Jumbuck Entertainment Limited

ABN 69 092 817 171

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

27 February 2007

Dear Sirs

JUMBUCK ENTERTAINMENT LTD (JMB)
HALF YEAR REPORT ENDED 31ST DECEMBER 2006

Pursuant to Listing Rule 4.2A, we attach the following :-

1. Appendix 4D – Half Year Report for the half year ended 31st December 2006

2. Financial Statements for the half year ended 31st December 2006.

Yours faithfully

CYNTHIA CHAN
Company Secretary

For further information please contact:

Paul G Choiselat
Managing Director
Jumbuck Entertainment Ltd
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Olivia Hilton
CEO
Jumbuck Entertainment Ltd
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About Jumbuck
Jumbuck Entertainment Ltd. (ASX: JMB) is the world's leading provider of user-driven wireless community and social networking services. Jumbuck is focused on delivering a range of innovative, high-quality community messaging services to carriers and their mobile users. Jumbuck's mobile community is the largest in the world, with 15+ million users accessing its increasingly popular services that include Power Chat, Fast Flirting, Chat del Mundo, Chat do MundoText Chat, and Jumbuck Island. Jumbuck has relationships with 80 carriers in the USA, Canada, South America, Europe, Middle East, Australia, New Zealand, Asia and Africa. Jumbuck is headquartered in Melbourne, Australia with offices in San Francisco, USA; Cologne, Germany; Ukraine, and London, UK. For further information please see our website: www.jumbuck.com.

Jumbuck Entertainment Ltd

ABN 69 092 817 171

Appendix 4D

Half year report

Information for the half-year ended 31 December, 2006 given to ASX under listing rule 4.2A
(Comparative information is for the half-year ended 31 December, 2005)

Pursuant to listing rule 4.2A.3, the following information is given to the ASX by **Jumbuck Entertainment Ltd** ("Jumbuck"). The following information should be read in conjunction with the most recent annual financial report together with any public announcements made by Jumbuck and its controlled entities during the half-year ended 31 December, 2006 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001. Accounting policies, estimation methods and measurement bases used in this Appendix 4D are the same as those used in the last annual report and the last half-year report.

Results for announcement to the market

Jumbuck (ASX: JMB) today announced $2.36million of NPAT (Net Profit After Tax) for the period from 1 July to 31 December, 2006 ("H1-2007").
During H1-2007, the company continued to grow as a result of the integration of the new European office acquired in June 2006 and organic growth from existing clients.

Key Financial Highlights

- Revenue up 29.7%
- EBITDA up 14.6%
- NPAT up 10.8%
- Cash balance of $7.4million at 31 December, 2006
- Operating cashflow strong at $2.7million for the six months
- Net Assets of $19.0million

Key Jumbuck Performance Statistics

Six months ending	Dec 2006 $ Million	Dec 2005 $ Million	Change %
Revenue			
-Sales revenue	7.01	5.64	24.3
-Other revenue	0.48	0.14	242.9
EBITDA	3.70	3.23	14.6
EBIT	3.13	2.79	12.2
PBT	3.28	2.87	14.3
NPAT	2.36	2.13	10.8
Earnings per share (basic)	4.89 cents	4.84 cents	1.0
Net Tangible Assets per share	16.57 cents	16.29 cents	1.7

Jumbuck Share Statistics

	31 Dec 2006	31 Dec 2005	Change %
Total number of shares in issue	48,484,670	45,129,115	7.4
Closing share price	$1.89	$1.82	3.8
ASX Market capitalisation	$91.6million	$82.1million	11.6

Financial results

During the reporting period Jumbuck revenue, profit and cash have increased. This is as a result of successfully growing the European and South American revenues following the integration of the acquired wap3 Community business, and organic growth from the existing customer base. With the newly strengthened European office, Jumbuck has been through a process of eliminating roles that were duplicated. This will help reduce the future cost base across the company.

Jumbuck also continues to invest in future markets and develop new products. This will provide the platform for future growth.

Cashflow

The acquisition of the wap3 Community business in June 2006 was structured in such a way that the receivables of the business were not purchased.
The impact is that this reporting period had approximately $0.6million lower cashflow than would have been achievable if the receivables of the wap3 Community business had been acquired.

Regardless of this, the company showed strong cashflow for the reporting period and ended the period with a cash balance of $7.4million, up from $5.9million at 30June 2006.

Exercise of options

During the six months, 222,222 options were exercised to convert into ordinary shares. These options provided additional cash to Jumbuck of $0.135 million to be utilized for working capital and funding future expansion.

General

During the six months there were no controlled entities acquired or disposed of and Jumbuck did not dispose of any interests in associates or joint venture entities.
The wap 3 Community business was acquired in June 2006 prior to the commencement of this reporting period.

Outlook

The Board continues to expect Jumbuck's financial performance to improve in the second half. This will mainly be driven by increases in revenue as Jumbuck now has a larger customer base and range of products.
Jumbuck believes it will maintain its leading market position with continual increases in users and additional features to encourage users.

In the absence of unforeseen circumstances, Jumbuck is expected to report an improved result in the second half.

This report is based on the attached half year financial report which has been subject to an audit review. The financial statements are not subject to any audit dispute or qualifications.

For and on behalf of the Board

Paul G Choiselat
Managing Director
27 February 2007

OPERATIONAL REPORT BY THE CEO
Jumbuck Entertainment Shows Continued Progress

MELBOURNE, Australia—February 28th, 2007— Over the last six months, Jumbuck Entertainment has demonstrated the effectiveness of its business strategies by showing continued progress across its product development, business development and operations functions.

Agreements and launches with new carriers

Jumbuck has added 10 new carriers to its portfolio and, towards the end of the period, launched 16 new services. Jumbuck now has agreements with 80 carriers and partners, across 40 countries and 6 continents.

Traffic volumes

Traffic volumes increased substantially during the period driven by new service launches and continued enhancements to Jumbuck's portfolio of mobile community services. During the first half of this financial year Jumbuck increased the number of unique users accessing its services by 20%.

In addition, subscribers continue to show increased tendencies to extend their session times on Jumbuck's services, with average session times now at 30 minutes. Known as 'stickiness', this behavior is highly desired by mobile carriers since it enables them to derive additional average revenue per user (ARPU).

Product enhancements

During the period, Jumbuck's innovative product development team made significant enhancements to its core products. In December 2006, Jumbuck rolled out new features within its popular Fast Flirting service to address the trend toward user-generated content and the widespread availability of camera-phones. The upgrade added image upload and new graphical features to the service. This upgrade has already resulted in increased user numbers and session times across all carriers.

Furthermore, Jumbuck has begun implementing similar enhancements within its WAP Power Chat product. Jumbuck also extended its range of chat applications with the launch of SMS and MMS chat in the USA and Canada, and the continued rollout of Jumbuck Island (a multiplayer virtual world optimized for mobile phones, complete with themed environments and customized avatars).

To cater to fast-growing non-English speaking markets, towards the end of the period Jumbuck launched 'Chat del Mundo' in the USA on Sprint Nextel network for the large Spanish-speaking population, as well as 'Chat do Mundo' to cater to the Portuguese-speaking communities of Brazil and Portugal.

Operations

The first half of this financial year has been particularly noteworthy in that we were able to quickly and effectively assimilate and restructure our production and sales teams, after the successful acquisition of wap3 Community. The company is now in a better position to capture the burgeoning growth within this industry segment.

In addition Jumbuck expanded its presence in the USA to keep pace with the company's future growth and opportunities to better serve its mobile carrier customers in this region. New offices were opened in San Rafael, United States and a presence established in Rio de Janeiro, Brazil. Jumbuck's headcount is now at 85 full time equivalent employees.

Outlook

Jumbuck will continue to focus on growth from five key areas:

1. Innovation and enhancements to existing services
2. New product rollouts
3. Emerging markets
4. New business models
5. Advertising within its community services

In January, Jumbuck signed its first agreement in the USA to allow companies with brands focused on its subscriber base (i.e. youth dominated) to advertise within its services. This will initially be a trial within its popular Chat del Mundo community. If successful, it will be expanded to other products and carrier communities.

We continue to track to a total full year revenue of $17m, contingent on meeting our goals for new carrier launches and delivering enhanced services to our existing carrier customers.

Olivia Hilton
CEO

JUMBUCK ENTERTAINMENT LTD

ABN 69 092 817 171

FINANCIAL REPORT
FOR THE HALF-YEAR TO
31 DECEMBER 2006

ASX CODE: JMB

JUMBUCK ENTERTAINMENT LTD
ABN 69 092 817 171

HALF YEAR TO 31 DECEMBER 2006

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DIRECTORS' REPORT

Your Directors present their report on Jumbuck Entertainment Ltd ("Jumbuck") for the half-year ended 31 December 2006

Directors
The following persons were Directors of Jumbuck during the whole of the half-year and up to the date of this report:

Kevin V Campbell AM	Chairman and independent non-executive Director
Bruce R Bennie	Independent non-executive Director
Hon Jeffrey G Kennett AC	Independent non-executive Director
Paul G Choiselat	Managing Director
Adrian P Risch	Managing Director Jumbuck Europe

Principal Activities
The principal activity of Jumbuck during the half-year was developing, launching and maintaining mobile community chat and dating services for wireless carriers globally.

Review of Operations
Jumbuck's net profit, after income tax expense for the half year to 31 December 2006, was $2.361million, an 11% increase on the previous corresponding period result of $2.127million.

Earnings before interest, tax depreciation and amortization (EBITDA) increased 15% to $3.7million compared with $3.2million in the previous corresponding period.

Total revenue increased from $5.776million for the half-year to 31 December 2005 to $7.494million an increase of 30%. This increase was achieved from both integration of products and customers from the wap3 Community business acquired in June 2006 and organic growth from existing clients.

Further details and comments on the operations and the results of those operations are shown on pages 4 to 9 of this Financial Report.

Dividends
Jumbuck does not propose to pay a dividend for this reporting period.

Balance Sheet
Net assets at 31 December 2006 were $19.054million ($16.527million at 30 June 2006). The increase in net assets was due to an after tax profit of $2.361million and the exercise of share options during the reporting period.

Shares
On 24 November 2006, 222,222 options for 222,222 ordinary shares were exercised by a Director at an exercise price of $0.6075 per share resulting in proceeds to the Company of $0.135million.

Events subsequent to reporting date
There has not arisen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in he opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Auditors' Independence Declaration
A copy of the Auditors' Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

Rounding of Amounts
Jumbuck is an entity of a kind referred to in Class Order 98/100 issued by the Australian Securities & Investment Commission, relating to the "rounding of" amounts in the Directors' Report and the Financial Report. Amounts in the Directors' Report and the Financial Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors.

Dated at Melbourne this 27th day of February 2007.

Paul G Choiselat
Managing Director

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
Jumbuck Entertainment Limited
Level 5, Bank House
11 Bank Place
MELBOURNE VIC 3000

27 February 2007

Dear Board Members

Jumbuck Entertainment Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Jumbuck Entertainment Limited.

As lead audit partner for the review of the financial statements of Jumbuck Entertainment Limited for the half-year ended 31 December 2006, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

R D D Collie
Partner
Chartered Accountants

Member of
Deloitte Touche Tohmatsu

JUMBUCK ENTERTAINMENT LTD

ABN 69 092 817 171

Financial Statements

Half-Year to 31 December 2006

Condensed consolidated income statement for the half-year ended 31 December 2006

	NOTE	Dec-06 $000	Dec-05 $000
Revenues	2	7,494	5,776
Expenses			
Accounting and audit fees		(82)	(72)
Advertising and marketing		(77)	(54)
Consultants		(66)	(49)
Depreciation and amortisation expense		(576)	(446)
Employee benefits expense		(1,795)	(1,404)
Hosting expense		(169)	(123)
Insurance		(54)	(24)
Legal fees		(142)	(57)
Occupancy		(226)	(41)
Other expenses		(241)	(301)
Representation - overseas		(319)	(199)
Travel and accommodation		(192)	(136)
Net foreign exchange loss		(116)	0
Share options charge		(157)	0
Profit before income tax expense		3,282	2,870
Income tax expense		(921)	(743)
Profit after related income tax expense		2,361	2,127
Profit for the period attributable to members of the parent entity		2,361	2,127
		Cents	Cents
Basic Earnings Per Share		4.89	4.84
Diluted Earnings Per Share		4.88	4.82

The accompanying notes form part of these financial statements.

Condensed consolidated balance sheet as at 31 December 2006

	NOTE	Dec-06 $000	Jun-06 $000
Current assets			
Cash		7,398	5,861
Receivables		3,629	2,670
Other		51	43
Total current assets		**11,078**	**8,574**
Non-current assets			
Property, plant and equipment		881	835
Other financial assets		245	245
Intangible assets		11,020	9,462
Total non-current assets		**12,146**	**10,542**
Total assets		**23,224**	**19,116**
Current liabilities			
Payables		(672)	(1,058)
Current tax liabilities		(1,226)	(888)
Provisions		(398)	(166)
Other	3	(1,412)	(62)
Total current liabilities		**(3,708)**	**(2,174)**
Non-current liabilities			
Deferred tax liabilities		(462)	(415)
Total non-current liabilities		**(462)**	**(415)**
Total liabilities		**(4,170)**	**(2,589)**
Net assets		**19,054**	**16,527**
Equity			
Issued Capital	4	9,354	9,219
Retained earnings	5	9,397	7,036
Reserves		303	272
Total equity		**19,054**	**16,527**

The accompanying notes form part of these financial statements.

Financial Statements
Half Year to 31 December 2006

Condensed consolidated statement of changes in equity for the half-year ended 31 December 2006

	Note	Share Capital Ordinary $000	Retained Earnings $000	Foreign Currency Translation Reserve $000	Options Valuation Reserve $000	Total $000
Balance at 1 July 2005		2,414	2,736	-	-	5,150
1,966,667 shares issued during the period		1,195	-	-	-	1,195
Profit attributable to members of parent entity		-	2,127	-	-	2,127
Balance at 31 December 2005		3,609	4,863	0	0	8,472
Balance at 1 July 2006		9,219	7,036	(7)	279	16,527
222,222 options exercised during the period		135	-	-	-	135
Profit attributable to members of parent entity		-	2,361	-	-	2,361
Movement in reserves		-	-	(116)	147	31
Balance at 31 December 2006		9,354	9,397	(123)	426	19,054

The accompanying notes form part of these financial statements.

JUMBUCK ENTERTAINMENT LTD

ABN 69 092 817 171

Financial Statements

Half Year to 31 December 2006

Condensed consolidated statement of cash flow for the half-year ended 31 December 2006

	Dec-06 $000	Dec-05 $000
Cash flows related to operating activities		
Receipts from customers	6,484	5,107
Payments to suppliers and employees	(3,503)	(2,019)
Interest received	150	90
Income tax paid	(457)	0
Net operating cash flows	**2,674**	**3,178**
Cash flows related to investing activities		
Purchases of property, plant and equipment	(196)	(283)
Payment for development costs	(734)	(701)
Payment for acquisition of WAP 3 Community business	(348)	0
Net investing cash flows	**(1,278)**	**(984)**
Cash flows related to financing activities		
Proceeds from issues of shares	135	1,195
Net financing cash flows	**135**	**1,195**
Net increase in cash held	**1,531**	**3,389**
Cash at beginning of period	5,861	2,215
Effect of foreign exchange on cash balance	6	0
Cash at end of financial period	**7,398**	**5,604**

The accompanying notes form part of these financial statements.

JUMBUCK ENTERTAINMENT LTD

ABN 69 092 817 171

Financial Statements

Half Year to 31 December 2006

Notes to the condensed consolidated financial statements

Note 1 Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent financial report.

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2006.

Basis of preparation

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2006 annual financial report for the year ended 30 June 2006.

Note 2 Revenues

	Half-year to 31 Dec 06 $000	Half-year to 31 Dec 05 $000
Rendering of services	7,011	5,636
Interest received	150	90
Dividend from financial asset	264	-
Export Development Grant	69	50
Revenues	7,494	5,776

Note 3 Current liabilities

Other

		Dec-06 $000	Jun-06 $000
Consists of:	Earn-out for acquisition of WAP3 Community business	1,337	-
	Deferred income	75	62
		1,412	62

Note 4 Equity

Contributed Equity **Fully paid ordinary shares**	$
At 1 July 2006 (48,262,448 shares)	9,219,173
Shares issued 222,222 on 24 November 2006 : options exercised	135,000
At 31 December 2006 (48,484,670 shares)	9,354,173

During the half-year reporting period, Jumbuck Entertainment Ltd issued 222,222 ordinary shares for $135,000 on exercise of 222,222 share options by a director.

Share Options	No
No of options at 1 July 2006	2,822,222
Options exercised	222,222
No of options at 31 December 2006	2,600,000

Notes to the condensed consolidated financial statements (cont'd)

Note 5 Retained Profits

	Half-year to 31 Dec 06	Year to 30 Jun 06
	$000	$000
Retained profits at the beginning of the financial period	7,036	2,736
Net profit attributable to members of the Company	2,361	4,300
Retained profits at the end of the financial period	9,397	7,036

Note 6 Segment Reporting

Primary reporting - Business segment

The Company has only one business segment :
Mobile Data Service Provider

Note 7 Review of Financial Statements

These financial statements have been subject to a review.

JUMBUCK ENTERTAINMENT LTD
ACN 092 817 171

Financial Statements
Half Year to 31 December 2006

DIRECTORS' DECLARATION

The directors declare that:

1) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2) in the directors' opinion the attached financial statements and notes thereto are in with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

Paul G Choiselat
Managing Director

Melbourne: 27th February 2007

Deloitte.

Deloitte Touche Tohmatsu

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF JUMBUCK ENTERTAINMENT LTD**

We have reviewed the accompanying half-year financial report of Jumbuck Entertainment Ltd, which comprises the balance sheet as at 31 December 2006, and the income statement, cash flow statement, statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 4 to 10.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Jumbuck Entertainment Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Jumbuck Entertainment Ltd is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

R D D Collie
Partner
Chartered Accountants
Date: 27 February 2007