



**Jumbo** Corporation Ltd

ABN: 66 009 189 128  
Level 8, Riverside Centre  
Brisbane QLD, 4000  
AUSTRALIA  
Ph: +61 7 3831 3705  
Fax: +61 7 3831 9720

## ***MEDIA RELEASE***

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### **JUMBO TO ACQUIRE ONLINE LOTTERY BUSINESS**

Jumbo Corporation Limited (ASX:JUM) intends to become a major player in Australia's online Lottery industry by acquiring a Melbourne company with agreements with Tattersall's in Victoria and the New South Wales Lotteries Corporation for more than \$4 million.

The ASX listed online retailer and e-commerce Company announced today it had entered into a Heads of Agreement to purchase TMS Global Services Pty Ltd for \$4.23 million, through a balance of cash and shares.

The acquisition includes the website [www.ozlotteries.com](http://www.ozlotteries.com) which currently sells well known lotteries including Powerball, OzLotto and Keno.

Jumbo Corporation has recently announced its fifth straight half-year profit and has seen its share price rise from 2c last month to a high of 8.7c this week.

"The acquisition of TMS Global Services is a 'bolt-on' acquisition that will easily integrate and compliment our existing online business," Jumbo Corporation Chief Executive Officer, Mr Mike Veverka, said today.

"Our acquisition of TMS is expected to lift Jumbo into a new league, and has the potential to open further opportunities on a global scale, and to enhance our reputation as one of Australia's fastest-growing online e-commerce and retailing companies.", he said.

"With 10 years online retailing experience and 5 years online lottery experience, Jumbo predicts that the online lottery industry is set for substantial growth. The TMS Global Services acquisition would make Jumbo a significant player in this rapidly growing industry", he said.

Mr Veverka said Melbourne-based TMS had annual revenue in excess of \$19 million, with EBITDA of \$925,000 for the 12 months to 30 June 2004 (unaudited).

As well as its lucrative online lottery business, the Company has two other strong business divisions:

- A private network of lottery outlets in various Pacific Islands including Fiji, the Cook Islands, Norfolk Island and Samoa, which allows retailers to sell Australian lottery products.
- A mail-order lotteries business retailing Australian lotteries via traditional mail internationally.

Jumbo's consideration for TMS (subject to certain conditions including shareholder approval), would include:

- A \$2.3 million cash payment on settlement;
- A further \$375,000 payable within 18 months;
- 59.7 million Jumbo shares, subject to escrow arrangements currently under negotiation; and,
- 5 million options in Jumbo shares.

Under the Heads of Agreement, TMS's existing management will be maintained and other key personnel employed in the near future.

Mr Veverka said the planned acquisition of TMS was a separate business transaction to that announced by the Company earlier this month, when it revealed it had been invited to tender for an existing, well-established lottery business.

A decision on that tender process will be announced shortly.

"Jumbo is one of the few Internet companies that has consistently grown through the post-dotcom period and has continued to increase its profits," Mr Veverka said.

"We have 10 years' experience in online retailing, and five years' experience in the online sale of lottery tickets," he said.

"Our skills, software and database of over 300,000 paying customers are ideally suited to promoting the range of lottery products that TMS has agreements to sell.

"We plan to continue our growth in the core e-commerce and online retailing business, through expansion into new product lines, further business acquisitions and improved marketing techniques."

**FOR INTERVIEWS, AND FURTHER INFORMATION, PLEASE CONTACT:**

**Mike Veverka**  
**Chief Executive Officer**  
**Jumbo Corporation**  
**(07) 3831 3705**

**Sean Whittington**  
**Senior Consultant**  
**Field Public Relations**  
**(08) 8234 9555**  
**(0412) 591 520**