Jumbuck Entertainment Ltd

ABN 69 092 817 171

Appendix 4D

Half year report

Information for the half-year ended 31 December, 2009 given to ASX under listing rule 4.2A
(Comparative information is for the half-year ended 31 December, 2008)

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, 2009 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 its half year results for the period from 1 July to 31 December, 2009 ("H1-2010").

Jumbuck's primary operations are provision of online communities and social networking services to end users through the portals of international wireless carriers.

Through the H1-2010 period the business has continued to focus on maintaining and extending its extensive network of relationships with carriers and their portals, while navigating the transition to new channels and direct acquisition of customers. Moving forward this transition will continue, and be complemented by greater investment in new growth initiatives.

Financial Highlights – H1-2010

- ***Sales Revenue of $6.9million***
- ***EBITDA of $2.5million***
- ***NPAT of $1.5million***
- ***Cash balance of $5.6million at 31 December 2009***
- ***Nil debt***
- ***Interim dividend today declared of 0.5cents per share***

Commentary on Financial Results

The overall financial results reflect a solid outcome for the Company as it continues to focus on maintaining its current revenue streams while building the skills and capabilities to profitably serve end users within the new channels. Through the H1-2010 results period the business has made substantial progress on:

- Extending the roll out of the more recently acquired Plutolife[1] products from their Scandinavian base across its network of carrier relationships across Europe and North America
- An aggressive cost management program that has reduced the operating cost base by $1.6 million relative to the corresponding previous period.
- Better understanding the needs of carriers through the transition to new channels, and what Jumbuck needs to do to continue to work with them in effective partnerships.
- Building the skills needed to compete for end users within the new channels in a profitable way, and at scale. The acquisition of Plutolife and their Direct to Consumer (D2C) marketing experience, combined with the global coverage of the established Jumbuck network, is showing encouraging results.

These initiatives combined to yield an NPAT of $1.5million, 46% down on the previous corresponding period and slightly up on the second half of FY2009. Relative to the previous corresponding period we note the following pressures have had a marked impact on the result:

- High exposure to North American and European revenues, and the resulting exchange impacts that have had a negative impact on profitability of approximately $1.2million relative to the comparable half last year.
- The general response to depressed economic trends which has been notable in two areas: first, by carriers protecting their positions by moving from contracts with fixed compensation components to more variable structures; and second, by end users being more aggressive in terminating discretionary subscriptions like social networking services.
- A shift in end users away from carrier portals to new channels, such as the application stores for smartphones, where billing models to support profitable distribution of Jumbuck products are emerging slowly.

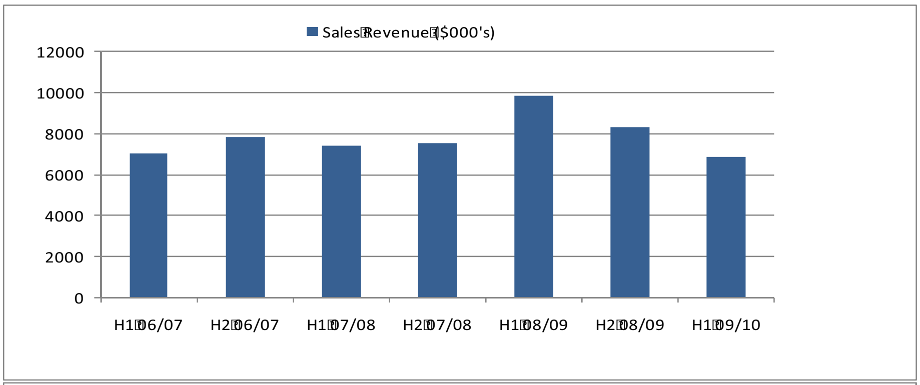
Key Jumbuck Performance Statistics

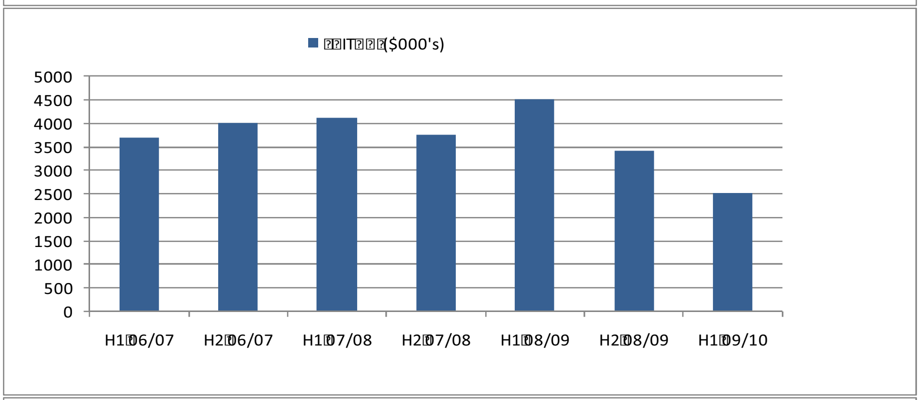
Six months ending	Dec 2009 $ Million	Dec 2008 $ Million	Change %
Revenue			
-Sales revenue	6.87	9.88	(30.5)
-Other revenue	0.57	0.02	>100
EBITDA	2.53	4.55	(44.4)
EBIT	1.78	3.52	(49.4)
PBT	1.85	3.65	(49.3)
NPAT	1.47	2.72	(46.0)
Earnings per share (basic)	3.00 cents	5.52 cents	(45.7)
Net Tangible Assets per share	18.93 cents	18.99 cents	(0.30)

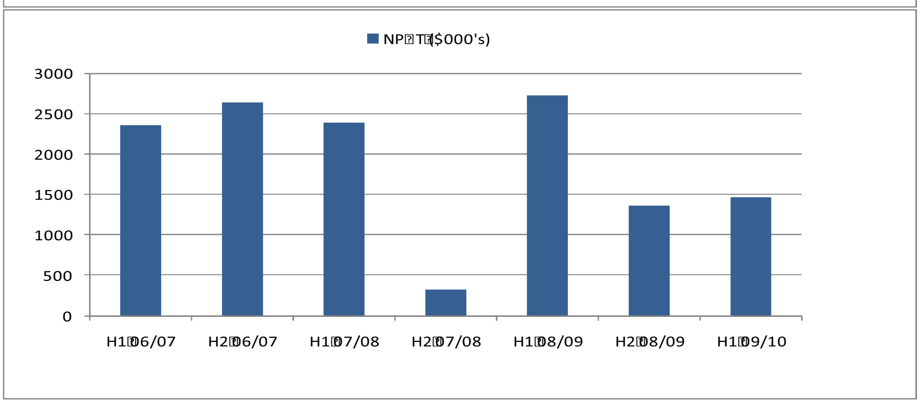
[1] Acquired July 2008

The cash balance at 31 December 2009 of $5.6million reflects the strong cash position of the business after generating $1.4million of positive net operating cashflow, the payment of the $1.0million dividend in September 2009 at 2.0cents per share and the payment of a deferred element of the Plutolife acquisition consideration of $1.3million.

Key Performance Trends







Summary of key corporate events affecting trends

H1 06/07	*WAP 3 Germany acquisition, June 2006. Provided geographical expansion into mainland Europe.*
H2 07/08	*Write down of investment in Mobileactive Ltd impacted NPAT by $2.0million*
H1 08/09	*Plutolife Norway acquisition, July 2008. Enhanced revenues and capability in SMS and D2C user acquisition.*
H2 08/09	*Sale of investment in Mobileactive Ltd resulted in $0.7million loss impact on NPAT.*

Jumbuck Share Statistics

	31 Dec 2009	31 Dec 2008	Change %
Total number of shares in issue	48,784,291	49,532,825	1.5
Closing share price	$0.31	$0.42	(26.2)
ASX Market capitalization	$15.1million	$20.8million	(27.4)

OZtion and Carbuddy

Jumbuck acquired the online auction business “OZtion.com.au” in June 2008 and later, in 2009 formed Carbuddy. The OZtion business continues to operate at a small profit.

Dividend

The Board of Jumbuck today declares its first ever interim dividend with a 0.5cents per share fully franked dividend, to be paid on 31 March 2010 to shareholders on record at 17 March 2010.

Outlook

Moving forward Jumbuck’s focus will continue to be on profitably serving the rapidly growing mobile content market. Under the leadership of the new CEO, the business is developing a future growth plan that builds on the Company’s strong balance sheet and current cash flow, highly experienced team and established international footprint of carrier relationships and service offerings. We anticipate it will accelerate the growth into D2C acquisition required by new channels, and invest in establishing footprints for future growth in the rapidly evolving mobile ecosystem. It will remain conservative in the area that has driven Jumbuck’s success to date, namely ensuring that growth is focused in areas where there is a sustainable and profitable business model.

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

David Gibbs
CEO
24 February 2010

JUMBUCK ENTERTAINMENT LTD

ABN 69 092 817 171

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2009

ASX CODE: JMB

JUMBUCK ENTERTAINMENT LTD
ABN 69 092 817 171

HALF YEAR TO 31 DECEMBER 2009

TABLE OF CONTENTS

JUMBUCK ENTERTAINMENT LTD

ABN 69 092 817 171
Financial Statements
Half Year ended 31 December 2009

DIRECTORS' REPORT

Your Directors present their report on Jumbuck Entertainment Ltd ("Jumbuck") for the half-year ended 31 December 2009.

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

Harvey C Parker	Chairman and Independent Non-Executive Director
Bruce R Bennie	Independent Non-Executive Director
Hon Jeffrey G Kennett AC	Independent Non-Executive Director
Tom SP Kiing	Independent Non-Executive Director
Adrian P Risch	Chief Executive Officer and Executive Director (Retired as CEO and Executive Director 31 December 2009, appointed Non-Executive Director 1 January 2010)

Principal Activities
The principal activities of Jumbuck during the half-year were mobile data services provider to wireless mobile carriers and Australian online auction site operator.

Review of Operations
Jumbuck's operations for the half year were dominated by provision of services to end users through mobile carrier's portals.

Through the period the revenue and profitability have continued to be under pressure from:
- the response to general economic trends by end users and carriers;
- the majority of revenue in USD, EUR and GBP with unfavourable variances relative to the comparable period last year; and
- revenue growth from mobile content occurring outside carrier portals.

In response to these the operational focus through the half year has been:
- substantial reductions in the operating cost base;
- renewed focus on understanding and meeting the needs of our carrier partners and their end users;
- building skills in direct acquisition of consumers outside carrier portals;
- recruiting a new CEO with the skills to secure future platforms for growth.

Financial Results

Jumbuck's net profit, after income tax expense for the half year to 31 December 2009, was $1.465million, an increase of 7.30% on the six months ended 30 June 2009 and a decrease of 46.16% on the previous corresponding period result of $2.721million.

Earnings before interest, tax, depreciation and amortization (EBITDA) decreased 35.21% to $2.533 million compared to the six months ended 30 June 2009, and decreased 44.32% compared with $4.549 million in the previous corresponding period.

Total revenue decreased from $9.288 million for the six months ended 30 June 2009 to $7.438 million for the half year to 31 December 2009. Total revenue for the previous corresponding period was $9.898 million.

Further details of the results of operations are shown on pages 4 to 15 of this Financial Report.

Dividends
On 24 February 2010, the Directors declared an interim dividend of 0.5 cents fully franked per ordinary share for shareholders on record at 17 March 2010 and payable on 31 March 2010.

Events subsequent to reporting date
Interim Dividend Declared
On 24 February 2010, the Directors declared an interim dividend of 0.5 cents fully franked per ordinary share for shareholders on record at 17 March 2010 and payable on 31 March 2010. This dividend has not been provided for in this report.

Auditors' Independence Declaration
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 pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors

Harvey C Parker
Chairman

Dated at Melbourne this 24th day of February 2010.

Deloitte Touche Tohmatsu
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24 February 2010

The Board of Directors
Jumbuck Entertainment Limited
Level 5, 357 Flinders Lane
MELBOURNE VIC 3000

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 audit partner for the review of the financial statements of Jumbuck Entertainment Limited for the half-year ended 31 December 2009, 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 faithfully,

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Rachel Smith

Rachel Smith
Partner
Chartered Accountants

JUMBUCK ENTERTAINMENT LTD

ABN 69 092 817 171

Financial Statements

Half-Year ended 31 December 2009

Condensed consolidated income statement for the half-year ended 31 December 2009

	Note	31 Dec 09 $000	31 Dec 08 $000
Revenues	2	**7,438**	**9,898**
Expenses			
Accounting and audit fees		(73)	(110)
Advertising and marketing		(576)	(398)
Bad and doubtful debts expense		(10)	(192)
Commission		(64)	(217)
Consultants		(211)	(217)
Employee benefits expense		(1,591)	(2,414)
Foreign currency option expense		(49)	(126)
(Loss)/Gain on foreign currencies		(232)	910
Hosting expense		(384)	(486)
Insurance		(60)	(80)
Legal fees		(64)	(116)
Occupancy		(265)	(352)
Other expenses		(201)	(402)
Product development		(368)	(109)
Representation - overseas		(612)	(770)
Travel and accommodation		(145)	(270)
Profit before interest, tax, depreciation and amortisation		2,533	4,549
Depreciation and amortisation expense		(753)	(1,031)
Interest expense		(2)	(11)
Interest received		73	141
Profit before income tax expense		**1,851**	**3,648**
Income tax expense		(386)	(927)
Profit after income tax expense		**1,465**	**2,721**
Profit attributable to members of the parent entity		**1,465**	**2,721**
		Cents	**Cents**
Basic Earnings Per Share		**3.00**	**5.52**
Diluted Earnings Per Share		**3.00**	**5.52**

The accompanying notes form part of these financial statements.

JUMBUCK ENTERTAINMENT LTD
ABN 69 092 817 171

Financial Statements
Half-Year ended 31 December 2009

Condensed consolidated statement of comprehensive income for the half-year ended 31 December 2009

	31 Dec 09 $000	31 Dec 08 $000
Profit after income tax expense	**1,465**	**2,721**
Other comprehensive income		
Exchange differences arising on translation of foreign operations	(408)	1,354
Total comprehensive income	**1,057**	**4,075**
Total comprehensive income attributable to members of the parent entity	**1,057**	**4,075**

JUMBUCK ENTERTAINMENT LTD
ABN 69 092 817 171

Financial Statements
Half Year ended 31 December 2009

Condensed consolidated statement of financial position as at 31 December 2009

	Note	31 Dec 09 $000	30 June 09 $000
Current assets			
Cash and cash equivalents		5,556	7,206
Trade and other receivables	3	4,292	4,283
Current tax assets		1,030	722
Other financial assets	4	783	632
Other current assets		121	195
Total current assets		**11,782**	**13,038**
Non-current assets			
Property, plant and equipment		556	702
Intangible assets	5	19,906	19,972
Deferred tax asset		579	503
Total non-current assets		**21,041**	**21,177**
Total assets		**32,823**	**34,215**
Current liabilities			
Trade and other payables	6	2,029	3,394
Other financial liabilities		15	24
Current tax liabilities		20	19
Provisions		234	228
Other	7	40	64
Total current liabilities		**2,338**	**3,729**
Non-current liabilities			
Deferred tax liabilities		1,343	1,090
Total non-current liabilities		**1,343**	**1,090**
Total liabilities		**3,681**	**4,819**
Net assets		**29,142**	**29,396**
Equity			
Issued capital	8	9,650	9,930
Retained earnings	9	19,307	18,818
Reserves		185	648
Total equity		**29,142**	**29,396**

The accompanying notes form part of these financial statements.

JUMBUCK ENTERTAINMENT LTD
ABN 69 092 817 171

Financial Statements
Half Year ended 31 December 2009

Condensed consolidated statement of changes in equity for the half-year ended 31 December 2009

	Share capital ordinary $000	Retained earnings $000	Foreign currency translation reserve $000	Employee equity settlement reserve $000	Hedging reserve $000	Total $000
Balance at 1 July 2008	9,034	14,739	(60)	461	-	24,174
Profit attributable to members of parent entity	-	2,721	-	-	-	2,721
Exchange differences arising on translation of foreign operations	-	-	1,354	-	-	1,354
Total comprehensive income for the period	-	2,721	1,354	-	-	4,075
Payment of dividends	-	-	-	-	-	-
Issue of fully paid ordinary shares to vendors of Oztion Pty Ltd	958	-	-	-	-	958
Share buy-back	(56)	-	-	-	-	(56)
Recognition of share based payments	-	-	-	67	-	67
Balance at 31 December 2008	9,936	17,460	1,294	528	-	29,218
Balance at 1 July 2009	9,930	18,818	110	546	(8)	29,396
Profit attributable to members of parent entity	-	1,465	-	-	-	1,465
Exchange differences arising on translation of foreign operations	-	-	(408)	-	-	(408)
Total comprehensive income for the period	-	1,465	(408)	-	-	1,057
Payment of dividends	-	(976)	-	-	-	(976)
Share buy-back	(280)	-	-	-	-	(280)
Derecognition of share based payments	-	-	-	(55)	-	(55)
Balance at 31 December 2009	9,650	19,307	(298)	491	(8)	29,142

The accompanying notes form part of these financial statements.

JUMBUCK ENTERTAINMENT LTD
ABN 69 092 817 171

Financial Statements
Half Year ended 31 December 2009

Condensed consolidated statement of cash flows for the half-year ended 31 December 2009

	Note	31 Dec 09 $000	31 Dec 08 $000
Cash flows related to operating activities			
Receipts from customers		6,356	10,854
Payments to suppliers and employees		(4,404)	(6,465)
Income tax paid		(517)	(1,101)
Net operating cash flows		**1,435**	**3,288**
Cash flows related to investing activities			
Interest received		194	113
Purchases of property, plant and equipment		(29)	(231)
Payment for development costs	**5**	(1,033)	(1,083)
Payment for acquisition of business	**10**	(1,309)	-
Proceeds from gain on foreign currency option		358	-
Payment for investments		-	(2,466)
Proceeds from sale of investment		-	113
Purchase of foreign currency option		-	(77)
Net investing cashflows		**(1,819)**	**(3,631)**
Cash flows related to financing activities			
Payment for share buy-back costs	**8**	(280)	(56)
Repayment of borrowings		(10)	(8)
Dividends paid		(976)	-
Net financing cash flows		**(1,266)**	**(64)**
Net (decrease)/increase in cash held		**(1,650)**	**(407)**
Cash at beginning of period		7,206	6,710
Cash at end of financial period		**5,556**	**6,303**

The accompanying notes form part of these financial statements.

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.

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 company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that class order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

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 2009 annual financial report for the year ended 30 June 2009.

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 2009 annual financial report for the financial year ended 30 June 2009, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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 their operations and effective for the current reporting period. New and revised Standards and Interpretations effective for the current reporting period that are relevant to the Group include:

- AASB 3 Business Combinations
- AASB 8 Operating Segments
- AASB 101 Presentation of Financial Statements
- AASB 127 Consolidated and Separate Financial Statements

The adoption of these new and revised Standards and Interpretations has resulted in changes to the Group's accounting policies in the following areas that have affected the amounts reported for the current or prior periods.

<u>Business combinations</u>

AASB 3 Business Combination (2008) applies prospectively to business combinations for which the acquisition date is on or after 1 July 2009 and alters the manner in which business combinations and changes in ownership interest in subsidiaries are accounted for. While its adoption has no impact on previous acquisitions made by the Group, the application of the Standard and the effect of AASB 3 (2008) and its consequential amendments to other Australian Accounting Standards has been to:

- allow a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as 'minority' interests).

- change the recognition and subsequent accounting requirements for contingent consideration. Under the previous version of the Standard, contingent consideration was recognised at the acquisition date only where it met probability and reliably measurable criteria; under the revised Standard the consideration for the acquisition always includes the fair value of contingent consideration. Once the fair value of the contingent consideration at the acquisition date has been determined, subsequent adjustments are made against goodwilll only to the extent that they reflect fair value at the acquisition date, and they occur within the 'measurement period' (a maximum of 12 months from the acquisition date). Under the previous version of the Standard, adjustments to contingent consideration were always made against goodwill.

- where the business combination in effect settles a pre-existing relationship between the Group and the acquiree, require the recognition of a settlement gain or loss, measured at fair value of non-contractual relationships; and

- require that acquisition-related costs be accounted for separately from the business combination, generally leading to those costs being expensed when incurred. Previously such costs were accounted for as part of the cost of acquisition of the business.

JUMBUCK ENTERTAINMENT LTD
ABN 69 092 817 171

Financial Statements
Half Year ended 31 December 2009

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

Note 2 Revenues

	Half-year to 31 Dec 09 $000	Half-year to 31 Dec 08 $000
Rendering of services	6,868	9,882
Gain on foreign currency option	358	-
Gain on foreign currency option revaluation	200	-
Profit on disposal of investment	-	16
Other income	12	-
Revenues	**7,438**	**9,898**

Note 3 Trade and other receivables

	31 Dec 09 $000	30 June 09 $000
Trade debtors	2,425	2,689
Allowance for doubtful debts	(38)	(303)
	2,387	2,386
Other debtors	1,050	798
Accrued income	866	1,097
GST receivable	(11)	2
	4,292	**4,283**

Note 4 Other financial assets

Current other financial assets

Foreign currency option	593	641
Foreign currency forward contracts	190	(9)
	783	**632**

JUMBUCK ENTERTAINMENT LTD
ABN 69 092 817 171

Financial Statements
Half Year ended 31 December 2009

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

Note 5 Intangible assets

	Goodwill $000	Development costs $000	Total $000
Half year ended 31 Dec 2009			
Gross carrying value			
Balance at 1 July 2009	16,754	8,044	24,798
Additions from internal developments	-	1,033	1,033
Effect of movement in foreign currency exchange rate	(501)	-	(501)
Balance at 31 Dec 2009	16,253	9,077	25,330
Accumulated amortisation and impairment			
Balance at 1 July 2009	-	(4,826)	(4,826)
Amortisation expense	-	(598)	(598)
Balance at 31 Dec 2009	-	(5,424)	(5,424)
Net book value			
Balance at 1 July 2009	16,754	3,218	19,972
Balance at 31 Dec 2009	**16,253**	**3,653**	**19,906**
Year ended 30 June 2009			
Gross carrying value			
Balance at 1 July 2008	11,814	5,640	17,454
Additions from internal developments	-	2,371	2,371
Additions from acquisitions	4,684	-	4,684
Acquisition through business combination	-	33	33
Derecognised on disposal of investment	(97)	-	(97)
Effect of movement in foreign exchange rate	353	-	353
Balance at 30 June 2009	16,754	8,044	24,798
Accumulated amortisation and impairment			
Balance at 1 July 2008	-	(3,068)	(3,068)
Amortisation expense	-	(1,758)	(1,758)
Balance at 30 June 2009	-	(4,826)	(4,826)
Net book value			
Balance at 1 July 2008	11,814	2,572	14,386
Balance at 30 June 2009	**16,754**	**3,218**	**19,972**

Note 6 Trade and other payables

	31 Dec 09 $000	30 June 09 $000
Unsecured liabilities		
Trade payables	408	444
Other payables	1,611	2,940
Amounts payable to director related entities	10	10
	2,029	**3,394**

Note 7 Current liabilities

Other

Billing in advance	**40**	**64**

JUMBUCK ENTERTAINMENT LTD
ABN 69 092 817 171

Financial Statements
Half Year ended 31 December 2009

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

Note 8 Equity

a) Contributed equity
Fully paid ordinary shares

	$
At 1 July 2009 (49,520,075 shares)	9,930,533
75,000 shares cancelled under share buyback on 06/07/09	(28,643)
7,500 shares cancelled under share buyback on 07/07/09	(2,864)
150,784 shares cancelled under share buyback on 08/07/09	(57,584)
2,500 shares cancelled under share buyback on 14/07/09	(955)
200,000 shares cancelled under share buyback on 15/07/09	(76,380)
150,000 shares cancelled under share buyback on 16/07/09	(57,285)
150,000 shares cancelled under share buyback on 17/07/09	(57,285)
At 31 December 2009 (48,784,291 shares)	**9,649,537**

b) Share options

	No
No of options at 1 July 2009	2,071,668
NIL options granted during the period	-
291,668 options lapsed on 30/6/09	(291,668)
50,0000 options due to employees leaving	(55,000)
No of options at 31 December 2009	1,725,000

There were no options exercised during the reporting period.

Note 9 Retained profits

	31 Dec 09	30 June 09
	$000	$000
Retained profits at the beginning of the financial period	18,818	14,739
Net profit attributable to members of the Company	1,465	4,079
Dividends paid	(976)	-
Retained profits at the end of the financial period	**19,307**	**18,818**

JUMBUCK ENTERTAINMENT LTD

ABN 69 092 817 171

Financial Statements

Half Year ended 31 December 2009

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

Note 10 Acquisition of business

Name of business acquired	Principal activity	Date of acquisition	Proportion of shares acquired	Cost of acquisition $'000
Dec 09				
No acquisition	Nil	Nil	Nil	Nil
June 09				
Plutolife AS and its subsidiaries	Mobile data services provider	1/07/2008	100%	4,310

On 1 July 2008 the Company acquired 100% of share capital of Norwegian based Plutolife AS and its subsidiary companies. The initial consideration was $2,046,036 in cash.

In addition there is an earn out payable to two of the vendors who are involved in the active management of Plutolife AS. All earn out payments are to be made in cash and depend on the revenue and profitability of Plutolife from January 2009 to December 2009. Of the total, 80% of earn out payments were paid in February 2010 and the balance of 20% is due after December 2009 accounts are approved but before July 2010. The earn out payments are estimated at $598,500. Cash consideration of $1,309,000 was paid to the vendors of Plutolife AS on 6 August 2009. The acquisition cost incurred was $356,240.

The acquisition net assets were provisionally ascribed the following valuations:

30 June 09

Net assets acquired	Book value $'000	Fair value adjustments $'000	Fair value acquisition $'000
Current assets			
Trade debtors	311	(69)	242
Prepayments and other receivables	314	(84)	230
Total current assets	625	(153)	472
Non-current assets			
Other intangible assets	431	(398)	33
Fixed assets	16	-	16
Tax asset	469	-	469
Total non-current assets	916	(398)	518
Total assets	1,541	(551)	990
Current liabilities			
Trade payables	(178)	-	(178)
Accrued expenses	(329)	(187)	(516)
Borrowings	(227)	-	(227)
Total current liabilities	(734)	(187)	(921)
Total liabilities	(734)	(187)	(921)
Net assets	807	(738)	69
Goodwill on acquisition		*Note (a)*	4,241
Purchase consideration			4,310

Net cash flow on acquisition

Total purchase consideration	4,310
Less: Deferred consideration	(1,908)
Consideration paid in cash	2,402

The Group has paid a premium for the acquiree as it believes the acquisition will create synergestic benefits to its existing operations.

Note (a)

Goodwill on acquisition	4,241
Movement in Plutolife goodwill during the period	76
Add: Oztion's goodwill	367
Additions from acquisition for the year ended 30 June 09 in Note 5	4,684

JUMBUCK ENTERTAINMENT LTD
ABN 69 092 817 171

Financial Statements
Half Year ended 31 December 2009

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

Note 11 Segment reporting

The Group has adopted AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 with effect from 1 January 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In Contrast, the predecessor Standard (AASB 114 Segment Reporting) required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's 'system of internal financial reporting to key management personnel' serving only as the starting point for the identification of such segments. As a result, following the adoption of AASB 8, the identification of the Group's reportable segments has changed.

In prior years, segment information reported externally was analysed on the basis of the types of service provided by the Group's operating divisions (i.e. Global chat and dating service and Australian web and mobile web consumer services). However, information reported to the Group's Chief Executive Officer for the purpose of resource allocation and assessment of performance is more specifically focused on each type of product. The Group's reportable segments under AASB 8 are therefore as follows:

- Mobile Chat
- Fast Flirting
- SMS products
- Other

The Mobile Chat, Fast Flirting and SMS products relates to mobile chat and dating services.

'Other' is the aggregation of the Group's other products that are not separately reportable. Included in 'Other' are the Australian auction business Oztion.com.au and its related car sales site carbuddy.com.au.

The following is an anlaysis of the Group's revenue and results by reportable operating segment for the periods under review:

	Revenue Half-year ended		Segment Profit Half-year ended	
	31 Dec 09 $000	31 Dec 08 $000	31 Dec 09 $000	31 Dec 08 $000
Mobile Chat	3,405	5,433	2,171	3,519
Fast Flirting	1,118	1,737	354	1,312
SMS products	1,801	2,222	323	(170)
Other	544	490	168	176
	6,868	9,882	3,016	4,837
Central administration and directors' salaries			(1,248)	(1,319)
Finance cost			(2)	(11)
Other income			85	141
Profit before income tax expenses			1,851	3,648
Income tax expense			(386)	(927)
Profit for the period			1,465	2,721

	31 Dec 09 $000	30 June 09 $000
Segment assets		
Mobile Chat	16,088	18,006
Fast Flirting	4,748	5,433
SMS products	6,041	5,739
Other	4,337	3,812
Total segment assets	31,214	32,990
Unallocated assets	1,609	1,225
Total assets	32,823	34,215

The Group's revenue from its' individual customer which amounts to more than 10% the Group's revenue during the period is $1,238 thousand (2008: $2,046 thousand). The revenue from the customer falls under both the Mobile Chat and Fast Flirting operating segments.

The revenue reported above represents revenue generated from external customers. There were no intersegment sales during the period. Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, investment revenue, finance costs and income tax expense. This is the measure reported to chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

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

Note 12 Events subsequent to reporting date

Interim Dividend Declared

On 24 February 2010, the Directors declared an interim dividend of 0.5 cents fully franked per ordinary share for shareholders on record at 17 March 2010 and payable on 31 March 2010. This dividend has not been provided for in this report. The total estimated dividend to be paid is $243,921.

Note 13 Dividends

During the period, Jumbuck Entertainment Ltd made the following dividend payments:

	Half-year ended 31-Dec-09		Half-year ended 31-Dec-08	
	Cents per share	Total $'000	Cents per share	Total $'000
Fully paid ordinary shares				
Final dividend:				
Fully franked at a 30% tax rate	2.0	976	-	-

JUMBUCK ENTERTAINMENT LTD
ACN 69 092 817 171

Financial Statements
Half Year ended 31 December 2009

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; and

2) in the directors' opinion the attached financial statements and notes thereto are in accordance with the Corporation 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

Harvey Parker
Director

Melbourne: 24th February 2010

Deloitte.

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Independent Auditor's Review Report to the Members of Jumbuck Entertainment Limited

We have reviewed the accompanying half-year financial report of Jumbuck Entertainment Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2009, and the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of cash flows, condensed consolidated 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 16.

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 establishing 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 Interim and Other Financial Reports 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 half-year 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 2009 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 Limited, 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.*

Deloitte.

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 Limited 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 2009 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

Rachel Smith

Rachel Smith
Partner
Chartered Accountants
Melbourne, 24 February 2010