TSI EXPANDING INDIA's BANK ATM NETWORKS

Highlights

- ***Formal negotiations in progress for 100+ ATM's with a major Indian Bank;***
- ***Current ATM placements facilitating transaction growth;***
- ***Opportunity for further 100+ bank branded ATMs with existing client.***

The Directors of Transaction Solutions International Ltd ("TSI") are pleased to announce that TSI India has entered into formal negotiations with one of India's top 10 major banks. The bank is present in over 700 cities, has in excess of 1500 bank branches and over 10 million debit cards on issue.

Negotiations have focused on finalizing a pilot agreement for a minimum of 100 ATM sites on behalf of the bank. It is expected some of the sites, as they mature, will require more than 1 ATM due to the transaction volumes anticipated. Upon completion of the first phase, it is expected TSI will be offered the opportunity to deploy a significant number of additional ATMs on behalf of the Bank.

"Our reputation with this bank is of a high standard. Whilst the agreement is not signed at this point, I expect to complete these negotiations in the near term" said TSI's Managing Director, Mr. Gary Foster.

"We are dealing with one of India's largest banks, where ATM transaction volumes exceed the average. The bank's appetite for ATM outsourcing is significant and expected to grow. "Based on our detailed discussions, post the pilot program we anticipate being involved with the bank's continuous ATM expansion plans in the years ahead."

TSI CONTINUES ATM DEPLOYMENTS FOR PUNJAB NATIONAL BANK

Due to the previously successful rollout of Bank ATMs in India, TSI is currently deploying a further 100 ATMs for Punjab National Bank ("PNB") as well as a further 25 ATMs for Tamilnad Mercantile Bank. This reflects TSI's continuing growth opportunity.

Further, PNB has advised it shall release a tender for a minimum of 100 Bank ATMs, and TSI has been approached by the Bank to apply. "We have the right to tender for any number of ATMs as long as it is greater than 100. If we choose to submit 500 ATMs for this client, we have that option" advised Managing Director Gary Foster. "One of our biggest tasks is to manage our growth and ensure we deliver to the banks. So far we have been very successful in doing this."

CHANGE OF ACCOUNTING PERIOD

The Directors of TSI have resolved to change the Company's financial year end to 31 March. The change to TSI's financial year will align it with the financial year of its operational subsidiary in India allowing for a more efficient and effective consolidation of financial results and audit of the group accounts. The current financial period is from 1 July 2010 to 31 March 2011.

About TSI

Founded in 2005, TSI's business is a rapidly growing bank ATM deployment and e-transaction financial services business based in India. Operational in India since 2006 the company now has in excess of 350 ATMs fully operational and generating revenue. It has further contracts for another 150 ATMs to be installed.

The company's business model is to build recurring revenue through the deployment of ATMs as well as service the financial payments sector through automation of bill payment processes, in a market that is migrating from paper based to electronic transactions.

TSI owns, manages and operates its financial hardware and systems, in return for a fee per transaction. This recurring revenue model assists TSI in producing a business model that is highly scalable.

TSI has agreements with a large number of national companies including major banks, utilities and corporates. It is these corporations (not consumers) who form TSI's customer base, and from who TSI receives its revenues.

Supported by the strong infrastructure and business platform built over the last 5 years, and a leading market reputation the business is now scalable by the installation of new ATM's and building on the recently introduced bill payments capability. Barriers to entry in the sector are high with regulatory and banking approvals required. TSI has successfully overcome those barriers, as reflected in its growth profile and the increasing demand for its ATM outsourced business.

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