
For the year ended 30 June 2007

	Note	2008 \$	2007 \$
Revenue	2	37,828,381	17,925,140
Cost of goods sold	3	(26,928,351)	(13,430,921)
Gross Profit		10,900,030	4,494,219
Borrowing costs expense	3	(148,611)	(95,725)
Depreciation expense	3	(165,641)	(55,220)
Amortisation expense	3	(447,991)	(359,223)
Salaries and employee benefits expense	3	(3,203,775)	(1,277,431)
Directors remuneration	3	(515,329)	(289,853)
Consultancy fees	3	(498,355)	(577,061)
Marketing costs	3	(705,336)	(492,826)
Other expenses from ordinary activities	3	(2,920,506)	(2,086,673)
Profit (loss) before income tax expense	3	2,294,486	(739,790)
Income tax expense relating to ordinary activities		436,040	-
Profit (loss) after related income tax expense		2,730,526	(739,790)
Net profit (loss) attributable to members of Manaccomm Corporation Limited		2,730,526	(739,790)
Basic earnings per share (cents per share)	4	6.5	(0.20)
Diluted earnings per share (cents per share)	4	6.2	(0.19)

The Income Statement is to be read in conjunction with the Notes to the Financial Statements set out in this report.

CONSOLIDATED BALANCE SHEET
At 30 June 2008

	Note	2008 \$	2007 \$
CURRENT ASSETS			
Cash assets and cash equivalents		5,570,842	3,795,285
Receivables		3,055,200	961,339
Inventories		654,712	23,708
TOTAL CURRENT ASSETS		9,280,754	4,780,332
NON-CURRENT ASSETS			
Other financial assets	8	79,520	2,084,935
Property, plant and equipment		491,191	124,357
Intangible assets		8,450,640	3,126,301
Deferred tax assets		910,374	-
TOTAL NON-CURRENT ASSETS		9,931,725	5,335,593
TOTAL ASSETS		19,212,479	10,115,925
CURRENT LIABILITIES			
Trade and other payables		5,486,064	2,437,291
Short-term borrowings		44,038	820,000
Current tax liability		329,927	-
TOTAL CURRENT LIABILITIES		5,860,029	3,257,291
NON-CURRENT LIABILITIES			
Long-term borrowings		1,330,046	-
Provisions		26,621	14,895
Deferred tax liabilities		144,408	-
TOTAL NON-CURRENT LIABILITIES		1,501,075	14,895
TOTAL LIABILITIES		7,361,104	3,272,186
NET ASSETS		11,851,376	6,843,739
EQUITY			
Issued Capital	5	28,155,664	25,932,142
Retained losses	6	(16,391,355)	(19,121,881)
Reserves		87,067	33,478
TOTAL EQUITY		11,851,376	6,843,739

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 30 June 2008

	2008	2007
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	36,493,481	19,213,462
Payments to suppliers and employees	(33,919,318)	(19,554,900)
Interest received	190,292	145,238
Interest and other costs of finance	(148,611)	(95,725)
Net cash provided by (used in) operating activities	2,615,844	(291,925)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(371,461)	(64,602)
Purchase of investments	-	(109,775)
Acquisition of business	(2,500,000)	-
Proceeds from funds on deposit	894,694	(4,315)
Proceeds from investments	1,088,941	(12,716)
Net cash provided by (used in) investing activities	(887,826)	(191,408)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue/(buy-back) of shares	(376,478)	(48,900)
Proceeds from/(repayment of) borrowings	424,017	(940,000)
Net cash provided by (used in) financing activities	47,539	(988,900)
Net increase (decrease) in cash held	1,775,557	(1,472,233)
Cash at 1 July 2007	3,795,285	5,267,518
Cash at 30 June 2008	5,570,842	3,795,285

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Note 1: Basis for preparation of Preliminary Final Report

The Preliminary Final Report has been prepared in accordance with ASX listing rule 4.3A and has been based on the Annual Financial Report which is in the process of being audited. There are no known likely disputes or qualifications at this time. The Financial Report has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The Preliminary Final Report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Note 2: Revenue

	2008 \$	2007 \$
Operating activities		
— Jumbo Mall commissions and licensing income	225,473	111,147
— Revenue from sale of goods	11,906,097	792
— Revenue from services	12,052	50,338
— Revenue from online lottery	25,423,310	17,587,709
	37,566,932	17,749,986
Non-operating activities		
— Interest received – other persons/corporations	190,292	145,238
— Other revenues	71,157	29,916
	261,449	175,154
Total Revenue	37,828,381	17,925,140

Note 3: Profit for the Year

a. Expenses:

Profit from ordinary activities before income tax has been determined after

Cost of sales
 Borrowing costs expense
 Depreciation expense
 Amortisation expense
 Salaries and employee benefits expense
 Directors remuneration
 Consultancy fees
 Marketing costs
 Other expenses from ordinary activities

2008	2007
\$	\$
26,928,351	13,430,921
148,611	95,725
165,641	55,220
447,991	359,223
3,203,775	1,277,431
515,329	289,853
498,355	577,061
705,336	492,826
2,920,506	2,086,673
35,533,895	18,664,933

b. Significant expenses:

Impairment of Global Approach Limited shares
 Impairment of other assets
 Foreign currency losses

-	194,725
-	218,249
174,015	90,054

Note 4: Earnings per share

a. Reconciliation of earnings to net profit or (loss)
 Earnings used in the calculation of basic EPS
 Earnings used in the calculation of dilutive EPS

b. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS
 Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS

2008	2007
\$	\$
2,730,526	(739,790)
2,730,526	(739,790)
2,730,526	(739,790)
42,184,123	368,292,589
43,962,740	384,542,589

Note 5: Issued Capital

	2008	2007
	\$	\$
43,031,525 (2007: 368,071,110) fully paid ordinary shares	28,155,664	25,932,142
	Number of Shares	
At the beginning of the reporting period	368,071,110	370,071,110
Shares issued during the year		
— 1 September 2007 Shares issued under Manaccomm business purchase (see note 7. for details)	80,000,000	-
— 7 December 2007 Pre-consolidation shares on issue	448,071,110	-
1:10 share consolidation as approved at AGM 22 December 2007	44,807,111	-
Rounding effect	(150)	-
Post-consolidation shares on issue	44,806,961	-
Shares bought back during the year		
— 2007 Share buy-backs	-	(2,000,000)
— 2008 Share buy-backs	(1,775,436)	-
	43,031,525	368,071,110

The Board regularly reviews its capital management strategies in order to optimise shareholder value. On 30 April 2007 Manaccomm Corporation Limited advised the market of the intention to buy-back on-market up to 37 million (pre-consolidation) of its then issued share capital. Shares are bought back when the Board considers investment in the Company's own shares represents a better business opportunity than any alternative at the time. During 2007 a total of 2,000,000 shares (pre-consolidation) were bought back and in 2008 1,775,436 (post-consolidation).

Note 6: Retained Earnings

	2008	2007
	\$	\$
Accumulated losses at the beginning of the financial year	(19,121,881)	(18,382,091)
Outside equity interests purchased by parent	-	-
Net profit/(loss) attributable to the members of the parent entity	2,730,526	(739,790)
Retained profits at the end of the financial year	(16,391,355)	(19,121,881)

Note 7: Details of Entities over which control has been gained or lost during the period

During the year, Manaccomm Corporation Ltd acquired the business of a leading distribution and software publishing business, Manaccomm Pty Ltd. The acquisition was completed 31 August 2007 for \$3,429,031. In addition, an unsecured, interest-free loan of \$1,670,969 was provided to the seller to acquire the sole and exclusive right to seek to collect the book debts of the business. No part of the business has been or is intended to be disposed of.

	Recognised value on acquisition	Fair value	Carrying Value
Property, plant and equipment	287,050	287,050	287,050
Intangible assets	36,426	36,426	36,426
Inventories	476,764	476,764	476,764
Trade and other receivables	202,400	202,400	202,400
Interest bearing loans and borrowings	(130,067)	(130,067)	(130,067)
Trade and other payables	(2,043,542)	(2,043,542)	(2,043,542)
Net identifiable assets and liabilities	(1,170,969)	(1,170,969)	(1,170,969)
Goodwill on acquisition	4,600,000	4,600,000	4,600,000
Consideration paid, satisfied in cash and issue of shares in Manaccomm	3,429,031		
Loan for rights to seek to collect book debts	1,670,969		
Total consideration	5,100,000		
Shares issued	(2,600,000)		
Net cash outflow	2,500,000		

Note 8: Investments in Associates

Investment in Associated Entity	Percentage Ownership	
	2008	2007
Global Approach Limited	0%	12%

The above entity did not contribute materially to profit.

Note 9: Net Tangible Assets per Security

	2008 cents	2007 cents
Net Tangible Assets per ordinary share	5.8	1.0

Note 10: Segment Reporting

	On-line Business		Distribution and Software Publishing		Other		Eliminations		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
REVENUE										
External sales	25,880,167	17,587,709	11,684,386	-	-	-	-	-	37,564,553	17,749,986
Other segments	-	-	263,828	175,154	-	-	-	-	263,828	175,154
Total revenue	25,880,167	17,587,709	11,684,386	175,154	263,828	175,154	-	-	37,828,381	17,925,140
RESULTS										
Segment results	1,515,527	(461,128)	1,985,296	-	(1,494,261)	(52,325)	287,924	(561,251)	2,294,486	(739,790)
ASSETS										
Segment assets	8,434,449	4,999,718	9,386,815	-	10,874,825	162	(9,483,772)	(2,802,062)	19,212,317	3,407,199
Unallocated assets	-	-	-	-	-	-	162	6,708,726	162	6,708,726
Total assets	8,434,449	4,999,718	9,386,815	-	10,874,825	162	(9,483,610)	3,906,664	19,212,479	10,115,925
LIABILITIES										
Segment liabilities	6,600,013	2,922,493	7,853,765	-	3,035,117	-	(10,127,792)	(3,158,322)	7,361,103	2,270,335
Unallocated liabilities	-	-	-	-	-	-	-	1,001,851	-	1,001,851
Total liabilities	6,600,013	2,922,493	7,853,765	-	3,035,117	-	(10,127,792)	(2,156,471)	7,361,103	3,272,186
OTHER										
Amortisation	447,991	324,753	-	-	-	15,637	-	-	447,991	359,223
Depreciation	76,540	29,030	89,101	-	-	-	-	-	165,641	55,220
Impairment loss on intangibles	-	218,249	-	-	-	-	-	-	-	218,249
Fair value loss	-	194,725	-	-	-	-	-	-	-	194,725

Note 11: Contingent Liabilities

Bank guarantees totaling \$153,128 have been issued on behalf of companies within the group in respect of property rental obligations

In addition, TMS Global Services Pty Ltd has provided guarantees in respect of rent obligations (\$37,246) relating to premises leased by its wholly owned subsidiaries

Note 12: Events Subsequent to Reporting Date

There are no material events subsequent to reporting date