TSI

TRANSACTION SOLUTIONS INTERNATIONAL

SHAPING SECURE PAYMENTS

India’s leading independent ATM network provider

January 2011

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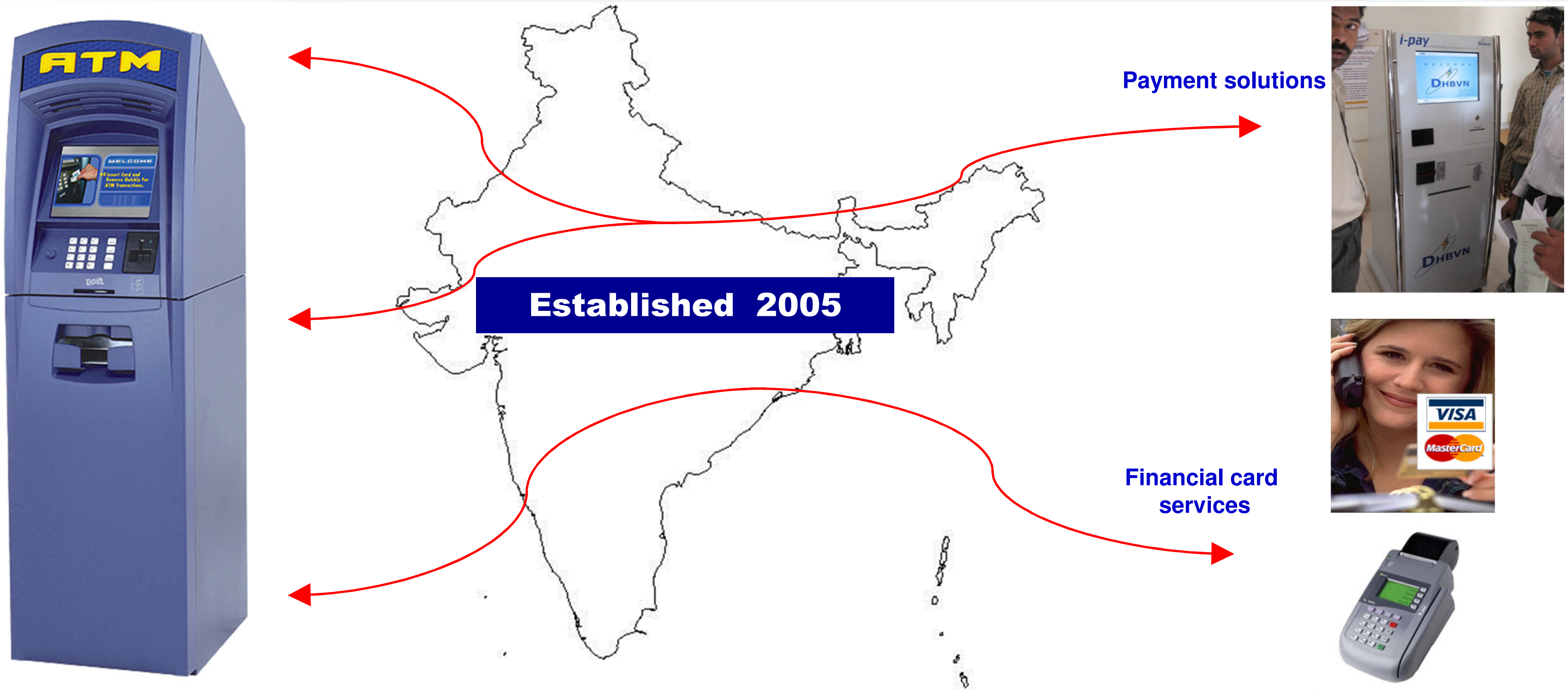
Contents

1. Introduction - Corporate objective

To build the leading independent ATM and e-processing business in India



Utilising a globally accepted model to create scale based on recurring revenue

1. Introduction - TSI business

TSI deploys ATMs on behalf of the major banks in India:

- ATM sites at bank branches and other mutually selected sites
- ATMs are bank branded
- ATMs owned by TSI
- ATMs managed by TSI

TSI collects recurring revenues from each ATM deployed:

- Based on fee per transaction model
- paid monthly by each bank to TSI

TSI current focus is to capture a sizeable share of Indian ATM demand:

- 80% ATM (increasing)
- 20% Electronic payments

2. TSI team

- **Paul Boyatzis – Chairman**

  Mr. Paul Boyatzis is a co-founder of TSI. Having been at the helm of the Company since its inception, his main focus is the strategic and corporate direction of TSI. Mr. Boyatzis has over 25 years experience in the investment and equity markets with a bias on the strategic development of emerging growth opportunities. He is currently a member of the Australian Institute of Company Directors and the Securities and Derivatives Industry Association. Paul has served as Chairman and Director of a number of public and private companies globally.

- **Gary Foster – Group Managing Director**

  Gary is one of two co-founders of TSI. Gary's working background extends over 20 years with a focus on International business. He was Director and a major shareholder of one of the largest privately owned ATM deployers in Australia. Gary oversees all subsidiaries of TSI and its business units. These include companies in the United Kingdom, Australia and India. He is a member of the Australian Institute of Company Directors.

- **Yew Seng Kwa, Group Finance Director**

  Mr Yew Seng Kwa was the senior finance executive for two public listed companies in Australia for over 20 years and recently, for a public company listed on the Hong Kong Stock Exchange. He has extensive experience in all aspects in financial management, strategic planning, project development and business operations of multinational companies. He holds a B.Comm and a Master of Administration degree. He is a member of the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors.

- **Mohnish Kumar, Chief Executive Officer – TSI India**

  Mohnish joined TSI in 2005 bringing 20 year's experience as a corporate banker and Director of Citibank. Mohnish worked on a range of projects that included leading a team at Citibank to issue the first pre-paid cards in India. Mohnish has gained extensive experience across a raft of financial services at the corporate level. Mohnish also holds degrees in Physics and holds a Master of Business Administration (MBA).

Committed, experienced and diversified management team - no attrition (senior management) in 5 years

3. Overview of operations

OPERATIONS – end to end solutions

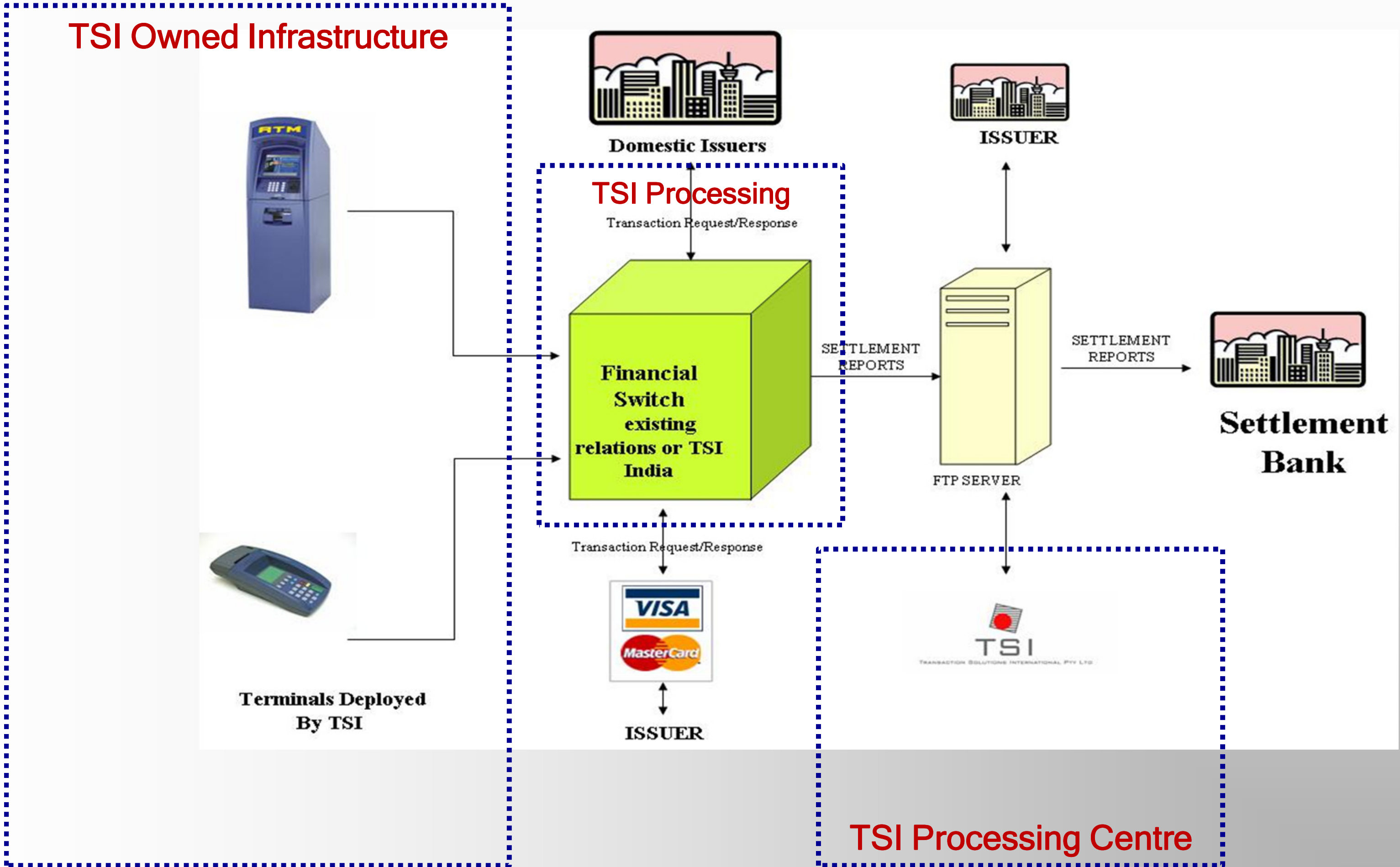
TSI own the hardware (recurring revenue)

- Site selection (demographics)
- Organise site infrastructure
- Replenish cash to the ATM (bank funded)
- Provide security as required (JV partner)
- Manage ongoing network operations

Advantages to the Banks – ATM outsourcing

- Reduced internal operational head count
- Improved cash management
- Improved site selection (greater usage)
- Improved service to customers
- Improved business focus (non-core activity)
- Improved product and service
- More innovative approach to ATMs

3. TSI Operational Overview



TSI - Supplying ATM infrastructure and transaction processing
Using a common global platform connecting into the global financial network

4. Why India - Opportunities for significant ATM growth

COUNTRY	POPULATION[1]	Est. No. of ATM's	Est. AVE. TRANSACTION per ATM per MONTH	No. of people per ATM	Banking Institutions
U.S.A.	303 mill	403,000[2]	2,131[3]	767[2]	8533[3]
U.K.	61 mill	60,428[4]	3,792[4]	1069	375
Australia	21 mill	27,306[5]	2,673[5]	769	59
India	**1,150 mill**	**43,651[6]**	**8,000[7]**	**26,345**	**175**
China	1,330 mill	138,000	8,500	9,638	260

"Cost per transaction at a bank is 50 rupees whilst (to a bank) *at an ATM the cost is 18 rupees."* [8]

"Entire ATM network now available to customers from any bank for transactions for no fee at all." [8]

"95% of people now prefer this modern channel to traditional mode of banking." [8]

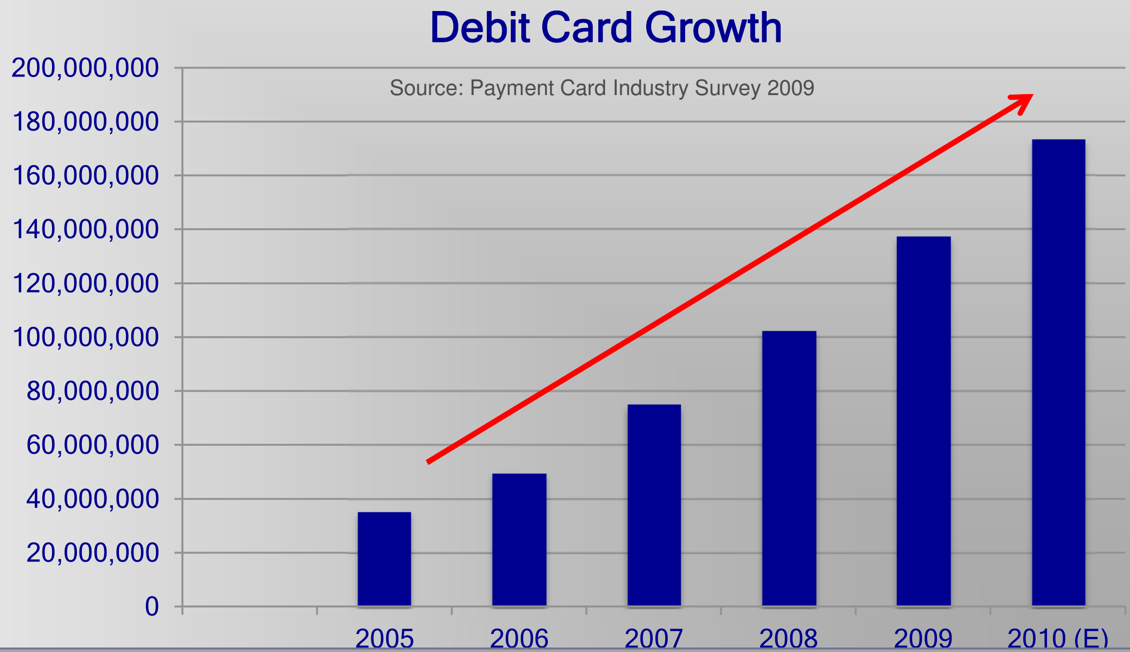
"ATMs per million people is the lowest in the world at 33 ATMs per million." [8]

1. CIA World Fact Book
2. Wired Magazine Publication 17:09
3. American Bankers Association – Greensheet
4. APACS Consumer Payments Survey November 2007
5. Australian Payments and clearing association 2008
6. Payments Card Industry Survey 2009
7. Banknet India Conference 2006
8. Banknet India Publications 2007-2009

Unsustainable imbalance in ATM infrastructure versus population

4. Why India - why we are prospering

- **Large emerging consumer group:**
  - 70% of Indian population under 30 years of age
  - 180 million debit card holders looking for access to cash
- **Integrating the western ATM global model**
  - Future ATM network growth expected to come from independent companies (I.B.A. conference)
- **Early mover advantage**
  - Strong relationships established with established national banks



Immediate requirement for increase in ATM and payment infrastructure just to keep pace with card growth

4. Why India – why we are prospering

Indians get ATM savvy

Average withdrawal rises 75 per cent over last year

ABHIJIT LELE
Mumbai, 20 November

Rising incomes and the growing acceptance of automatic teller machines (ATMs) has begun to show in the size of cash withdrawals. In the recent festival season, the average ATM cash withdrawal was ₹10,500, thrice of ₹3,500 in 2008 and up 75 per cent from ₹6,000 in 2009, according to Euronet Worldwide, a provider of electronic financial transaction solutions.

There has been a sharp rise in the number of ATMs in the country in the last few years. Banks cut down their transaction costs with ATMs.

Indians spend the most during the festival season which starts with Onam in Kerala, moves to the East in Dusshera and ends with Diwali in the North. Farmers harvest their crops and sell the produce during these days, while the salaried class gets bonus.

THE SHARP RISE IN CASH WITHDRAWAL from ATMs shows that consumer confidence is back, fears of joblessness have subsided and people are confident of earning more in the days to come

The sharp rise in cash withdrawal from ATM shows that consumer confidence is back, fears of joblessness have subsided and people are confident of earning more in the days to come. Some observers said this was a clear result of the country growing at 8.5 per cent this year. The extra money spent during the festival season is not on staples but on discretionary items like automobiles, consumer electronics, clothes etc.

It also reflects the obsession for cash with Indians, which is apparent from the rise in the use of ATMs, said Euronet India Managing Director Sunil Nair. The analysis of Euronet is based on data of 14 banks which are part of Cashnet, India's largest multilateral private network for inter-bank ATM transactions. The number of ATMs under this system has risen to 15,000 from 9,099 in October 2008. Both the number of transactions and average values per machine are rising.

"There is tremendous surge in consumption and rise in purchasing power and propensity to spend," said Bank of Baroda Chief Economist & General Manager Rupa Rege-Nitsure. "This also shows India's transition from a developing economy to a middle-income nation. The rise has happened in certain income brackets, especially among the middle and higher-middle classes."

Turn to Page 14

THE ECONOMIC TIMES 20·NOV·2010

- India's economy growing at 8.5% p.a.
- Rising Incomes
- Sharp rise in cash withdrawals from ATM's, reflects consumer confidence
- Extra cash spent on discretionary items – Motor Vehicles, electronics, clothes etc
- Surge in consumption, rise in purchasing power and propensity to spend
- Demonstrates India's transition from a developing country to a middle-income nation

5. TSI achievements - platform established for great growth

FUTURE

Large pipeline of opportunities from new and existing customers

Mar 2010

Bank/corporate clients secured
c.8 million tx's p/quarter
India cash and PAT positive

Dec 2006

Major contracts signed - commenced network deployment

Mar 2006

Successful Capital raising in U.K.

Mar 2005

Entered India

5. TSI achievements - strong fundamentals

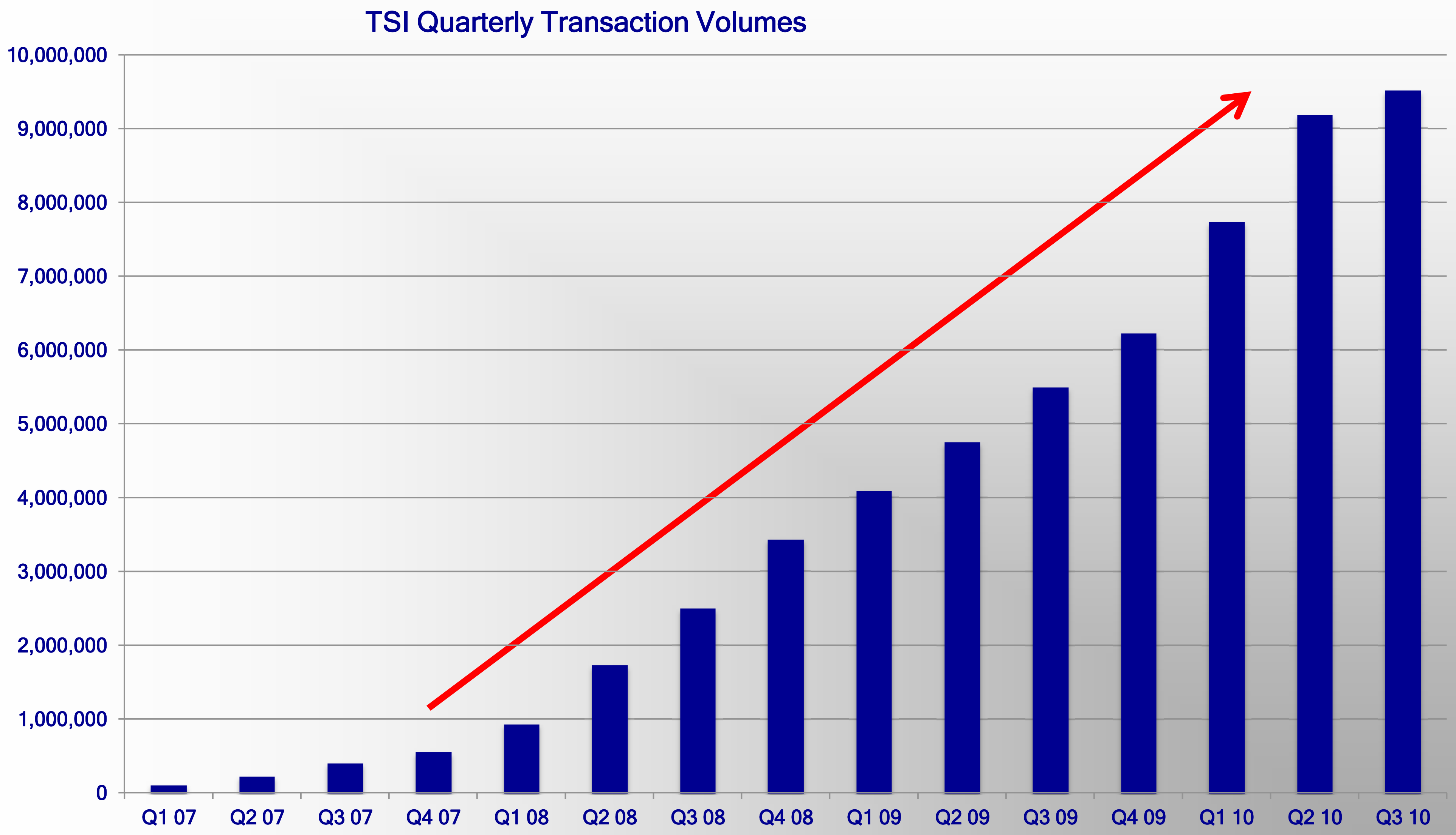
<u>Successful completion of building phase:</u>

1. Received endorsement from <u>Reserve Bank of India</u>
2. Established strong <u>Indian JV partner</u>
3. Built an experienced <u>senior management team</u> in India
4. <u>Secured agreements</u> with major banks and corporations
5. <u>Recurring revenues</u> generated by transaction based revenue model
6. 9+ million transactions per quarter and growing
7. TSI India: positive <u>cash flows and PAT positive</u>
8. More <u>contracts being offered</u>
9. No Debt

5. TSI achievements - our customers and key relationships

Strong client base of banks, power and energy, Telco's, Gas, Insurance, Water

6. Recurring revenue model - actual transaction growth



Over 13 quarters of consecutive transaction growth

7. Corporate Information

Corporate Information

Market Capitalisation		A$ 49 million
Cash (Dec 2010)	approx.	A$6 million
Debt		NIL
ASX Code		TSN

TSI

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TSI Major shareholding

Paul Boyatzis/Gary Foster	28.35%
Original JV Partners	
Anil Puri	10.7%
Anuj Puri	10.7%
London/European Institutions	28.1%

- Brit Insurance
- Hendersons
- Artemis investments
- GLG
- SAC Global
- Cheyne Capital
- Advides
- Utilico Emerging Markets Fund

Highly respected investment funds - strong supporters of TSI

8. Summary

1. **Scalable Business**
   - Established and growing in a dynamic market

2. **Management Team**
   - Entrenched, experienced and building business

3. **Major banks on board**
   - Product acceptance
   - Further machines requested

4. **Recurring revenue**
   - Fee per transaction
   - Building strong cash flows

5. **Significant growth potential**
   - Strong and consistent revenue growth (Q1-2010 up 30%)

THANK YOU

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