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BLUE BOOK SERIES

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Quarterly

August 2008

Investor conviction tested by volatile markets

EXTRACT

Contents

This is an extract from the August 2008 Emerging Companies Review

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Manaccomm Corporation Limited (MNL)



Sector	Industry Group	Industry	Sub Industry
Consumer Discretionary	Retailing	Internet & Catalog Retail	Catalog Retail

Company Overview

Manaccomm (MNL) is a profitable and dividend-paying IT company with a unique online lottery division and a strong software publishing and distribution division. The first division has unique contracts until 2013 with Tattersalls and NSW Lotteries to retail lotteries such as Powerball and OzLotto via www.ozlotteries.com. The distribution and software publishing arm distributes products such as Trend Micro Internet Security and Compare Office software into leading retailers in Australia and NZ.

Strategy

MNL's strategy is to capitalise on its unique contracts for online lotteries and its relationship with leading retailers and software developers to continue its organic growth. With two successful acquisitions behind it, MNL is currently seeking additional acquisitions to complement its existing businesses. The IT industry is highly fragmented, with many successful businesses unable to grow as a private company and seeking to be acquired by a larger public company to continue their growth.

Aegis Comments as at July 2008

Outlook: MNL has issued FY08 revenue guidance of \$32M-\$40M and NPAT guidance of \$1.7M-\$2.3M. MNL has resolved to pay a dividend representing not less than 20% of NPAT going forward. Both of MNL's key divisions, the online lotteries business and the software publishing and distribution business, tend to prove resilient in times of slowing consumer spending. The company is expected to generate reliable cash flows over time, which should support future dividends and acquisitions.

Catalysts: The stock performed strongly during the recent market turmoil. Key catalysts for further re-rating would include: 1) successfully meeting stated guidance and dividend targets; 2) bedding down the two recently acquired businesses; 3) continued uninterrupted earnings growth; 4) successful renewal of supply contracts with key product suppliers including Trend Micro; and 5) a continuation of the long-term relationship with Tattersalls.

Risks: Online security; however, considerable effort is made to ensure payments are secure and online fraud is avoided. The weakening of consumer spending may create a drag on sales in the software division. A loss of key product supply or reseller contracts or failure to renew agreements with Tattersalls (current agreement in place until 2013) would be viewed negatively. Integration risk exists and will persist as the company adopts a strategy of acquisitive growth.

Earnings Summary

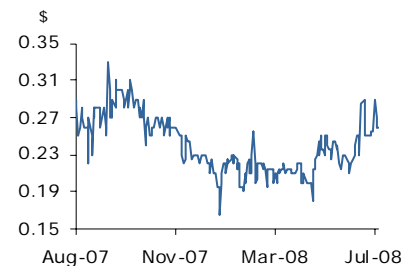
Yr to n/a	NPAT Rep \$M	NPAT ¹ Adj \$M	EPS ¹ c	EPS chg %	PER x	PER rel All Ords x	PER rel Sector x	DPS c	Yield %	Franking %	ROE %
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¹ NPAT and EPS are adjusted by removing non-recurring items. All the above statistics are derived from normalised earnings.

Key investment information

Price:	\$0.26
Price as at:	31-Jul-08
Market Cap (\$M):	11.2
Equiv. Shares (M):	46.06
% All Ords:	0.00
12Mth Range (\$):	0.17 - 0.29
Shares Traded (\$M pa):	1.4
Listed since:	Sept 1999
Index:	n/a

Share price performance



Company contact



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Financial Stability

Balance Sheet (Y/E n/a)

As at 24-Jul-08

Net debt (cash) (\$M)	0.0
Net debt (cash) / shr (\$)	n/a
Net debt (cash) / MktCap (%)	n/a

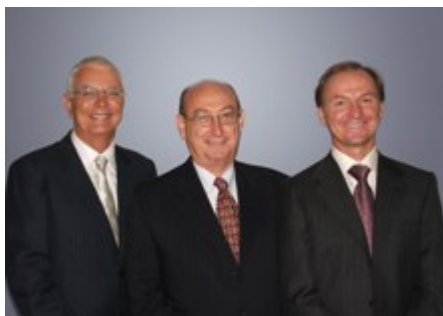
Substantial Shareholders

IIMAC Pty Ltd controlled by Ian Mackay	19.2%
Vestron - controlled by Mike Veverka	19.0%

Board

D Barwick (Chairman)
I Mackay (Deputy Chairman)
M Veverka (CEO)

Manacomm Board of Directors



Industries Of Operation

The lottery division sells Australian lottery tickets online from www.ozlotteries.com. MNL competes in the online retailing space and has established an alliance with Ninemsn for a larger slice of the online market. The distribution and software publishing business competes in the traditional retailing space for IT products via the major retailers. It has close relationships with key retailers including Harvey Norman, which has selected MNL as its software supplier of the year since 2005.

Differentiating Factors

MNL has unique contracts with Tattersalls and NSW Lotteries until 2013. The website www.ozlotteries.com has an established player database which is growing via alliances with ninemsn.com.au and Yahoo!7. The distribution business has a close relationship with Harvey Norman and has been voted software supplier of the year for two years running. This business has operated successfully for 21 years, demonstrating a deep understanding of the IT retail marketplace.

Recent Announcements

09 July 2008 : MNL announced that it has signed a new reseller agreement with Tattersalls, extending the relationship between the two companies until 30 June 2013. This replaces the existing agreement, which was to expire in 2010, giving MNL the right to continue to sell lottery tickets via its website and terminal network throughout the Pacific. The agreement complies with Tattersalls' revised lottery licence with the Victorian Government.

21 May 2008 : After registering record sales during the month of April, MNL has upwardly revised its FY08 earnings forecast. Revenue is now expected to fall within a range of \$32M-\$40M (up from \$30M-\$38M), while NPAT guidance is for a range of between \$1.7M-\$2.3M (previously \$1.3M-\$2M). Driving the upgrade was a record jackpot of \$40M on 29 April 2008 and robust trading across the distribution and software-publishing division.

14 May 2008 : MNL announced that in light of a strong year of trading and continued growth, a maiden dividend would be declared in FY08. Should profits come in at the top end of guidance the dividend would be about 1cps. The inaugural dividend will be paid as a final dividend, with the board proposing that going forward both an interim and final dividend will be declared, representing at least 20% of NPAT.

Capital Structure

JUM has a straightforward capital structure consisting of ordinary equity and some debt/overdraft facilities. There are 43M FPO and 3M options on issue. The company has announced its intention to pay its maiden dividend of at least 20% of NPAT in the 2008 financial year.



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