jumbuck®

Jumbuck Entertainment Limited

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31 July 2006

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir /Madam,

Appendix 4C – Quarterly Cash Report – June 2006

Jumbuck Entertainment Ltd (ASX: JMB) takes this opportunity to update shareholders and the investment community generally on our progress during the 4th Quarter.

We enclose our Appendix 4C Quarterly Report, following the completion of our 4th Quarter (June 2006) of activity. The report shows that the Company produced a surplus cash flow from operating activities of $1.744M for the 4th Quarter. The full year cash flow from operating activities of $6.563M compared to $2.435M in 2004/05. The Company's revenue increased by 59.4% during the full year 2005/06.

During the 4th Quarter Jumbuck undertook a capital raising of $5.7M to fund the expansion of the Jumbuck business, to provide working capital and to pay for the cost of the placement. The Company subsequently acquired the wap3 community business headquartered in Cologne, Germany, research and development facility and related investment from wap3 Technologies GmbH for €4.6M (approximately AUD$7.7M).

Olivia Hilton, Jumbuck's CEO remarked "We are pleased with this 4th Quarter result. The recent acquisition of the wap3 Community Group is performing well".

Yours sincerely

P G CHOISELAT
Managing Director

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Rule 4.7B

Appendix 4C

Quarterly report
for entities admitted
on the basis of commitments

Name of entity

Jumbuck Entertainment Ltd

ABN	Quarter ended ("current quarter")
69092817171	30/06/06

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from customers	2917	11387
1.2	Payments for (a) staff costs		
	(b) advertising and marketing		
	(c) research and development		
	(d) leased assets		
	(e) other working capital	(1173)	(4823)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	Net operating cash flows (refer note 1)	1744	6563

+ See chapter 19 for defined terms.

		Current quarter $A'000	Year to date (12 months) $A'000
1.8	Net operating cash flows (carried forward)	1744	6563
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	(8040)	(8040)
	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets	(13)	(345)
	(e) product development (note 1)	(330)	(1337)
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)		
	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets		
	(e) other non-current assets		
1.11	Loans to / from other entities		
1.12	Loans repaid by other entities		
1.13	Other – repayment of commercial bill		
	Net investing cash flows	(8383)	(9722)
1.14	**Total operating and investing cash flows**	(6639)	(3159)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	5700	6976
1.16	Proceeds from sale of forfeited shares		
1.17	Proceeds from borrowings		
1.18	Repayment of borrowings		
1.19	Dividends paid		
1.20	Other (share placement cost)	(171)	(171)
	Net financing cash flows	5529	6805
	Net increase (decrease) in cash held	(1110)	3646
1.21	Cash at beginning of quarter/year to date	6971	2215
1.22	Exchange rate adjustments to item 1.20		
1.23	**Cash at end of quarter**	5861	5861

Note 1: Product development largely represents wages to employees and payments to suppliers for development of games and messaging applications.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	383
1.25	Aggregate amount of loans to the parties included in item 1.11	N/A

1.26 Explanation necessary for an understanding of the transactions

Payments to Executive Directors, Non Executive Directors and associates of Directors. The breakdown of the amount is as follows:

	Amount $000
Non Executive Directors fees	31
Salaries – Executive Directors and associates	67
Superannuation	14
Reimbursement of Directors' expenses incurred on Company business	17
Fees paid to associates	254
TOTAL	383

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	0	0
3.2	Credit standby arrangements	0	0

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
4.1	Cash on hand and at bank	5861	6971
4.2	Deposits at call	0	0
4.3	Bank overdraft	0	0
4.4	Other (provide details)	0	0
	Total: cash at end of quarter (item 1.23)	5861	6971

Acquisitions and disposals of business entities

		Acquisition in June 06 *(Item 1.9(a))*
5.1	Name of entity	WAP3 Community Group
5.2	Place of incorporation or registration	Germany/Ukraine
5.3	Consideration for acquisition or disposal	Cash payment of $8.0 Million
5.4	Total net assets	$0.1 Million – Plant and Equipment $0.2 Million – Software $2.4 Million – Equity investment ______ $2.7 Million – Net asset acquired
5.5	Nature of business	Mobile data service provider

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

Signed

Tamira D Herbst

Company Secretary

31 July 2006

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.

   - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
   - 9.2 - itemised disclosure relating to acquisitions
   - 9.4 - itemised disclosure relating to disposals
   - 12.1(a) - policy for classification of cash items
   - 12.3 - disclosure of restrictions on use of cash
   - 13.1 - comparative information

3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.