

ASX Media ReleaseMelbourne: Wednesday 29th January 2012**Appendix 4D – Half Yearly Financial Report**

For the six months to December 2011, Jumbuck Entertainment has continued its pursuit to be a world leader in mobile chat services, and the monetisation of mobile optimised communities. Jumbuck is the founder of moderated, mobile chat and dating community brands; Powerchat, Fast Flirting and Mobilove. These brands are featured on over 100+ mobile phone carriers, across 40+ countries and six continents. Pioneers in mobile community chat development, specialising in building communities based around; people's passions, interests and what drives them to interact, is the established position and DNA of the business.

The financial results for the half year ended 31 December 2011 as outlined in the *Review of Operations section* within the attached *Appendix 4D* are disappointing, but reflect two clear dynamics: the ongoing slowed decline in revenue from first generation chat and dating products in the maturing markets, balanced with the investment to strategically enhance, realign and rebuild the Jumbuck business. This has required significant investment in R&D, time, resources and management of the business.

During this period, Mr. Gibbs has given valuable service to Jumbuck through an important transition period, and left the Company with a strong asset base, debt free, and a pipeline of initiatives. The good news is that with an emerging clear focus, core assets and competency; Jumbuck is developing new products and services that will support the future of the organisation. To that end, new product launches are immanent, with two key projects showing positive signs of a solid capital return.

Jumbuck is making a significant investment in protecting the current position of the current brands, technologies and the products, as well as proving a platform for future business growth. Maintaining and building new carrier relationships, and investing in the design of better consumer experiences, are at the core focus of the new products. Upgrading the existing products to a competitive position will provide an increased ROI and capitalize on the valuable brand equity held across the portfolio.

The Company is also focussing on Premium Social Messaging, by bringing the HEROES (Social Media Management platform) to the point of its first proven commercialisation. The platform solves a growing and emerging problem for brands and media in the new landscape of social media. It marries, in a safe environment, social media content with the immediacy of instant messaging; creating new editorial content that can be monetised safely for brands and individual celebrities. Jumbuck is currently engaged in a commercial showcase of the new platform with a major partner, in a high value, and lucrative vertical. The project will be a vivid, and high profile exemplar, of Jumbucks inherent expertise in mobile, social-media, community chat and moderation which will be followed by a fast commercialization of the results.

The Board looks forward to bringing you the exciting launch plan news in the coming few months.

Yours sincerely



Harvey C Parker
Chairman

Appendix 4D Half Yearly Report

Name of entity

Jumbuck Entertainment Ltd

ABN or equivalent company reference

69 092 817 171

Reporting Period

31 December 2011

(Comparative period – 31 December 2010)

2.0 Results for announcement to the market

\$A'000

2.1 Total revenues from ordinary activities	Down	(30%)	to	2,865
2.2 Loss from continuing operations after tax attributable to members	Up	17%	to	(1,006)
2.3 Net loss for the period attributable to members	Up	17%	to	(1,006)
2.4 Dividends (distributions)	Amount per security			Franked amount per security
Current period				
Final dividend	N/A			N/A
Interim dividend	<u>N/A</u>			N/A
	<u>N/A</u>			
Previous corresponding period				
Final dividend	0.5 cents			100%
Interim dividend	<u>0.5 cents</u>			100%
	<u>1.0 cents</u>			
2.5 Record date for determining entitlements to the dividend.	N/A			

2.6 Brief explanation of any of the figures reported above necessary to enable the figures to be understood.

Review and Results of Operations

Jumbuck Entertainment Ltd - Consolidated Group

- Total Consolidated Revenue for the half year ended 31 December 2011 was \$2.865 million (2010: \$4.092 million), a decrease of 30%. The decline was driven by the following key factors:
 - Structural changes associated with carriers shifting from paying for data traffic to sharing end user revenues.
 - Structural changes to premium SMS billing services to improve compliance with both regulatory and carrier requirements.
 - Revenue for the half year ended 31 December 2011 was significantly impacted by the stronger AUD compared to the same period last year.
 - For the half year ended 31 December 2010, Jumbuck also operated an Australian on-line auction business until its divestiture in September 2010. Total revenue for this period was \$161,000.
- Total Operating Costs for the half year ended 31 December 2011 were \$4.177 million (2010: \$5.329 million), a decrease of 22%. Total Operating Costs included a once-off expense of \$150,000 associated with the impairment of the investment in Top Ten Chefs Pty Ltd. Excluding the above, Total Operating Expenses fell 24% to \$4.027 million when compared to the prior period.
- Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) for the half year ended 31 December 2011 was \$929,000 loss (2010: \$797,000 loss).
- Earnings Before Interest and Tax (EBIT) for the half year ended 31 December 2011 was \$1.448 million loss (2010: \$1.404 million loss).
- Loss after Tax for the half year ended 31 December 2011 was \$1.006 million (2010: \$858,000 loss).
- Cash and cash equivalents as at 31 December 2011 was \$4.714 million (30 June 2011: \$6.417 million).
- Operating Cashflow for the half year ended 31 December 2011 was \$793,000 negative (2010: \$583,000 positive).
- At the 29th February 2012 Board Meeting, the directors did not declare any interim dividend on ordinary shares in respect of the half year ended 31 December 2011. (31 December 2010: 0.5 cents)

Jumbuck Entertainment Ltd - 31 December 2011 Half Yearly Report

3.0 NTA Backing	Current period 31 December 2011	Previous Period 30 June 2011
Net tangible asset backing per +ordinary security	0.11 Cents	0.15 Cents

Total Net Assets at 31 December 2011 were \$15.769 million including \$917,000 of deferred tax assets; \$7.841 million of intangible assets and \$1.512 million of capitalised development costs.

4.0 Control gained or lost over entities having material effect

4.1	Name of entity (or group of entities) of which control was gained during the period.	Not applicable as there were no entities which control was gained/lost during the period which had a material effect
4.2	Consolidated profit/(loss) from ordinary activities <u>after tax</u> of the controlled entity (or group of entities) since the date in the current period on which control was obtained.	Not applicable as there were no entities which control was gained/lost during the period which had a material effect
4.3	Date from which such profit has been calculated.	Not applicable as there were no entities which control was gained/lost during the period which had a material effect
4.4	Profit/(loss) from ordinary activities after tax of the controlled entity (or group of entities) disposed during the period, for the whole of the previous corresponding period.	Not applicable as there were no entities which control was gained/lost during the period which had a material effect

5.0 Dividends

If this is the final dividend, has it been declared?

N/A

Amount per security

Dividends (distributions)	Amount per security	Franked amount per security	Amount per security of foreign sourced dividend
Current Year			
Final	N/A	N/A	N/A
Interim	N/A	N/A	N/A
	N/A		
Previous Year			
Final	0.5 cents	100%	N/A
Interim	0.5 cents	100%	N/A
	1.0 cents		

Total Dividends (distributions) per security (interim + final)	Current Year	Previous Year
Final	N/A	0.5 cents
Interim	N/A	0.5 cents
Total	N/A	1.0 cents

Additional information on current year dividends

Date the dividend (distribution) is payable

Not applicable

Details of individual and total dividends or distributions and dividend or distribution payments.

Not applicable

The last date(s) for receipt of election notices for the dividend or distribution plans.

Not Applicable

6.0 Material interests in entities which are not controlled entities

Not applicable as there are no entities which control was gained/lost during the period which had a material effect.

7.0 Compliance Statement

This report has been prepared in accordance with the Australian Accounting Standards (including Australian Accounting Interpretations).

This report has been prepared based on a 31 December 2011 Half Yearly Financial Report which has been reviewed by an independent Audit Firm in accordance with the requirements of S.302 of the Corporation Act.



Signed here: Date: 29th February 2012

Angelo Tsagarakis
Company Secretary

JUMBUCK ENTERTAINMENT LTD
(ABN 69 092 817 171)

FINANCIAL INFORMATION
FOR THE HALF-YEAR ENDED
31 DECEMBER 2011

ASX CODE: JMB

JUMBUCK ENTERTAINMENT LTD

ABN 69 092 817 171

DIRECTORS

Mr. Harvey C Parker (Chairman)
Mr. David Gibbs (Chief Executive Officer/Executive Director) (Resigned on 25th January 2012)
The Hon Jeffrey G Kennett AC
Mr. Tom SP Kiing

EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

Mr. David Gibbs (Resigned on 25th January 2012)

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Mr. Angelo Tsagarakis

REGISTERED OFFICE

Level 5, 347 Flinders Lane
Melbourne Victoria 3000
Tel : +613 9620 3839
Fax : +613 9620 3840

SHARE REGISTRY

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067
Australia

AUDITORS

Deloitte Touche Tohmatsu

INTERNET ADDRESS

<http://www.jumbuck.com>

CONTENTS

Pages

Directors' Information	1-4
Auditors' Independence Declaration	5
Independent Auditor's Review Report	6-7
Directors' Declaration	8
Statement of Financial Position	9
Statement of Comprehensive Income	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13-19

JUMBUCK ENTERTAINMENT LTD

DIRECTORS' INFORMATION

The name of the company's directors in office during the half year ended 31 December 2011, and until the date of this report are as below. Directors were in office for the entire period unless otherwise stated.

Mr. Harvey C Parker	Chairman and Independent Non-Executive Director
Mr. David Gibbs	Chief Executive Officer and Executive Director (Resigned on 25 th January 2012)
The Hon Jeffrey G Kennett AC	Independent Non-Executive Director
Mr. Tom SP Kiing	Independent Non-Executive Director

COMPANY SECRETARY

Mr. Angelo Tsagarakis

PRINCIPAL ACTIVITIES

The principal activities of Jumbuck Entertainment Ltd ('Jumbuck') during the half year ended 31 December 2011 were the provision of global chat and dating communities.

For the half year ended 31 December 2010, Jumbuck also operated an Australian on-line auction business until its divestiture in September 2010.

REVIEW AND RESULTS FROM OPERATIONS

Jumbuck's operations for the half year ended 31 December 2011 were dominated by the provision of global chat and dating communities.

The financial performance of Jumbuck Entertainment Ltd for the half year ended 31 December 2011 as outlined in the Review of Operations section within the Appendix 4D is disappointing. However, underlying this result, the consolidated entity is still well positioned to rebuild its revenue and profitability.

During the last 6 months, Jumbuck has continued to:

- Navigate its way through a series of structural changes to revenues - providing a foundation for future revenue growth;
- Reduce the overall cost base;
- Restructure the organisation to focus on acquiring customers and growing revenues beyond traditional carrier relationships; and
- Increase its commitment to enhance shareholder communication.

The business retains a strong Statement of Financial Position and stable cash reserves and maintains a conservative position on use of cash to support growth on new revenue streams.

JUMBUCK ENTERTAINMENT LTD

DIRECTORS' INFORMATION (continued)

EARNINGS PER SHARE

	31 Dec 2011 Cents	31 Dec 2010 Cents
Basic earnings per share	(2.06)	(1.76)
Diluted earnings per share	(2.06)	(1.76)

RESULTS

The consolidated net loss after tax of the Jumbuck Entertainment Ltd Group for the half year ended 31 December 2011 was \$1.006 million (2010: \$858,000 loss).

DIVIDENDS

	Cents	\$'000
Dividend declared and not yet recognized as a liability		
Interim dividend - 2012		
• On ordinary shares	-	-
Dividends paid during the half year		
Final dividend -2011		
• On ordinary shares	0.5	244

JUMBUCK ENTERTAINMENT LTD

DIRECTORS' INFORMATION (continued)

FINANCIAL RESULTS

A summary of the consolidated entity's performance for the half year ended 31 December 2011 is summarised as follows:

	H1/2012 \$000	H1/2011 \$000
Global Chat and Dating Community Revenue	2,554	3,755
Australian On-Line Auction Business Revenue	-	161
Other Revenue	175	9
Revenue from Operations	2,729	3,925
Operating Cost from Normal Operations	(3,508)	(4,722)
Operating EBITDA	(779)	(797)
Goodwill / Impairment Adjustments	(150)	-
Earnings Before Interest Tax Depreciation Amortisation	(929)	(797)
Depreciation and Amortisation	(519)	(607)
Earnings Before Interest Tax	(1,448)	(1,404)
Interest Revenue	136	167
Tax Benefit	306	379
Net loss After Tax	(1,006)	(858)
Cash Flow (used in)/from Operations	(793)	583
Closing Cash Reserves	4,714	6,612

JUMBUCK ENTERTAINMENT LTD

DIRECTORS' INFORMATION (continued)

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs during the half year ended 31 December 2011.

SUBSEQUENT EVENTS

On 25th January 2012, the Chief Executive Officer and Executive Director, Mr. David Gibbs, announced his resignation from the Company.

No other significant events have occurred after balance date and up to the date of this report that require disclosure.

There has not been any other matter or circumstance in the interval between the end of the half year and the date of this report that has materially affected or may materially affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial periods.

ROUNDING

The amounts contained in the accompanying half yearly financial information has been rounded to the nearest \$1,000 (where applicable) under the options available to the company under ASIC Class Order 98/0100. The company is an entity to which this Class Order applies.

AUDITORS INDEPENDENCE DECLARATION

The Auditors Independence Declaration as required under Section 307C of the Corporations Act is set out on page 5.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Jumbuck Entertainment Ltd support and adhere to the principles of corporate governance.

The company's corporate governance statement is available on the company's website www.jumbuck.com, and is contained in the 30 June 2011 annual report.

Signed in accordance with a resolution of the directors



Harvey C Parker
Chairman

Dated at Melbourne this 29th day of February 2012

The Board of Directors
Jumbuck Entertainment Ltd
Level 5, 347 Flinders Lane
MELBOURNE, VIC 3000

29 February 2012

Dear Board Members

Jumbuck Entertainment Ltd

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 Ltd.

As lead audit partner for the review of the financial statements of Jumbuck Entertainment Ltd for the half-year ended 31 December 2011, 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



Rachel Smith
Partner
Chartered Accountants

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 condensed statement of financial position as at 31 December 2011, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed 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 8 to 19.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a 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 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 2011 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Jumbuck Entertainment Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

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 2011 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



Rachel Smith
Partner
Chartered Accountants
Melbourne, 29 February 2012

JUMBUCK ENTERTAINMENT LTD

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Jumbuck Entertainment Ltd;

- (1) I state that in the opinion of the directors;
 - (a) the financial statements of the consolidated entity:
 - (i) give a true and fair view of the financial position as at 31 December 2011 and the performance for the half year ended on that date of the consolidated entity; and
 - (ii) comply with Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Harvey Parker
Director

Melbourne: 29th February 2012

JUMBUCK ENTERTAINMENT LTD

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

<u>Jumbuck Entertainment Ltd - Consolidated Group</u>	Note	CONSOLIDATED	
		31 Dec 11 \$000	30 Jun 11 \$000
ASSETS			
Current Assets			
Cash and cash equivalents		4,714	6,417
Trade and other receivables	4	1,644	1,765
Current tax assets		171	171
Other current assets		88	99
Total Current Assets		6,617	8,452
Non-Current Assets			
Plant and equipment		331	359
Intangible assets	5	9,353	9,656
Deferred tax asset		917	580
Total Non-Current Assets		10,601	10,595
TOTAL ASSETS		17,218	19,047
LIABILITIES			
Current Liabilities			
Trade and other payables	6	1,080	1,372
Current tax liabilities		108	64
Provisions		256	210
Other current liabilities	7	3	59
Total Current Liabilities		1,447	1,705
Non-Current Liabilities			
Deferred tax liabilities		-	30
Provisions		2	-
Total Non-Current Liabilities		2	30
TOTAL LIABILITIES		1,449	1,735
NET ASSETS		15,769	17,312
EQUITY			
Contributed equity	8	9,650	9,650
Foreign currency reserves		(1,530)	(1,232)
Options reserve		689	684
Retained earnings	9	6,960	8,210
TOTAL EQUITY		15,769	17,312

The accompanying notes form part of these financial statements.

JUMBUCK ENTERTAINMENT LTD

STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	Note	CONSOLIDATED	
		31 Dec 11 \$000	31 Dec 10 \$000
Revenues	2	2,865	4,092
Expenses			
Advertising and marketing expenses		(211)	(451)
Employee benefits expense		(1,358)	(1,496)
Contractor benefits expenses		(514)	(517)
Partner revenue share		(363)	(392)
Depreciation and amortisation expenses	3(a)	(519)	(607)
Other expenses from ordinary activities	3(b)	(1,062)	(1,810)
Impairment of goodwill	3(c)	(150)	-
Loss on disposal of business/ joint venture	3(c)	-	(56)
Loss from group operations before tax		(1,312)	(1,237)
Income tax benefit		306	379
Loss attributable to members of Jumbuck Entertainment Ltd		(1,006)	(858)
Other comprehensive losses			
Currency translation differences		(298)	(459)
Other comprehensive losses for the period, net of tax		(298)	(459)
TOTAL COMPREHENSIVE LOSSES FOR THE PERIOD		(1,304)	(1,317)
Loss attributable to members of the parent		(1,006)	(858)
Total comprehensive losses attributable to members of the parent		(1,304)	(1,317)
Earnings per share (cents per share)			
		Cents	Cents
Basic Earnings Per Share		(2.06)	(1.76)
Diluted Earnings Per Share		(2.06)	(1.76)

The accompanying notes form part of these financial statements.

JUMBUCK ENTERTAINMENT LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	CONSOLIDATED				
	CONTRIBUTED EQUITY \$000	FOREIGN CURRENCY RESERVE \$000	OPTIONS RESERVE \$000	RETAINED EARNINGS \$000	TOTAL \$000
Balance at 1 July 2010	9,650	(959)	633	15,138	24,462
Loss attributable for the period	-	-	-	(858)	(858)
Other comprehensive income/(loss)	-	(459)	-	-	(459)
Total comprehensive income/(loss) for the period	-	(459)	-	(858)	(1,317)
Transactions with owners in their capacity as owners:					
Payment of dividends	-	-	-	(488)	(488)
Recognition of share based payments	-	-	41	-	41
Balance at 31 December 2010	9,650	(1,418)	674	13,792	22,698
Balance at 1 July 2011	9,650	(1,232)	684	8,210	17,312
Loss attributable for the period	-	-	-	(1,006)	(1,006)
Other comprehensive income/(loss)	-	(298)	-	-	(298)
Total comprehensive income/(loss) for the period	-	(298)	-	(1,006)	(1,304)
Transactions with owners in their capacity as owners:					
Payment of dividends	-	-	-	(244)	(244)
Recognition of share based payments	-	-	5	-	5
Balance at 31 December 2011	9,650	(1,530)	689	6,960	15,769

The accompanying notes form part of these financial statements.

JUMBUCK ENTERTAINMENT LTD

STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	Note	CONSOLIDATED	
		31 Dec 11 \$000	31 Dec 10 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts of service revenue		2,826	4,177
Payments to suppliers and employees		(3,709)	(4,834)
Proceeds from gain on foreign currency option		-	347
Interest received		116	150
Income tax (paid)/refund		(26)	743
		(793)	583
NET CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES			
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of plant and equipment		(63)	(69)
Capitalised development expenses		(403)	(538)
Proceeds from sale of Business Assets - Oztion	10	-	1,016
Acquisition of Business Assets - Insqribe	11	(50)	(300)
Investment in Top Ten Chefs Pty Ltd		(150)	-
Investment in Associate - Mylevel		-	(45)
		(666)	64
NET CASH FLOWS (USED IN)/GENERATED BY INVESTING ACTIVITIES			
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of dividends on ordinary shares	14	(244)	(488)
		(244)	(488)
NET CASH FLOWS USED IN FINANCING ACTIVITIES			
NET (DECREASE)/INCREASE IN CASH & CASH EQUIVALENTS		(1,703)	159
Cash at beginning of period		6,417	6,453
CASH AT END OF FINANCIAL PERIOD		4,714	6,612

The accompanying notes form part of these financial statements.

JUMBUCK ENTERTAINMENT LTD**NOTES TO THE FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2011****CORPORATE INFORMATION**

The financial information in this report for Jumbuck Entertainment Ltd for the half year ended 31 December 2011 was authorised for issue in accordance with a resolution of the directors on 29th February 2012.

Jumbuck Entertainment Ltd is a company limited by shares and incorporated in Australia whose shares are publicly listed on the Australian Stock Exchange.

The nature of the operations and principal activities of the Group are described within this note and the Segment Reporting Note 12.

Note 1 BASIS OF PREPARATION

This general purpose condensed financial report for the half year ended 31 December 2011 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The accounting policies and methods of computing are the same as those adopted in the most recent annual financial report.

(a) Basis of Accounting

There have been no material adjustments to the accounting policies of the Group since June 2011. The Group has not elected to adopt any new standards or amendments early.

(b) Operating Segment

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's Chief Operating Decision Makers to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments have been identified based on the information provided to the Chief Operating Decision Makers, being the executive management team.

The Group's reportable segments under AASB 8 are therefore as follows:

- Global chat and dating communities
- Australian on-line auction business
- Other

The Global chat and dating communities include Mobile Chat, Fast Flirting and SMS products relating to mobile chat and dating services.

Included in 'Other' are location; context based; as well as professional services revenues.

(c) Statement of Compliance

The half year financial information in this report has been prepared in accordance with the recognition and measurement aspects of Australian Accounting Standards (AASBs) (including Australian Interpretation), the Corporations Act 2001 and Appendix 4D of the Australian Securities Exchange listing rules.

It is recommended that this financial information be read in conjunction with the 30 June 2011 annual report and any public announcements made by Jumbuck Entertainment Ltd and its controlled entities during the half year in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

JUMBUCK ENTERTAINMENT LTD

NOTES TO THE FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

		CONSOLIDATED	
		31 Dec 11	31 Dec 10
		\$000	\$000
Note 2	REVENUE		
	Loss before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the Group:		
	Global chat and dating community revenue	2,554	3,755
	Australian on-line auction revenue	-	161
	Other revenue	175	9
	Interest revenue	136	167
	Total consolidated revenue	2,865	4,092
Note 3	EXPENSES		
	(a) Depreciation and amortisation of non current assets		
	Depreciation of non-current assets	81	93
	Amortisation of intangible assets	438	514
		519	607
	(b) Other expenses		
	Accounting and audit	106	134
	Bad and doubtful debts	0	(17)
	Commissions	176	178
	Communication expenses	130	137
	External consultants	65	287
	Expensing of share-based payments	2	41
	Insurance	5	36
	Legal	63	52
	Premises	185	175
	Travel and accommodation	86	100
	Other expenses	286	549
		1,104	1,672
	Net (gain)/loss on foreign currencies	(42)	138
		1,062	1,810
	(c) Impairment loss on disposal of investment/business		
	Impairment of investment in Top Ten Chef Pty Ltd	150	-
	Loss on disposal of business	-	41
	Share of loss in joint venture	-	15
		150	56
Note 4	TRADE AND OTHER RECEIVABLES (CURRENT)		
	Trade debtors	914	1,044
	Allowance for impairment loss	-	(140)
		914	904
	Other debtors	92	90
	Accrued income	638	771
	Total Trade and Other Receivables (Current)	1,644	1,765

JUMBUCK ENTERTAINMENT LTD

NOTES TO THE FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

Note 5 INTANGIBLE ASSETS

	CONSOLIDATED	
	31 Dec 11 \$000	30 Jun 11 \$000
Goodwill - Mobile and related services	7,841	8,107
Capitalised Development Costs	8,321	8,844
Accumulated amortisation	(6,809)	(7,295)
	<u>1,512</u>	<u>1,549</u>
Total Intangible Assets	<u>9,353</u>	<u>9,656</u>

Note 6 TRADE AND OTHER PAYABLES

Unsecured liabilities

Trade payables	422	373
Other payables	658	999
	<u>1,080</u>	<u>1,372</u>

Note 7 OTHER CURRENT LIABILITIES

Other

Billings in advance	<u>3</u>	<u>59</u>
---------------------	----------	-----------

Note 8 CONTRIBUTED EQUITY

Ordinary shares

(a) Issued and fully paid

	<u>9,650</u>	<u>9,650</u>
--	--------------	--------------

	31 Dec 11		30 Jun 11	
	No. of Shares	\$000	No. of Shares	\$000
Beginning of the financial period	48,784,291	9,650	48,784,291	9,650
End of the financial period	<u>48,784,291</u>	<u>9,650</u>	<u>48,784,291</u>	<u>9,650</u>

(b) Share options

	31 Dec 11 Number	30 Jun 11 Number
Number of options at the beginning of reporting period	4,566,666	1,125,000
Options granted during the period	-	4,100,000
Options lapsed during the period	(246,666)	(658,334)
Number of options at the end of the reporting period	<u>4,320,000</u>	<u>4,566,666</u>

There were no options exercised during the reporting period.

JUMBUCK ENTERTAINMENT LTD

NOTES TO THE FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

Note 9 RETAINED EARNINGS

	CONSOLIDATED	
	31 Dec 11	30 Jun 11
	\$000	\$000
Retained earnings at the beginning of the financial period	8,210	15,138
Net loss attributable to members of the Company	(1,006)	(6,197)
Dividends paid	(244)	(731)
Retained earnings at the end of the financial period	6,960	8,210

Note 10 DISPOSAL OF BUSINESS

Change in composition of Jumbuck Entertainment Ltd

On the 15th September 2010, Jumbuck Entertainment Ltd disposed of the business assets associated with the Oztion business, which carried on an Australian on-line auction business.

	31 Dec 11	30 Jun 11
	\$000	\$000
Consideration received in cash and cash equivalents	-	1,016
Assets and liabilities disposed		
Plant and equipment	-	45
Development costs	-	620
Current assets	-	3
Current liabilities	-	(90)
Net assets disposed	-	578
Attributable goodwill	-	479
Net assets on disposal	-	1,057
Loss on disposal of business		
Consideration received	-	1,016
Net assets disposed of	-	(1,057)
Loss on disposal	-	(41)
Net cash inflows on disposal of business		
Consideration received in cash and cash equivalents	-	1,016

JUMBUCK ENTERTAINMENT LTD

NOTES TO THE FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

Note 11 ACQUISITION OF BUSINESS

Name of business acquired	Principal activity	Date of acquisition	Proportion of shares acquired	Cost of acquisition \$'000
December 2011				
N/A	Nil	Nil	Nil	Nil
December 2010				
Inscribe (i)	Mobile services provider	30/12/2010	100%	397

(i) On 30th December 2010, the Company acquired assets comprising the Inscribe services business in Australia for \$397,000 cash. As part of the acquisition the vendor's have joined Jumbuck as employee's with entitlements to a profit share from the Inscribe business for a period of two years from the date of acquisition and options over 800,000 ordinary shares in Jumbuck Entertainment Ltd. The options are on similar conditions to those issued to the Jumbuck executive team with exercise prices scaling from 40 cents to 55 cents vesting between one (1) and three (3) years after grant date.

The acquisition net assets were provisionally ascribed the following valuations:

31 December 2011

Net assets acquired	Book value \$'000	Fair value adjustments \$'000	Fair value acquisition \$'000
Non-current assets			
Fixed assets	2	-	2
Total non-current assets	<u>2</u>	<u>-</u>	<u>2</u>
Net assets	<u>2</u>	<u>-</u>	<u>2</u>
Goodwill on acquisition			395
Purchase consideration			<u>397</u>
Net cash flow on acquisition			
Total purchase consideration			397
Less: Deferred consideration			(47)
Consideration paid in cash			<u>350</u>

Jumbuck Entertainment Ltd has paid a premium for Inscribe as it believes the acquisition will create synergistic benefits to its existing operations.

JUMBUCK ENTERTAINMENT LTD

NOTES TO THE FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

Note 12 SEGMENT REPORTING

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the Chief Operating Decision Makers in order to allocate resources to the segment and to assess its performance.

Information reported to the Chief Operating Decision Makers for the purposes of resource allocation and assessment of performance is more specifically focused on each group of products. The reportable segments under AASB 8 are therefore as follows:

- Global chat and dating communities
- Australian on-line auction business
- Other

The Global chat and dating communities include Mobile Chat, Fast Flirting and SMS products relating to mobile chat and dating services.

Included in 'Other' are location; context based; as well as professional services revenues.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the consolidated accounting policies.

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

	Revenue		Segment Profit	
	31 Dec 11 \$000	31 Dec 10 \$000	31 Dec 11 \$000	31 Dec 10 \$000
Global chat and dating community revenue	2,554	3,755	2,190	96
Australian on-line auction revenue	-	161	175	(60)
Other revenue	175	9	-	-
	<u>2,729</u>	<u>3,925</u>	<u>2,365</u>	<u>36</u>
Central administration and directors' salaries			(3,664)	(1,382)
Impairment of goodwill			(150)	-
Loss on disposal of business/joint venture			-	(56)
Finance cost			1	(2)
Other income			136	167
Loss before income tax expenses			<u>(1,312)</u>	<u>(1,237)</u>
Income tax benefit			306	379
Loss for the period			<u>(1,006)</u>	<u>(858)</u>
			31 Dec 11 \$000	30 Jun 11 \$000
Segment assets				
Global chat and dating communities			15,707	17,831
Australian on-line auction business			-	10
Other			423	455
Total segment assets			<u>16,130</u>	<u>18,296</u>
Unallocated assets			1,088	751
Total assets			<u>17,218</u>	<u>19,047</u>

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 the Chief Operating Decision Makers for the purposes of resource allocation and assessment of segment performance.

JUMBUCK ENTERTAINMENT LTD

NOTES TO THE FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2011**Note 13 EVENTS AFTER THE BALANCE SHEET DATE**

On 25th January 2012, the Chief Executive Officer and Executive Director, Mr David Gibbs, announced his resignation from the Company.

No other significant events have occurred after the balance date and up to the date of this report that require disclosure.

There has not been any other matter or circumstance in the interval between the end of the half year and the date of this report that has materially affected or may materially affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial periods.

Note 14 DIVIDENDS PAID AND PROPOSED

	CONSOLIDATED	
	31 Dec 11	31 Dec 10
	\$000	\$000
Equity dividends on ordinary shares:		
(a) Dividends declared and paid during the half year on ordinary shares		
Final frank dividends for the financial year ended 30 June 2011	244	488
0.5 cents (2010: 1.0 cents per share)	<hr/>	<hr/>
(b) Dividends proposed and not recognised as a liability		
Interim franked dividends for the half year ended 31 December 2011	-	244
NIL cents (2010: 0.5 cents)	<hr/>	<hr/>