

REGISTRATION NO. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM S-1
REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

EURONET SERVICES INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE

6099

74-2806888

(State or Other Jurisdiction of Primary Standard Industrial (I.R.S. Employer
Incorporation or Organization) Classification Code Number) Identification No.)

HORVAT U. 14-24
1027 BUDAPEST
HUNGARY
011-361-224-1000

(ADDRESS AND TELEPHONE NUMBER OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

CT CORPORATION SYSTEM
1633 BROADWAY
NEW YORK, NEW YORK 10019
(212) 664-7666

(NAME, ADDRESS AND TELEPHONE NUMBER OF AGENT FOR SERVICE)

COPIES TO:

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WASHINGTON, D.C. 20036

JAMES M. BARTOS, ESQ.
SHEARMAN & STERLING
199 BISHOPSGATE
LONDON EC2M 3TY ENGLAND

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, please check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)	AMOUNT OF REGISTRATION FEE
% Senior Discount Notes Due 2006	\$100,000,000	\$1,000	\$100,000,000	\$29,500

(1) Estimated solely for the purpose of calculating the registration fee.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT

SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS
REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH
SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT
SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID
SECTION 8(A), MAY DETERMINE.

+++++
+INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A +
+REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE +
+SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY +
+OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT +
+BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR +
+THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE +
+SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE +
+UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF +
+ANY SUCH STATE. +
+++++

SUBJECT TO COMPLETION PRELIMINARY PROSPECTUS DATED ,1998

PROSPECTUS

DM 182,485,000 GROSS PROCEEDS

[LOGO OF EURONET APPEARS HERE]

EURONET SERVICES INC.

. % SENIOR DISCOUNT NOTES DUE 2006

The % Senior Discount Notes due 2006 (the "Notes") are being offered (the "Offering") hereby by Euronet Services Inc. (the "Issuer"). The Notes will be issued to generate gross proceeds to the Issuer of approximately DM 182,485,000 and will be issued at a price of DM per DM1,000 principal amount at maturity, representing a yield to maturity of % (computed on a semiannual bond equivalent basis) calculated from , 1998.

The Notes will bear cash interest at a rate of % per annum. Cash interest on the Notes will not accrue prior to , 2002. Commencing , 2002, cash interest will be payable on the Notes semiannually on and of each year. The Notes will mature on , 2006.

The Notes will be redeemable, at the option of the Issuer, in whole or in part, at any time after , 2002 at the redemption prices set forth herein, together with accrued and unpaid interest, if any, to the date of the redemption. In addition, at any time or from time to time prior to , 2001, the Issuer may redeem up to 33 1/3% of the aggregate principal amount at maturity of the originally issued Notes at a redemption price of % of the Accreted Value thereof with the net proceeds of one or more Equity Offerings (each as defined herein); provided that, immediately after giving effect to such redemption, at least 66 2/3% of the aggregate principal amount at maturity of the originally issued Notes remains outstanding. Upon the occurrence of a Change of Control (as defined herein), each holder of Notes may require the Issuer to purchase all or a portion of such holder's Notes at a purchase price in cash in an amount equal to 101% of the Accreted Value thereof, together with accrued and unpaid interest, if any, to the date of purchase.

The Notes will be senior unsecured obligations of the Issuer and will rank pari passu in right of payment with all other existing and future senior unsecured obligations of the Issuer and senior in right of payment to all future obligations of the Issuer expressly subordinated in right of payment to the Notes. As of December 31, 1997, after giving pro forma effect to the Offering and the application of the net proceeds therefrom, the Issuer would have had approximately \$103.1 million of indebtedness of which approximately \$3.1 million would have been secured indebtedness. In addition, the Issuer is a holding company and, accordingly, the Notes will be effectively subordinated to all existing and future liabilities of the Issuer's subsidiaries. As of December 31, 1997, after giving pro forma effect to the Offering and the application of the net proceeds therefrom, the Issuer's subsidiaries would have had aggregate liabilities of approximately \$10.0 million.

The Notes sold outside the United States will be represented by a single, permanent global certificate in bearer form, deposited with Deutsche Borse Clearing AG, Frankfurt am Main ("DBC"), which will represent the Notes held by accountholders in DBC, including such Notes held through the operator of Euroclear System ("Euroclear") and Cedel Bank, societe anonyme ("Cedel"), each of which has an account with DBC. All Notes sold to U.S. investors (and others requesting registered Notes), will be represented by global registered Notes deposited with a custodian for, and registered in the name of, The Depository Trust Company ("DTC") or its nominee. See "Description of the Notes--Book Entry; Delivery and Form."

Application has been made to list the Notes on the Luxembourg Stock Exchange. The Issuer's Common Stock trades on the Nasdaq National Market under the symbol "EFT", and as of March , 1998 the Issuer had an equity market capitalization of \$ million.

SEE "RISK FACTORS" BEGINNING ON PAGE 13 HEREOF FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE NOTES.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS, ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

PRINCIPAL
 AMOUNT OF
 NOTES AT PRICE TO UNDERWRITING PROCEEDS TO
 MATURITY PUBLIC (1) DISCOUNT (2) ISSUER (1)(3)

Per Note.....	%	%	%	%
Total.....	DM	DM	DM	DM

- (1) Plus accrued original issue discount, if any, on the Notes from , 1998.
- (2) The Issuer has agreed to indemnify the Underwriters (as defined herein) against certain liabilities, including liabilities under the Securities Act. See "Underwriting".
- (3) Before deducting expenses payable by the Issuer estimated at approximately \$. The Underwriters have agreed to reimburse the Company for a portion of the expenses incurred in connection with the Offering. See "Underwriting."

The Notes are being offered by the Underwriters, subject to prior sale, when, as and if issued to and accepted by the Underwriters, and subject to approval of certain legal matters by counsel for the Underwriters, and certain other conditions. The Underwriters reserve the right to withdraw, cancel or modify such offer and to reject offers in whole or in part. It is expected that delivery of the Notes offered hereby will be made in New York on or about , 1998.

MERRILL LYNCH CAPITAL MARKETS BANK LIMITED _____ MERRILL LYNCH & CO.
 FRANKFURT/MAIN BRANCH

The date of this Prospectus is , 1998.

AVAILABLE INFORMATION

The Company has filed with the U.S. Securities and Exchange Commission (the "Commission") a registration statement (herein, together with all amendments, exhibits and schedules thereto, referred to as the "Registration Statement") under the Securities Act, with respect to the securities offered hereby. This Prospectus, which is part of the Registration Statement, does not contain all the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. For further information with respect to the Company and the Notes, reference is hereby made to the Registration Statement.

The Company is subject to the reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith, files reports and other information with the Commission. The Registration Statement, including the exhibits thereto, and reports and other information filed by the Company with the Commission can be inspected without charge and copied, upon payment of prescribed rates, at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the regional offices of the Commission located at 7 World Trade Center, 13th Floor, New York, New York 10048 and the Northwest Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies of such material and any part thereof will also be available by mail from the Public Reference Section of the Commission, at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates, and via the Commission's address on the World Wide Web at <http://www.sec.gov>.

CERTAIN PERSONS PARTICIPATING IN THE OFFERING OF THE NOTES MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN, OR OTHERWISE AFFECT THE PRICE OF THE NOTES, INCLUDING PURCHASES OF SHARES OF NOTES TO STABILIZE THEIR MARKET PRICE, PURCHASES OF NOTES TO COVER SOME OR ALL OF A SHORT POSITION IN THE NOTES MAINTAINED BY THE UNDERWRITERS AND THE IMPOSITION OF PENALTY BIDS. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE "UNDERWRITING."

FORWARD-LOOKING STATEMENTS

This Prospectus contains statements that constitute forward-looking statements within the meaning of section 27A of the Securities Act and section 21E of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts included in this Prospectus, including, without limitation, statements regarding (i) the use of proceeds of the Offering, (ii) the Company's business plans and financing plans and requirements, (iii) trends affecting the Company's business financial condition or results of operations, (iv) the impact and extent of competition, (v) expansion of the Company's ATM network and expansion of the Company's operations, (vi) the adequacy of capital to meet the Company's capital requirements and expansion plans, (vii) the assumptions underlying the Company's business plans, (viii) business strategy, (ix) government regulatory actions, (x) technological advances and (xi) projected costs and revenues, are forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by the words believe, expect, anticipate, intend, estimate and similar expressions.

Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties and that actual results may differ materially from those in the forward-looking statements as a result of various factors. The information contained in this Prospectus, including, without limitation, the information under "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Business" identifies important factors that could cause such differences, and any such forward-looking statements are expressly qualified in their entirety by such factors.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information and the consolidated financial statements and notes thereto appearing elsewhere in this Prospectus. References in this Prospectus to the "Issuer" are to Euronet Services Inc. Unless the context otherwise requires, references in this Prospectus to the "Company" or "Euronet" are to the Issuer and its consolidated subsidiaries. Data regarding ATM density per million of population, card issuance as a percentage of population and off-site ATM locations as a percentage of total ATM locations included in this Prospectus have been derived from reports issued by Retail Banking Research, Ltd.

THE COMPANY

OVERVIEW

The Company operates the only independent, non-bank owned automatic teller machine ("ATM") network in Central Europe, as a service provider to banks and other financial institutions. The Company was established in 1994 and commenced operations in June 1995. Since it commenced operations, the Company has undertaken a rollout of its ATM network with 53, 166 and 693 ATMs in operation at December 31, 1995, 1996 and 1997, respectively. As of February 28, 1998 the Company operated a network of 754 state of the art ATMs, with 348 located in Hungary, 317 in Poland, 54 in Germany, 32 in Croatia and 3 in the Czech Republic. Subject to full evaluation of market opportunities, the Company expects to install an additional 800 ATMs during 1998. Through agreements and relationships established with local banks, international debt and credit card issuers and associations of such card issuers such as American Express, Diners Club International, VISA, Mastercard and EUROPAY (together "International Card Organizations"), the Company's ATMs are able to process ATM transactions for holders of credit and debit cards issued by or bearing the logos of such banks and International Card Organizations. In addition, through its sponsorship arrangements with banks which issue VISA and EUROPAY cards, the Company is able to accept cards with the PLUS and Cirrus logos. The Company receives a fee from the relevant card issuing bank or International Card Organization for any ATM transactions processed on the Company's ATMs. The Company also offers out-sourced ATM management services to local banks that own proprietary ATM networks for which the Company receives a fixed monthly fee and/or a per transaction fee. The Company's Common Stock is traded on the NASDAQ National Market under the symbol "EFT" and based on its share price as of the close of . . . , 1998, the Company's equity market capitalization was approximately \$. million.

As of December 31, 1997, Euronet's ATM machines accepted approximately 99% of the domestic credit and debit cards issued in Hungary and 63% of the domestic credit and debit cards issued in Poland. The Company is able to accept substantially all of the domestic credit and debit cards issued in Germany due to its connection, through a sponsorship agreement with the German bank, Service Bank GmbH, to a central transaction authorization switch in Germany. In Croatia, the Company currently accepts 13% of the issued credit and debit cards, and it expects to be able to accept 34% by the end of March 1998 through an agreement signed with Atlas American Express. The Company is at the early stages of establishing its network in the Czech Republic where it currently operates three ATMs which are currently able to accept VISA cards.

The Company believes that one of the most important factors in determining the success of an ATM network is the location of the ATMs. The Company's strategy is to establish sites for its ATMs that provide high visibility and cardholder utilization. As part of this strategy, the Company identifies major pedestrian traffic locations where people need quick and convenient access to cash. Key target locations for Euronet's ATMs include (i) major shopping malls, (ii) busy intersections, (iii) local smaller shopping areas offering grocery stores, supermarkets and services where people routinely shop, (iv) mass transportation hubs such as city bus and subway stops, rail and bus stations, airports and gas stations, and (v) tourist and entertainment centers such as historical sections of cities, cinemas, and recreational facilities.

Recognizing that convenience and reliability are principal factors in attracting and retaining ATM customers, the Company has invested in the establishment of advanced ATM machines and monitoring systems, as well as redundancies to protect against network interruption. Approximately 87% of the Company's machines are available to customers 24 hours per day (with the majority of the balance of the machines being limited by retail hours of operation in the particular location.) The performance and cash positions of the Company's ATMs are monitored centrally, with local operations and maintenance contractors dispatched to fill and service the machines. The Company's machines in all markets, except Germany, are linked by satellite or land based telecommunications lines to the Company's central processing center in Budapest (the "Processing Center"). In order to obtain transaction authorization, the Processing Center interfaces with either the bank or International Card Organization that issued the card ("Card Issuer").

The Company believes that the level of services it provides and the location of its ATMs make it an attractive service provider to banks and International Card Organizations. By connecting to the Company's network, local banks can offer their customers the convenience of cash withdrawal and balance inquiry services in numerous off-site locations without incurring additional branch operating costs. Alternatively, banks can outsource the management of their proprietary ATM networks to the Company, thereby reducing their operating costs and improving the allocation of their own resources. In addition, the Company believes that the services it provides permit it to capitalize on the increase in bank account usage and credit and debit card issuance in Central Europe, as demand for banking services continues to grow in the region.

THE ATM MARKET OPPORTUNITY IN EUROPE

The Company believes there are a number of trends occurring in its existing and planned markets which offer significant opportunities for its business:

Substantial and Growing Central European Economies. Hungary, Poland, the Czech Republic, and Croatia are among the fastest growing economies in Europe and represent a consumer market of approximately 64.0 million people in the aggregate. The long term sovereign credit ratings of these countries by Moody's Investor Service, Inc. and Standard & Poor's Corporation are currently (Baa3)/(BBB-), (Baa3)/(BBB-), (Baa1)/(BBB-), and (Baa3)/(BBB-), respectively. Hungary, Poland, the Czech Republic, and Croatia have recently experienced significant growth in their economies, with 1997 real gross domestic product growth estimates for each of these countries of 3.0%, 5.5%, 4.7%, and 7.0%, respectively. In recent years, each of these countries has encouraged foreign private investment. In 1995, direct foreign investment, was \$2.9 billion for Hungary, \$1.2 billion for Poland, \$2.5 billion for the Czech Republic, and \$81 million for Croatia while for 1996, direct foreign investment in these countries was \$2.8 billion, \$2.5 billion, \$1.4 billion, and \$349 million, respectively. In addition to a steady inflow of foreign investment, Hungary, Poland and the Czech Republic have reduced inflation from 28.3% and 26.8%, and 9.1% respectively, in 1995 to an estimated 18.0%, 15.9% and 8.5% respectively, in 1997. Croatia has maintained inflation in the single digits, increasing only slightly from 2.0% in 1995 to an estimated 4.0% for 1997.

Development of Central European Banking Infrastructure. Historically, the banking industry in Central Europe generally has been characterized by low levels of customer service, limited operating hours, and long waiting time to complete simple transactions. With the fall of communism, the banking sector in most Central European countries has undergone a significant transformation due to the initiation of privatisation programs and the adoption of free market principles. These changes have allowed banks the opportunity to expand the range of services and products offered. In addition, many Central European countries have allowed foreign banks to enter local markets, bringing additional technological know-how, products, expertise and capital. As foreign banks have been permitted to establish banks or invest in local banks in the region, the retail banking industry in many countries in Central Europe has become more competitive. Many banks have begun to implement strategies for

serving and attracting a larger portion of the retail market in this competitive environment. The Company believes that banks view electronic banking and the issuance of debit and credit cards as methods for increasing customer service and enhancing customer loyalty.

Low ATM Density and Card Issuance in Central Europe; Significant Growth Potential. The Company believes that two principal drivers of an ATM business in a developing economy are ATM density per million people and card issuance as a percentage of the population. The Company estimates that as of January 1997 there were 97 ATMs per million of population in Hungary, 17 ATMs per million of population in Poland, 115 ATMs per million of population in the Czech Republic and 15 ATMs per million of population in Croatia. These figures compare with 478 ATMs per million of population in Austria, 376 ATMs per million of population in the United Kingdom, 422 ATMs per million of population in France, 466 ATMs per million of population in Germany, and 522 ATMs per million of population in the United States as of January 1997. Based on information compiled by the Company, as of January 1, 1997, the number of cards issued as a percentage of population is 21% in Hungary, 3% in Poland, 14% in the Czech Republic, and 9% in Croatia as compared with 110% in Austria, 151% in the United Kingdom, 90% in France, 123% in Germany and 254% in the United States at the same date. The Company believes the lower ATM density and card issuance in these Central European countries provides potential for growth.

Development of Electronic Banking. The economies of most emerging markets, including those of Poland, Hungary, and the Czech Republic, have historically been cash based because efficient electronic funds transfer, ATM, and check cashing and clearing facilities had not been developed. Most employees in these countries have typically been paid in cash and until recently, most purchases were made, and bills were paid, in cash. While electronic banking, including electronic transfers, ATM and point of sale services have recently been introduced into the region, they are still in the early stages of development. The Company believes this represents a substantial opportunity. Hungary has recently introduced legislation to increase the use of electronic means of payment, by requiring that civil servants receive their salary via direct deposit to bank accounts. As a result, many people who ordinarily would not have a bank account have been or will be forced to open accounts to access their salary. The Company expects that a trend toward direct deposit of payroll in Central Europe will continue. Direct deposit combined with the accelerating development of the retail electronic banking industry and general economic growth in Central Europe is expected to lead to increased bank account usage, credit and debit card issuance, and demand for ATM services.

Additional Opportunities In Western European Markets. The developed markets of Western Europe are characterized by high levels of card issuance and a large number of ATMs. However, the Company believes that there are significant opportunities in Western Europe for the Company's services including (i) installing ATM's in high traffic, non-bank locations, (ii) providing ATM outsourcing and management services to banks with proprietary networks and (iii) offering innovative solutions for year 2000 compliance. The majority of ATM's in Western Europe are installed in bank branches. In France there are 24,500 ATM's, but only 7% of them are in non-bank locations. By comparison, approximately 27% of the ATM's in the United States and 17% in the United Kingdom are in non-bank locations. The Company also believes that banks in Western Europe will increasingly seek to outsource their proprietary ATM networks to focus on their core businesses and reduce operating expenses. Finally, there are a substantial number of ATM's throughout Western Europe which are not year 2000 compliant. The Company believes it can offer banks convenient turn-key year 2000 compliance solutions, including purchasing an existing ATM network and performing all the necessary upgrades.

COMPANY STRENGTHS

The Company believes it has a number of key strengths which position it to capitalize on the market opportunities it has identified:

Early Entrant in Central Europe; Established Market Position. The Company believes it has an advantage as one of the early entrants to the ATM markets of Central Europe. Euronet has been able to obtain ATM locations which are typically characterized as high traffic non-bank locations with 24-hour accessibility. The Company has been able to obtain long-term exclusive leases and agreements for many ATM sites, at low cost. Examples of the Company's highly visible locations include McDonald's, gas stations such as ARAL, OMV, British Petroleum, and Shell, food stores such as Tesco, Julius Meinl, Tengelmann, Kaiser's, Magnet/Grosso and Plus, Makro Cash & Carry, Ikea, Metro, and the Marriott Hotel in Warsaw. In some cases, the Company has an option to install ATMs at all the sites owned by certain retail chains. The Company believes the quality of its ATM sites, and the long-term nature of its leases will allow the Company to maintain its competitive position and to attract and retain customers. In addition, as the only independent ATM operator in Central Europe, the Company has established a significant number of agreements with local and international banks and International Card Organizations ("Card Issuers") which enable it to attract a wider base of customers to its network than proprietary bank-owned networks whose card acceptance policies may be limited. Furthermore, the Company believes the number of its ATM sites, particularly in Hungary and Poland, make it an attractive partner for Card Issuers wishing to extend their reach.

Geographic Diversity of Operations. The Company currently conducts its ATM network business in Hungary, Poland, Germany, Croatia, and the Czech Republic. The Company believes that the expansion of its operations in its existing and future markets will provide it with some protection against potential disruptions in any one country's economy. In addition, the breadth of the Company's country coverage allows it to direct the rollout of its network towards the most lucrative market opportunities as they arise. For example, should banks in one of the Company's countries of operation significantly increase or decrease card issuance levels in a given year, the Company can redirect its network rollout to factor in such developments without any material disruption in its overall rollout plan. As the Company continues to expand into its existing markets and new markets, such as France, the Company's revenue base is expected to diversify and become less reliant on any one country's economy. Euronet believes its geographic expansion will enable it to benefit from the stability of the developed Western European markets where the cardholder base is large and transaction volumes are high while also allowing the Company to benefit from the substantial opportunity of the emerging markets.

Extensive Range of Card Provider Contracts. Euronet is the only non-bank owned ATM network in Central Europe, which enables it to concentrate on processing transactions for all Card Issuers whether they are individual banks, consortiums of banks or International Card Organizations. As a result, the Company is not dependent upon any one card source. As of December 31, 1997, the Company had a total of 21 card acceptance agreements ("Acceptance Agreements") with banks or International Card Organizations in four countries and it is continuing to obtain contacts with local banks and International Card Organizations in existing markets as well as new markets. The Company's Acceptance Agreements generally provide that all credit and debit cards issued by the banks may be used at all ATM machines operated by Euronet. Through agreements with local sponsor banks in Hungary and Poland, Euronet is able to accept all credit and debit cards bearing the VISA, Plus, Mastercard, EUROPAY and Cirrus logos at its ATMs in Hungary and Poland. The Company is also able to accept all credit and debit cards bearing the VISA and Plus logos at its ATMs in the Czech Republic. Euronet has also entered into agreements with Diners Club International and American Express. The agreement with Diners Club International provides for the acceptance of all credit and debit cards issued by Diners Club at all of Euronet's ATMs in Hungary, Poland and Croatia. This agreement is a "regional" agreement which is intended to be extended to all of the Central European countries. In addition, the Company has signed agreements with

American Express or its local franchise to accept cards in these countries. The Company expects to begin accepting American Express cards in Croatia under this agreement at the end of March. This will enable the Company to accept approximately 34% of the cards issued in Croatia. Prior to being permitted to accept VISA/Plus, Mastercard/EUROPAY/Cirrus and American Express cards at its ATMs, the Company was required to demonstrate that it met all standards set by International Card Organizations to process transactions for such International Card Organizations.

Critical Mass; Largest Non-Bank Purchaser of ATMs in Central Europe. With over 754 ATMs in operation and a monthly average of 50 ATMs purchased or leased for the six months ended February 28, 1998, Euronet believes it is the largest purchaser of ATMs in Central Europe and one of the largest purchasers of new ATMs in Europe. As such, Euronet has negotiating leverage with ATM manufacturers and believes that it receives favorable prices as compared to lower volume purchasers. The Company has long term contracts with certain ATM manufacturers to purchase ATMs at contractually defined prices which include quantity discounts. These contracts, however, do not commit the Company to purchase a defined number of ATMs. In addition, the Company has leverage, as compared to smaller ATM networks, in negotiating favorable pricing for ATM-related software, cash delivery services and ATM maintenance services. As the Company continues to expand into other countries, it expects to enter into multi-country agreements with telecommunication providers to reduce monthly charges. The Company expects that as it expands its network its ability to reduce costs will make it more competitive.

Lower Cost Alternative to Banks. By acquiring ATMs, computer equipment, maintenance, telecommunication and other services, less expensively, and by running a focused operation, the Company believes that it can offer banks a low cost alternative to building or operating their own ATM networks. The Company can offer banks a connection to the Euronet ATM network, the management of an existing proprietary network of ATMs or the development of a new ATM network. The Company's ATM management services include 24-hour monitoring from Euronet's Processing Center of ATM operational status, coordinating the cash delivery, the monitoring and management of cash levels in the ATM, and automatic dispatch for necessary service calls.

State of the Art Integrated On-Line ATM Network; Capable of Providing Additional Services. The Company has purchased advanced hardware and software providing state-of-the-art features and reliability through sophisticated diagnostics and self-testing routines. The ATMs utilized by the Company can perform basic functions, such as dispensing cash and retrieving account information, as well as providing other services such as advertising through the use of color monitor graphics, messages on receipts, and coupon dispensing. In addition, the Company's ATMs are modular and upgradable so that they can be adapted to provide additional services in response to changing technology and consumer demand, including new products such as reloadable chip cards.

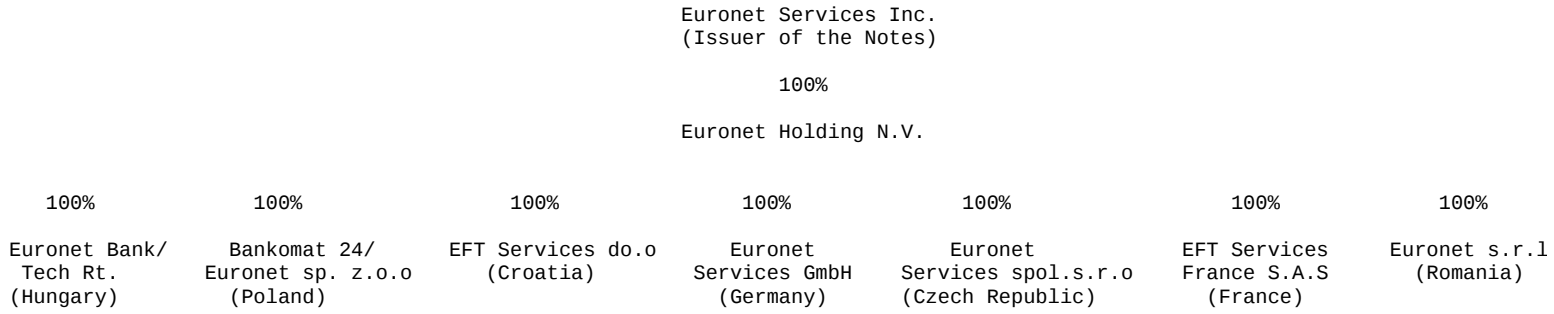
STRATEGY

The Company's objective, for the near term, is to maintain and enhance its position as a leading ATM service provider in Central and Western Europe by meeting international standards of reliability and customer service. Key elements of Euronet's business strategy are to: (i) expand its ATM base in existing and new European markets, (ii) leverage its critical mass and achieve further economies of scale, (iii) continue to form strategic relationships with banks and International Card Organizations, (iv) assist banks in issuing cards, (v) capitalize on additional revenue opportunities by providing value-added services with its ATMs, and (vi) pursue additional geographic and other market opportunities, including strategic acquisitions.

CORPORATE STRUCTURE

The corporate structure of the Company and its operating subsidiaries is set forth in the chart below. This chart gives effect to an internal reorganization of the Company which Management expects to conduct during 1998. Pursuant to this reorganization, Euronet Holding N.V., a Netherlands Antilles company, will be reorganized under the laws of the Netherlands and the Issuer will transfer all the shares of capital stock of its existing subsidiaries, other than its Hungarian and Polish subsidiaries, to Euronet Holding N.V.

As of the date of this Prospectus, the Issuer owns directly all of the capital stock of its existing subsidiaries, other than the capital stock of its Hungarian and Polish subsidiaries, which is owned directly by Euronet Holding N.V.



The Company's principal executive offices are located at 14-24 Horvat u., 1027 Budapest, Hungary and its telephone number at this address is 011-36 1-224-1000.

THE OFFERING

THE OFFERING

Notes Offered..... DM principal amount at maturity of % Senior Discount Notes due 2006.

Maturity Date..... , 2006.

Issue Price..... DM per DM1,000 principal amount at maturity of Notes.

Yield and Interest.... % per annum (computed on a semiannual bond equivalent basis) calculated from , 1998. Cash interest on the Notes will not accrue prior to , 2002. Commencing , 2002, cash interest will be payable on the Notes semiannually on and of each year.

Repayment of Certain Money to the Company..... The Trustee and the paying agents shall pay to the Company any money held by them for the payment of principal, premium, if any, or interest that remains unclaimed for two years. After payment to the Company, holders of Notes entitled to such money must look to the Company for payment as general creditors unless an applicable law designates another person.

Original Issue Discount..... Each Note is being offered with original issue discount ("OID") for U.S. federal income tax purposes. Thus, although cash interest is not expected to accrue on the Notes prior to , 2002 and there are not expected to be any periodic payments of interest on the Notes prior to , 2002, original issue discount (i.e., the difference between the stated redemption price at maturity and the issue price of such Notes) will start to accrue from the issue date of such Notes up to 2002 and will be includible daily as original issue discount income in a U.S. holder's gross income for U.S. federal income tax purposes. Because the Company has the right to defer payment of interest until , 2002, a U.S. holder of Notes may be required to recognize such OID income substantially in advance of receipt of the cash payments to which the income is attributable. See "Income Tax Consideration--Certain United States Federal Income Tax Consideration--Original Issue Discount."

Optional Redemption... Except as set forth below, the Notes will not be redeemable at the Company's option prior to , 2002. Thereafter, the Notes will be subject to redemption at the option of the Company, in whole or in part at anytime on or after , 2002, at the redemption prices set forth herein. In addition, at any time prior to , 2001, the Company may redeem up to 33 1/3% of the aggregate principal amount at maturity of the originally issued Notes at a redemption price of % of the Accreted Value thereof with the net proceeds of one or more Equity Offerings; provided that, immediately after giving effect to such redemption, at least 66 2/3% of the aggregate principal amount at maturity of the originally issued Notes remains outstanding. See "Description of the Notes--Redemption" and "--Certain Definitions."

Change of Control..... Upon the occurrence of a Change of Control, each holder of Notes may require the Company to purchase all or a portion of such holder's Notes at a purchase price in cash in an amount equal to 101% of the Accreted Value thereof, together with accrued and unpaid interest, if any, to the date of purchase. There can be no assurance that the Company will have sufficient funds to complete any such purchase. See "Description of the Notes--Certain Covenants--Purchase of Notes upon a Change of Control". For the definition of the term "Change of Control" under the Notes, see "Description of the Notes--Certain Definitions".

Ranking..... The Notes will be senior unsecured obligations of the Company and will rank pari passu in right of payment with all other existing and future senior unsecured obligations of the Company and senior in right of payment to all future obligations of the Company expressly subordinated in right of payment to the Notes. As of December 31, 1997, after giving pro forma effect to the Offering and the application of the net proceeds therefrom, the Company would have had approximately \$103.1 million of indebtedness of which \$3.1 million would have been secured indebtedness. In addition, the Company is a holding company and, accordingly, the Notes will be effectively subordinated to all existing and future liabilities of the Company's subsidiaries. As of December 31, 1997, after giving pro forma effect to the Offering and the application of the net proceeds therefrom, the Company's subsidiaries would have had aggregate liabilities of approximately \$10.0 million. See "Risk Factors--Substantial Indebtedness; Liquidity", "--Holding Company Structure; Reliance on Subsidiaries for Distributions to Repay Notes" and "Description of the Notes--Ranking".

Certain Covenants..... The indenture pursuant to which the Notes will be issued (the "Indenture") will contain certain covenants that will restrict, among other things, the ability of the Company and its restricted subsidiaries to (i) incur certain indebtedness, (ii) pay dividends and make certain other restricted payments, (iii) create liens, (iv) permit other restrictions on dividend and other payments by restricted subsidiaries of the Company, (v) issue and sell capital stock of restricted subsidiaries, (vi) guarantee certain indebtedness, (vii) sell assets, (viii) enter into transactions with affiliates, (ix) merge, consolidate or transfer substantially all of the assets of the Company, (x) enter into sale and leaseback transactions and (xi) make investments in unrestricted subsidiaries. The covenants require the Company to make an offer to purchase specified amounts of Notes in the event of certain asset sales. There can be no assurance that the Company will have sufficient funds to complete any purchase of Notes upon a sale of assets of the Company. See "Description of the Notes--Certain Covenants".

Form of Notes..... Notes sold outside of the United States will be represented by the global bearer Note (the "Global Bearer Note") deposited with DBC. Beneficial interests in the Global Bearer Note will be represented through accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DBC, including Euroclear and Cedel, each of which has an account with DBC. All Notes sold to U.S. investors (and others requesting registered Notes), will be represented by global registered notes

("Global Registered Notes") deposited with a custodian for, and registered in the name of, DTC or its nominee. Transfers of interests in the Global Registered Notes will be limited to transfers of book-entry interests. See "Description of the Notes--Book Entry; Delivery and Form."

Use of Proceeds..... The net proceeds to the Company from the sale of the Notes being offered by the Company hereby, after deducting underwriting discounts and commissions and estimated offering expenses, are estimated to be approximately \$96.7 million (based on a Dollar--Deutsche Mark exchange rate of DM . = \$1.00, the noon buying rate in New York City for cable transfers in Deutsche Marks as certified for customs purposes by the Federal Reserve Bank of New York (the "Noon Buying Rate") on . , 1998):

The Company currently intends to use the net proceeds from the Offering, together with the existing cash reserves of approximately \$. million at March 31, 1998, as follows: (i) approximately \$60 to \$70 million to expand its ATM network and the provision of ATM management services in its existing markets of Hungary, Poland, Germany, the Czech Republic, Croatia, and planned future markets such as France and Romania, including the purchase and installation of an aggregate of approximately 2,000 ATM machines in such markets through the year ending December 31, 1999; (ii) approximately \$10 to \$12 million to repay a significant portion of the Company's capitalized lease obligations which have an effective interest rate of approximately 13.5% per annum and (iii) the remainder will be used for general corporate purposes, including expansion into new markets, the pursuit of possible strategic acquisition and joint venture opportunities consistent with the Company's strategy of expanding its ATM network and to fund operating losses and working capital needs.

Governing Law..... The Indenture and the Notes will be governed by the laws of the State of New York.

Listing..... Application has been made to list the Notes on the Luxembourg Stock Exchange.

SUMMARY CONSOLIDATED FINANCIAL DATA

The summary consolidated financial data set forth below have been derived from, and are qualified by reference to, the audited consolidated financial statements of the Company and the notes thereto, prepared in conformity with generally accepted accounting principles as applied in the United States ("U.S. GAAP"), which have been audited by KPMG Polska Sp. z o.o., independent public accountants. The consolidated financial statements as of December 31, 1996 and 1997, and for each of the years in the three-year period ended December 31, 1997 (the "Consolidated Financial Statements"), and the independent auditors' report thereon, are included elsewhere in this Prospectus. The Company believes that the period-to-period comparisons of its financial results are not necessarily meaningful and should not be relied upon as an indication of future performance. The following information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this Prospectus.

	PERIOD FROM JUNE 22, 1994 (INCEPTION) TO DECEMBER 31,			
	1994	YEAR ENDED DECEMBER 31,		
		1995	1996	1997
(IN THOUSANDS)				
CONSOLIDATED STATEMENTS OF OPERATIONS DATA:				
Revenues				
Transaction fees.....	\$ --	\$ 62	\$ 1,198	\$ 4,627
Other.....	--	--	63	663
Total revenues.....	--	62	1,261	5,290
Total operating expenses.....	240	2,170	9,007	13,812
Operating loss.....	(240)	(2,108)	(7,746)	(8,522)
Loss before income tax benefit.....	(228)	(2,089)	(7,899)	(8,065)
Net loss.....	\$ (228)	\$ (1,941)	\$ (7,576)(/1/)	\$ (7,965)
OTHER FINANCIAL DATA:				
EBITDA(2).....	\$ (228)	\$(1,849)	\$ (7,037)	\$ (5,152)
Cash flows from operating activities...	(258)	(2,461)	(2,255)	(6,340)
Cash flows from investing activities...	(356)	(418)	(1,252)	(39,320)
Cash flows from financing activities...	2,650	1,254	5,637	50,635
Capital expenditures(3).....	356	394	1,061	7,612
Ratio of earnings to fixed charges(4).....	--	--	--	--
AS OF DECEMBER 31,				
	1994	1995	1996	1997
(IN THOUSANDS, EXCEPT SUMMARY NETWORK DATA)				

CONSOLIDATED BALANCE SHEET DATA:				
Cash and cash equivalents.....	\$2,036	\$ 411	\$ 2,541	\$ 7,516
Investment securities...	--	--	194	31,944
Working capital.....	2,071	526	631	33,496
Total assets.....	2,527	4,519	11,934	70,033
Obligations under capital leases, excluding current installments.....	--	1,119	3,834	11,330
Total stockholders' equity.....	2,422	2,097	5,136	49,219
SUMMARY NETWORK DATA:				
Number of operational ATMs at end of period..	--	53	166	693
ATM transactions during the period.....	--	45,000	1,138,000	5,758,000
Average annual revenues per ATM.....	\$ --	\$ 1,170	\$ 11,516	\$ 12,317

(footnotes appear on following page)

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- (1) The year ended December 31, 1996, includes a one-time non-cash share compensation expense of \$4,172,000 relating to the grant of certain employee and management options. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 9 to the Notes to the Consolidated Financial Statements included elsewhere in this Prospectus.
 - (2) EBITDA consists of net loss before depreciation and amortization, interest income, interest expense and income taxes. EBITDA is not a U.S. GAAP measure and should not be considered as an indicator of the Company's operating performance or as an alternative to U.S. GAAP measures of net income (loss) or to cash flow from operations under U.S. GAAP as a measure of liquidity. Management also believes that EBITDA is helpful to investors as a measure of the Company's ability to service the debt. Management also believes that EBITDA is helpful to investors, because EBITDA will be used to determine compliance with certain covenants continued in the Indenture. The terms excluded from EBITDA are significant components in understanding and assessing the Company's financial performance.
 - (3) Capital expenditures do not include \$1,906,000, \$4,189,000 and \$11,006,000 relating to ATMs acquired under capital lease obligations during the years ended December 31, 1995, 1996 and 1997, respectively.
 - (4) For the period from June 22, 1994 (inception) to December 31, 1994 and for the years ended December 31, 1995, 1996 and 1997, the Company incurred net losses and hence earnings to fixed charges indicate a less than one to one coverage. For the period from June 22, 1994 (inception) to December 31, 1994 and for the years ended December 31, 1995, 1996 and 1997, earnings were inadequate to cover fixed charges with a coverage deficiency of \$228,000, \$1,941,000, \$7,576,000 and \$7,965,000, respectively.

RISK FACTORS

An investment in the Notes involves a high degree of risk. Accordingly, prospective purchasers should consider carefully all of the information set forth in this Prospectus and, in particular, the risks described below, prior to making any investment decision. This Prospectus contains certain forward-looking statements within the meaning of the federal securities laws. Actual results and the timing of certain events could differ materially from those projected in the forward-looking statements due to a number of factors, including those set forth below and elsewhere in this Prospectus. See "Forward-Looking Statements."

SUBSTANTIAL INDEBTEDNESS; LIQUIDITY

The Company will have substantial indebtedness after the Offering. As of December 31, 1997, after giving pro forma effect to the Offering and the application of the net proceeds therefrom, the Company's total indebtedness would be approximately \$103.1 million, its stockholders' equity would be approximately \$49.2 million and the Company's total assets would be approximately \$158.5 million. The Indenture limits, but does not prohibit, the Company and its subsidiaries from incurring additional indebtedness. See "Description of Notes". The Company believes the net proceeds from the Offering, together with its cash flows from operations and remaining proceeds from the 1997 initial public offering (approximately \$. at March 31, 1998) offering, will be sufficient to fund the Company's operating losses, debt service requirements and capital expenditures associated with its expansion plan through the year 2000. However, there can be no assurance that the Company will achieve or sustain profitability or generate sufficient revenues in the future. If an opportunity to consummate a strategic acquisition arises or if one or more new contracts is executed requiring more rapid installation of ATM machines than anticipated or a significant increase in the number of ATM machines in any market area, the Company may require additional financing for such purpose and to fund its working capital needs. Such additional financing may be in the form of additional indebtedness which would increase the Company's overall leverage. See "--Significant Capital Requirements," "Selected Financial Data," "Management Discussion and Analysis of Financial Condition and Results of Operations" and "Description of Notes."

The level of the Company's indebtedness could have important consequences to holders of the Notes, including the following: (i) the Company may not be able to generate sufficient cash flows to service the Notes and its other outstanding indebtedness and to fund adequately its planned capital expenditures and operations; (ii) the ability of the Company to obtain any necessary financing in the future for working capital, capital expenditures, debt service requirements or other purposes may be limited or such financing may be unavailable; (iii) a substantial portion of the Company's cash flows, if any, must be dedicated to the payment of principal and interest on its indebtedness and other obligations and will not be available for use in its business; (iv) the Company's level of indebtedness could limit its flexibility in planning for, or reacting to, changes in its business and markets; and (v) the Company's high degree of indebtedness will make it more vulnerable to changes in general economic conditions and a downturn in its business, thereby making it more difficult for the Company to satisfy its obligations under the Notes.

The Company must substantially increase its net cash flows in order to meet its debt service obligations, including obligations under the Notes, and there can be no assurance that the Company will be able to meet such obligations, including its obligations under the Notes. If the Company is unable to generate sufficient cash flows or otherwise obtain funds necessary to make required payments or if it otherwise fails to comply with the various covenants under its indebtedness, it would be in default under the terms thereof, which would permit the holders of such indebtedness to accelerate the maturity of such indebtedness and could cause defaults under other indebtedness of the Company. Such defaults could result in a default on the Notes and could delay or preclude payments of interest or principal thereon. See "--Significant Capital Requirements."

LIMITED OPERATING HISTORY; HISTORICAL AND FUTURE OPERATING LOSSES AND NEGATIVE CASH FLOW

The Company has had a limited operating history. For the period from June 22, 1994 (inception) to December 31, 1994 and the years ended December 31, 1995, 1996 and 1997, the Company had net losses of

approximately \$228,000, \$1.9 million, \$7.6 million and \$8 million, respectively, resulting in an aggregate net loss of approximately \$17.7 million as of December 31, 1997. (The 1996 net loss includes a one-time non-cash stock compensation expense of approximately \$4.2 million relating to the grant of certain employee and management options.) The Company expects to continue to generate losses from operating activities, negative EBITDA and negative cash flow while it concentrates on the expansion of its ATM network business. As a result of the Company's strategy of continuing expansion and increasing its market share, the Company's net losses are expected to increase. There can be no assurance that the Company's revenues will grow or be sustained in future periods or that the Company will be able to achieve or sustain profitability or positive cash flow from operations in any future period. If the Company cannot achieve and sustain operating profitability or positive cash flow from operations, it may not be able to meet its debt service or working capital requirements, including its obligations with respect to the Notes. See "Consolidated Financial Statements" including the Notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

HOLDING COMPANY STRUCTURE; RELIANCE ON SUBSIDIARIES FOR DISTRIBUTIONS TO REPAY NOTES

The Company conducts all of its operations through its subsidiaries. The Company's ability to service its indebtedness, including payment of principal and interest on the Notes, is entirely dependent upon the receipt of funds from its subsidiaries by way of dividends, intercompany loans, interest and other permitted payments from such operating subsidiaries, as well as various other business considerations. Each of these subsidiaries was formed under the laws of, and has its operations in, a country other than the United States. In addition, each of the Company's operating subsidiaries receives its revenues in the local currency of the jurisdiction in which it is situated. As a consequence, the Company's ability to obtain dividends or other distributions is subject to, among other things, restrictions on dividends under applicable local laws and foreign currency exchange regulations of the jurisdictions in which its subsidiaries operate. See "--Inflation; Exchange Rate and Currency Risk." The subsidiaries' ability to pay dividends, repay intercompany loans or make other distributions to the Company are also subject to their having sufficient funds from their operations legally available for the payment thereof which are not needed to fund their operations, obligations or other business plans and, in some cases, obtaining the approval of the creditors of these entities. The laws under which the Company's operating subsidiaries are organized provide generally that dividends may be declared out of yearly profits subject to the maintenance of registered capital and required reserves and after the recovery of accumulated losses. If the Company's subsidiaries are unable to pay any such dividends, repay intercompany loans or make any other such distributions to the Company, the Company's growth and its ability to meet its obligations on the Notes may be inhibited.

Because the Company is a holding company that conducts its business through its subsidiaries, claims of creditors of such subsidiaries may have priority with respect to the assets of such subsidiaries over the claims of the Company and the holders of the Company's indebtedness such as the Notes. Accordingly, the Notes may effectively be subordinated to all existing and future indebtedness and other liabilities and commitments of the Company's subsidiaries, including trade payables. As of December 31, 1997, the Company's subsidiaries had approximately \$21 million of such liabilities including approximately \$14 million of indebtedness for money borrowed and capital lease obligations. Any right of the Company to receive assets of any subsidiary upon the liquidation or reorganization of such subsidiary (and the consequent rights of the holders of the Notes to participate in those assets) will effectively be subordinated to the claims of such subsidiary's creditors, except to the extent that the Company is itself recognized as a creditor, in which case the claims of the Company would still be subordinate to any security in the assets of such subsidiary and any indebtedness of such subsidiary senior to that held by the Company. The Company has no significant assets other than the stock of its subsidiaries.

PRIORITY OF SECURED DEBT

The indenture under which the Notes are to be issued permits, among other things, the Company to incur up to \$55.0 million of (or to the extent not denominated in U.S. dollars, the U.S. dollar equivalent thereof) indebtedness to finance the acquisition of ATM Network assets and for working capital for its ATM Network business or the grant of security for such indebtedness. In addition, the indenture permits, among other things, the Company to incur up to an aggregate of \$200.0 million (or to the extent not denominated

in U.S. dollars, the U.S. dollar equivalent thereof) of other indebtedness. Following the application of the proceeds of the Offering, the Company's long term debt exclusive of the Notes will be approximately \$3 million. Following the application of the proceeds of the Offering, the Company expects to continue to use lease-financing to acquire additional ATM machines. The incurrence of indebtedness under such finance leases is not restricted by the indenture. The Notes will be effectively subordinated to such indebtedness and any other existing or future secured indebtedness of the Company. In the event of a default on the Notes or bankruptcy, liquidation or reorganization of the Company, the assets of the Company subject to such security interests would have to be made available to satisfy obligations of the secured debt of the Company before any payment could be made on the Notes. Accordingly, there may only be a limited amount of assets available to satisfy any claims of holders of the Notes upon an acceleration or maturity of the Notes.

SIGNIFICANT CAPITAL REQUIREMENTS

The development and expansion of the Company's ATM network and its ATM management services operations in Hungary, Poland, Germany, the Czech Republic, Croatia, France and other markets, and the resulting operating losses will require substantial additional cash from outside sources. The Company anticipates that its substantial cash requirements will continue into the foreseeable future. Based on the Company's plans with respect to the installation of ATMs and the provision of ATM management services in Hungary, Poland, Germany, the Czech Republic, Croatia, France and other markets in the near to medium term, and the Company's requirements with respect to related infrastructure and operational costs, management believes the net proceeds from the Offering will provide sufficient funds necessary for the Company to expand its business as currently planned through the year 2000. There can be no assurance, however, that additional financing will not be required. The Indenture limits, but does not prohibit the Company and its subsidiaries from incurring additional indebtedness, including indebtedness to fund working capital and operating losses and for the acquisition of assets related to its business. See "Description of the Notes-Certain Covenants." There can be no assurance that the Company will be able to raise additional required capital on satisfactory terms or at all. If the Company is able to raise additional funds through the incurrence of debt, and it does so, it would likely become subject to additional restrictive financial covenants. Failure to obtain such financing could result in the delay or abandonment of some or all of the Company's acquisition, development and expansion plans and expenditures, which could have a material adverse effect on its business. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources."

RISKS RELATED TO RAPID EXPANSION OF BUSINESS

The continued rapid expansion and development of the Company's business will depend on various factors including the demand for ATM services in the Company's current target markets, the ability to locate appropriate ATM sites and obtain necessary approvals for the installation of ATMs, the ability to install ATMs in an efficient and timely manner, the expansion of the Company's business into new countries as currently planned, entering into additional card acceptance agreements with banks, the ability to obtain sufficient numbers of ATMs on a timely basis and the availability of financing for such expansion. In addition, such expansion may involve acquisitions which, if made, could divert the resources and management time of the Company and require integration with the Company's existing networks and services. The Company's ability to manage effectively its rapid expansion will require it to continue to implement and improve its operating, financial and accounting systems and to expand, train and manage its employee base. The inability to manage effectively its planned expansion could have a material adverse effect on the Company's business, growth, financial condition and results of operations. See "Business--Strategy."

DEPENDENCE ON RELATIONSHIPS WITH BANKS AND INTERNATIONAL CARD ORGANIZATIONS; TERMINATION OF OTP CONTRACT

The Company's future growth depends on its ability to sign card acceptance agreements with banks and International Card Organizations which allow the Company's ATMs to accept credit and debit cards issued by such banks and International Card Organizations as well as retaining and renewing such card acceptance agreements, which generally provide for a two to five year term. The Company's card acceptance agreements

with banks generally include termination and/or renewal clauses, which provide that either party may elect to terminate or not renew an agreement upon completion of its term. In some cases, banks may terminate their contracts with the Company by giving notice prior to the expiration of their terms. There can be no assurance that the Company will be able to continue to sign or maintain the card acceptance agreements on terms and conditions acceptable to the Company or that International Card Organizations will continue to permit Euronet's ATMs to accept their credit and debit cards. The inability to continue to sign or maintain such agreements or to continue to accept the credit and debit cards of local banks and International Card Organizations at its ATMs in the future could have a material adverse effect on the Company's business, growth, financial condition and results of operations. See "Business--Agreements with Card Issuers and International Card Organizations."

In January 1998, OTP notified the Company that it was terminating its contract with Euronet effective as of July 27, 1998. As a result of this termination the Company will not have a direct connection with OTP and will not be able to accept OTP proprietary bank cards. The Company will however, still be able to accept all OTP issued Visa and EUROPAY cards through its VISA and EUROPAY gateways. As of December 31, 1997, the Company's contract with OTP represented approximately 51% of its consolidated revenues. The financial impact of the OTP contract termination is difficult to assess and there can be no assurance that this termination will not have a material adverse effect on the Company's financial condition and results of operations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Comparison of Results of Operations for the years ended December 31, 1995, 1996 and 1997--Revenues."

DEPENDENCE ON KEY PERSONNEL

The Company is dependent upon the services of certain of its executive officers for the management of the Company and the implementation of its strategy. Euronet's strategy and its implementation depend in large part on the founders of the Company, in particular Michael Brown and Daniel Henry, and their continued involvement in the Company in the future. Michael Brown, who is involved in strategy, planning and establishing operational procedures, resides in Leawood, Kansas and travels to Europe on a regular basis. Daniel Henry, who supervises the Company's day-to-day operations currently resides in Budapest, Hungary. Although Mr. Henry may relocate to Kansas City next year, he will continue to be involved in the Company's operations and in view of the Company's present geographic expansion plans will likely be responsible for overseeing the Company's expansion to the South American or Asian markets. The Company will employ a new executive officer to supervise the Company's day-to-day operations prior to Mr. Henry's relocation. This new executive would reside in Central Europe. The success of the Company also depends in part upon its ability to hire and retain highly skilled and qualified operating, marketing, financial and technical personnel. The competition for qualified personnel in Central Europe and the other markets where the Company conducts its business is intense and, accordingly, there can be no assurance that the Company will be able to continue to hire or retain the required personnel. Although the Company's officers and certain of its key personnel have entered into service or employment agreements containing non-competition, non-disclosure and non-solicitation covenants and providing for the granting of incentive stock options with long-term vesting requirements, most of these contracts do not guarantee that these individuals will continue their employment with the Company. The loss of certain key personnel could have a material adverse effect on the Company's business, growth, financial condition and results of operations. See "Management."

DEPENDENCE ON ATM TRANSACTION FEES

Transaction fees from banks and International Card Organizations for transactions processed on the Company's ATMs have historically accounted for a significant portion of the Company's revenues. The Company expects that revenues from ATM transaction fees will continue to account for a substantial majority of its revenues for the foreseeable future. Consequently, the Company's future operating results are almost entirely dependent on the increased issuance of credit and debit cards, increased market acceptance of Euronet's services in its target markets, the maintenance of the level of transaction fees received by the Company, installation by the Company of larger numbers of ATMs and continued usage of the Company's ATMs by credit and debit cardholders. A decline in usage of the Company's ATMs by ATM cardholders or in the levels of fees received

by the Company in connection with such usage would have a material adverse impact on the Company's business, growth financial condition and results of operations. Banks also could elect to pass through to their customers all, or a large part of, the fees charged by the Company for transactions on its ATMs. This would increase the cost of using the Company's ATM machines to the bank's customers, which may cause a decline in use of the Company's ATM machines and, thus, have an adverse effect on revenues.

LEGAL CONSTRAINTS ON CONDUCTING BUSINESS IN GERMANY AND FRANCE; DEPENDENCE ON FINANCIAL INSTITUTIONS

Under German law, ATMs in Germany may be operated only by licensed financial institutions. The Company, therefore, may not operate its own ATM network in Germany and must act, under its contract with Service Bank GmbH ("Service Bank"), as a subcontractor providing certain ATM-related services to Service Bank. As a result, the Company's activities in the German market currently are entirely dependent upon the continuance of the agreement with Service Bank, or the ability to enter into a similar agreement with another bank in the event of a termination of such contract. The inability to maintain such agreement or to enter into a similar agreement with another bank upon a termination of the agreement with Service Bank could have a material adverse effect on the Company's operations in Germany.

The Company is considering expansion into France, whose laws relative to the operation of ATMs are similar to those of Germany. Expansion into France would require the Company to establish and thereafter maintain a relationship with one or more French financial institutions. Although the Company has not yet identified a French financial institution, it has retained a managing director for France, and is exploring potential relationships with French financial institutions and is searching for potential ATM locations. There can be no assurance as to when or if the Company will be able to establish the necessary relationship for the commencement of operations in France. See "Business--the Euronet Network--Germany" and "--France" and "--Regulation."

COMPETITION

Principal competitors of the Company include ATM networks owned by banks and regional networks consisting of consortiums of local banks. Large, well financed companies may also establish ATM networks in competition with the Company in various markets. Competitive factors in the Company's business include network availability and response time, price to both the bank and to its customers, ATM location and access to other networks. There can be no assurance that the Company will be able to compete successfully in the future or that competition will not have a material adverse effect on the Company's business, growth, financial condition and results of operations. In addition, there can be no assurance that Euronet's competitors will not introduce or expand their own ATM networks in the future which could lead to a decline in the usage of Euronet's ATMs. See "Business--Competition."

POLITICAL, ECONOMIC AND LEGAL RISKS

The Company's principal operating subsidiaries currently operate in Hungary, Poland, the Czech Republic, Croatia and other countries in Central Europe. These and other countries in Central Europe have undergone significant political and economic change in recent years. Political, economic, social and other developments in such countries may in the future have a material adverse effect on the Company's business. In particular, changes in laws or regulations (or in the interpretation of existing laws or regulations), whether caused by change in the government of such countries or otherwise, could materially adversely affect the Company's business, growth, financial condition and results of operations. Currently there are no limitations on the repatriation of profits from Hungary, Poland, the Czech Republic, Croatia and other countries in Central Europe, but there can be no assurance that foreign exchange control restrictions, taxes or limitations will not be imposed or increased in the future with regard to repatriation of earnings and investments from such countries. If such exchange control restrictions, taxes or limitations are imposed, the ability of the Company to receive dividends or other payments from its subsidiaries could be reduced, which may have a material adverse effect on the Company. See "Business--Government Regulation."

Prior to 1995 Croatia was involved in hostilities with Serbia and was also involved in the hostilities in Bosnia-Herzegovina. The hostilities in Croatia ended in a cease-fire in 1995 and the hostilities in Bosnia-Herzegovina ended in the Dayton Accords in 1995. No assurance can be given that the cease fire with Serbia will not be breached or that the peace process initiated by the Dayton Accords will continue. Any breakdown in the peace process or any failure of any of the relevant parties to abide by the cease-fire or the provisions of the Dayton Accords or the relevant agreements could result in the recommencement of hostilities in the region, which could have an adverse effect on the Croatian economy or Euronet's operations in Croatia.

Annual inflation and interest rates in Hungary, Poland, the Czech Republic, Croatia and other countries in Central Europe have been much higher than those in Western Europe. Exchange rate policies have not always allowed for the free conversion of currencies at the market rate. Fluctuations of inflation, interest and exchange rates could have an adverse effect on the Company's business and the market value of the Shares.

Corporate, contract, property, insolvency, competition, securities and other laws and regulations in Hungary, Poland, the Czech Republic, Croatia and other countries in Central Europe have been, and continue to be, substantially revised during the completion of their transition to market economies. Therefore, the interpretation and procedural safeguards of the new legal and regulatory systems are in the process of being developed and defined and existing laws and regulations may be applied inconsistently. Also, in some circumstances, it may not be possible to obtain the legal remedies provided for under those laws and regulations in a reasonably timely manner, if at all. In addition, transmittal of data by electronic means and telecommunications is subject to specific regulation in most Central European countries. Although such regulations have not had a material impact on the Company's business to date, there can be no assurance that any changes in such regulation, including taxation or limitations on transfers of data across national borders, would not have a material adverse effect on the Company's business, growth, financial condition and results of operations.

Hungary, Poland, the Czech Republic, Croatia and other countries in Central Europe generally are considered by international investors to be emerging markets. There can be no assurance that political, economic, social and other developments in these emerging markets will not have an adverse effect on the Company's operations and profitability and, therefore, on the Company's ability to pay principal and interest on the Notes.

INFLATION, EXCHANGE RATE AND CURRENCY RISK

The Company operates primarily in Central Europe and Germany and, as a result, its business is affected by fluctuations in foreign exchange rates of the various countries in which it operates. With the exception of Germany where transaction fees are Deutsche Mark denominated, transaction fees charged by the Company are primarily denominated in U.S. dollars or denominated in local currency and inflation adjusted. A significant amount of the Company's expenditures in Central Europe, including the acquisition of ATMs and executive salaries, are made in U.S. dollars.

Since the fall of Communist rule, both Hungary and Poland have experienced high levels of inflation and significant fluctuation in the exchange rate for their currencies. The Polish government has adopted policies that slowed the annual rate of inflation from approximately 600% in 1990 to approximately 15% in 1997. In addition, the exchange rate for the zloty has stabilized and the rate of devaluation of the zloty has decreased significantly since 1991. Similarly, in Hungary, the forint has continued to depreciate, principally by way of devaluation, against the major currencies of the OECD and has limited convertibility to other currencies. The inflation rate in Hungary was approximately 18.0% in 1997.

The Company attempts to match any assets denominated in currencies other than U.S. dollars with liabilities denominated in the same currencies. Nonetheless inflation and currency exchange fluctuations have had, and will continue to have, an effect on the financial condition and results of operations of the Company. The Company anticipates that in the future a substantial portion of its assets will be denominated in the foreign currencies of each market. As exchange rates between these foreign currencies and the U.S. dollar fluctuate, the translation effect of such fluctuations may have a material adverse effect on the Company's results of operations or financial condition as reported in U.S. dollars. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Foreign Exchange Exposure" and "--Inflation and Functional Currencies."

In addition, fluctuations in the exchange rate between the Deutsche Mark and the U.S. dollar will affect the U.S. dollar equivalent of both the Deutsche Mark principal of and interest on the Notes. See "--Substitution Currency."

SUBSTITUTION OF CURRENCY

Stage III of the European Economic and Monetary Union ("Stage III") is presently anticipated to commence on January 1, 1999 for those member states of the European Union that satisfy the convergence criteria set forth in the Treaty on European Union. Part of Stage III is the introduction of a single currency (the "Euro") in substitution for the national currencies of such member states. Although there can be no assurance that the Euro will be adopted or, if adopted, on what time schedule, if Germany adopts the Euro, the regulations of the European Commission relating to the Euro shall apply to the Notes and the Indenture. In addition, it is anticipated that such member states will adopt legislation providing specific rules for the introduction of the Euro. The adoption of the Euro is not expected to alter the rights and obligations of the Company or the holders of the Notes under the Notes and the Indenture. See "Description of the Notes--Substitution of Currency".

YEAR 2000 COMPLIANCE

The Company has made an assessment of the impact of the advent of the year 2000 on its systems and operations. The Processing Center will require certain upgrades which have been ordered and are scheduled for installation by the fourth quarter of 1998. Most of the ATMs in the Euronet network are not year 2000 compliant, and hardware and software upgrades will be installed under contracts with the Company's ATM maintenance vendors. According to the Company's current estimates, the cost will be approximately \$1,000 per ATM, and the required installation will be finished by the end of 1998. The Company estimates that approximately 560 of its ATMs will require upgrades for year 2000 compliance.

The Company is currently planning a survey of its bank customers concerning the compliance of their back office card authorization systems with year 2000 requirements, and anticipates launching such survey in the third quarter of 1998. If the Company's bank customers do not bring their card authorization systems into compliance with year 2000 requirements, the Company may be unable to process transactions on cards issued by such banks and may lose revenues from such transactions. This could have a material adverse effect on the Company's revenues.

ABSENCE OF A PRIOR PUBLIC MARKET

Prior to this Offering, there has been no public market for the Notes and there can be no assurance that an active trading market will develop or be sustained in the future. There may be significant volatility in the market price of the Notes due to factors that may or may not relate to the Company's performance. Application has been made to list the Notes on the Luxembourg Stock Exchange, although the liquidity of the market, if any, achieved through such listing may be limited. There can be no assurance that such application to the Luxembourg Stock Exchange will be approved or that the Company will be able to meet or continue to meet, the applicable listing requirements of the Luxembourg Stock Exchange or any other recognized exchange. The Underwriter has advised the Company that it currently intends to make a market in the Notes but it is not obliged to do so and may discontinue market making activities at any time. If a market for the Notes were to develop, the Notes could trade at prices that may be lower than the initial offering price and could be significantly affected by various factors including actual and anticipated period-to-period fluctuations in the Company's operating results, changes in currency exchange rates and other external factors, including general economic conditions in Hungary, Poland, Germany, the Czech Republic and Croatia and the Company's other markets or other events or factors. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

The liquidity of, and trading market for, the Notes may also be adversely affected by general declines in the market for similar securities. Such a decline may adversely affect such liquidity and trading markets independent of the financial performance of, and prospects for, the Company.

ORIGINAL ISSUE DISCOUNT

The Notes will be issued at a substantial discount from their principal amount at maturity. Consequently, United States holders of the Notes generally will be required to include amounts in gross income for U.S. Federal income tax purposes in advance of receipt of the cash payments to which the income is attributable. If a bankruptcy case is commenced by or against the Company under the United States Bankruptcy Code after the issuance of the Notes, the claim of a holder of Notes may be limited to an amount equal to the sum of (i) the initial public offering price for the Notes and (ii) that portion of the original issue discount that is not deemed to constitute "unmatured interest" for purposes of the United States Bankruptcy Code. Any original discount that was not amortized as of the date of the commencement of any such bankruptcy filing would constitute "unmatured interest."

ANTI-TAKEOVER PROVISIONS

Certain provisions of the Company's Certificate of Incorporation (the "Certificate of Incorporation") and By-Laws (the "By-Laws") and of Delaware law could discourage potential acquisition proposals and could delay or impede a change in control of the Company. These provisions, among other things: (i) classify the Company's Board of Directors into three classes serving staggered three-year terms; (ii) permit the Board of Directors, without further stockholder approval, to issue preferred stock; and (iii) prohibit the Company from engaging in a business combination (as such term is defined in the Delaware law) with interested shareholders, except under certain circumstances. Such provisions could diminish the opportunities for a stockholder to participate in tender offers, including tender offers at a price above the then current market value of the Common Stock. The issuance of preferred stock could also adversely affect the voting power of the holders of Common Stock. The Company has no present plans to issue any preferred stock. See "Description of Capital Stock--Certain Provisions of the Company's Certificate of Incorporation and By-Laws" and "--Preferred Stock." Directors, officers and certain significant shareholders of the Company, which are associated with certain directors of the Company, own beneficially in the aggregate approximately 63% of the outstanding shares of Common Stock in the Company. Such concentration of ownership may have the effect of delaying or preventing transactions involving an actual or potential change in control of the Company. See "Principal Stockholders" and "Description of Capital Stock." The Indenture pursuant to which the notes are issued contains a provision which accelerates the maturity date of the Notes in the event of a change of control. Such provision may also delay or impede a change of control. See "Description of Notes".

USE OF PROCEEDS

The net proceeds to the Company from the sale of the Notes being offered by the Company hereby, after deducting the underwriting discount and estimated offering expenses, are estimated to be approximately \$96.7 million (based on a Dollar--Deutsche Mark exchange rate of DM . = \$1.00, the noon buying rate in New York City for cable transfers in Deutsche Marks as certified for customs purposes by the Federal Reserve Bank of New York (the "Noon Buying Rate") on . , 1998):

The Company currently intends to use the net proceeds from the Offering, together with the existing cash reserves of approximately \$. million at March 31, 1998, as follows: (i) approximately \$60 to \$70 million to expand its ATM network and the provision of ATM management services in its existing markets of Hungary, Poland, Germany, the Czech Republic, Croatia, and planned future markets such as France and Romania, including the purchase and installation of an aggregate of approximately 2,000 ATM machines in such markets through the year ending December 31, 1999; (ii) approximately \$10 to \$12 million to repay a significant portion of the Company's capitalized lease obligations which have an effective interest rate of approximately 13.5% per annum and (iii) the remainder will be used for general corporate purposes, including expansion into new markets, the pursuit of possible strategic acquisition and joint venture opportunities consistent with the Company's strategy of expanding its ATM network and to fund operating losses and working capital needs.

Pending utilization of the net proceeds from the Offering, the Company intends to invest such proceeds primarily in short-term interest-bearing securities issued by the U.S. Federal Government or agencies or instrumentalities thereof.

CAPITALIZATION

The following table sets forth the actual capitalization of the Company on a consolidated basis at December 31, 1997 and as adjusted to reflect the completion of the Offering and the receipt and application of the estimated net proceeds therefrom. See "Use of Proceeds" and "Description of the Notes."

	AT DECEMBER 31, 1997	
	ACTUAL	AS ADJUSTED
	(UNAUDITED)	
	(IN THOUSANDS)	
Cash and cash equivalents.....	\$ 7,516	\$ 92,616
Investment securities(1).....	\$ 31,944	\$ 31,944
Current installments of obligations under capital leases(2).....	\$ 3,140	\$ 476
Long-term liabilities		
Obligations under capital leases, excluding current installments(2).....	\$ 11,330	\$ 2,444
Notes offered hereby(3).....	--	100,000
Other long-term liabilities.....	169	169
Total long-term liabilities.....	11,499	102,613
Stockholders' equity(4):		
Common stock, \$0.02 par value; 30,000,000 shares authorized; 15,133,321 shares issued and outstanding..	304	304
Additional paid in capital.....	63,358	63,358
Subscription receivable.....	(253)	(253)
Treasury stock.....	(4)	(4)
Accumulated losses.....	(14,970)	(14,970)
Restricted reserve.....	784	784
Total stockholders' equity.....	49,219	49,219
Total capitalization.....	\$ 60,718	\$151,832

- (1) At December 31, 1997, investment securities consisted of \$7,967,000 of U.S. government securities and \$23,977,000 of other securities. At March 5, 1998, U.S. government securities consisted of \$7,840,000 and other securities consisted of \$13,725,000.
- (2) See Note 7 to the Notes to the Consolidated Financial Statements included elsewhere in this Prospectus.
- (3) The principal amount of Notes has been translated into U.S. dollars at the Noon Buying Rate on December 31, 1997 of DM 1.7991= \$1.00, Interest on the Notes accrues with the result that the principal amount of the Notes increases over time. The Company will be obligated to pay an aggregate amount of DM on the maturity of the Notes assuming no Notes are called for redemption prior to maturity and interest is paid on the Notes commencing on the fourth year following issuance. See "Description of the Notes".
- (4) See Notes 1 and 3 to the Notes to the Consolidated Financial Statements included elsewhere in this Prospectus.

SELECTED CONSOLIDATED FINANCIAL DATA

The summary consolidated financial data set forth below have been derived from, and are qualified by reference to, the audited consolidated financial statements of the Company and the notes thereto, prepared in conformity with generally accepted accounting principles as applied in the United States ("U.S. GAAP"), which have been audited by KPMG Polska Sp. z o.o., independent public accountants. The consolidated financial statements as of December 31, 1996 and 1997, and for each of the years in the three-year period ended December 31, 1997 (the "Consolidated Financial Statements"), and the independent auditors' report thereon, are included elsewhere in this Prospectus. The Company believes that the period-to-period comparisons of its financial results are not necessarily meaningful and should not be relied upon as an indication of future performance. The following information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this Prospectus.

PERIOD FROM
JUNE 22,
1994
(INCEPTION)
TO DECEMBER
31, 1994

YEAR ENDED DECEMBER 31,

1995 1996 1997

(IN THOUSANDS EXCEPT SHARE AND PER SHARE DATA)

CONSOLIDATED STATEMENTS OF OPERATIONS DATA:

Revenues:				
Transaction fees.....	\$	--	\$ 62	\$ 1,198
Other.....		--		63
				663

Total revenues.....		--	62	1,261
				5,290
Operating expenses:				
ATM operating costs.....		--	510	1,176
Professional fees.....		64	394	1,125
Salaries.....		49	452	989
Communication.....		12	20	263
Rent and utilities.....		8	112	290
Travel and related costs.....		20	71	254
Fees and charges.....		--	112	427
Share compensation expense.....		--	--	4,172(1)
Foreign exchange loss/(gain).....		2	158	79
Other.....		85	341	232
				818

Total operating expenses.....		240	2,170	9,007
				13,812

Operating loss.....		(240)	(2,108)	(7,746)
				(8,522)
Other income/expenses:				
Interest income.....		12	126	225
Interest expense.....		--	(107)	(378)
				(1,152)

Loss before income tax benefit.....		(228)	(2,089)	(7,899)
Income tax benefit(2).....		--	148	323
				100

Net loss.....		(228)	(1,941)	(7,576)
				(7,965)
				=====
Loss per share--basic and diluted(3).....	\$	(0.02)	\$ (0.19)	\$ (0.73)
				\$ (0.56)
				=====
Weighted average number of shares				
outstanding(3).....		10,386,089	10,386,089	10,386,089
				14,284,917

(footnotes appear on following page)

	PERIOD FROM JUNE 22, 1994 (INCEPTION) TO DECEMBER 31,			
	1994	YEAR ENDED DECEMBER 31,		
		1995	1996	1997

(IN THOUSANDS)

OTHER FINANCIAL DATA:				
EBITDA(4).....	\$ (228)	\$(1,849)	\$(7,037)	\$ (5,152)
Cash flows from				
operating activities...	(258)	(2,461)	(2,255)	(6,430)
Cash flows from				
investing activities...	(356)	(418)	(1,252)	(39,320)
Cash flows from				
financing activities...	2,650	1,254	5,637	50,635
Capital				
expenditures(5).....	356	394	1,061	7,612
Ratio of earnings to				
fixed charges(6).....	--	--	--	--

AS OF DECEMBER 31,

	1994	1995	1996	1997
--	------	------	------	------

(IN THOUSANDS, EXCEPT SUMMARY NETWORK DATA)

CONSOLIDATED BALANCE

SHEET DATA:

Cash and cash				
equivalents.....	\$ 2,036	\$ 411	\$ 2,541	\$ 7,516
Investment Securities...	--	--	194	31,944
Working capital.....	2,071	526	631	33,496
Total assets.....	2,527	4,519	11,934	70,033
Obligations under				
capital leases, less				
current installments...	--	1,119	3,834	11,330
Total stockholders'				
equity.....	2,422	2,097	5,136	49,219
SUMMARY NETWORK DATA:				
Number of operational				
ATMs at end of period..	--	53	166	693
ATM transactions during				
the period	--	45,000	1,138,000	5,758,000
Average annual revenues				
per ATM	\$ --	\$ 1,170	\$ 11,516	\$ 12,317

- (1) The year ended December 31, 1996 includes a one-time non-cash compensation expense of \$4,172,000 relating to the grant of certain employee and management options. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 9 to the Notes to the Consolidated Financial Statements included elsewhere in this Prospectus.
- (2) See Note 8 to the Notes to the Consolidated Financial Statements included elsewhere in this Prospectus.
- (3) See Note 2(k) to the Notes to the Consolidated Financial Statements included elsewhere in this Prospectus for an explanation of the weighted average number of shares outstanding used in determining loss per share.
- (4) EBITDA consists of net loss before depreciation and amortization, interest income, interest expense and income taxes. EBITDA is not a U.S. GAAP measure and should not be considered as an indicator of the Company's operating performance or as an alternative to U.S. GAAP measures of net income (loss) or to cash flow from operations under U.S. GAAP as a measure of liquidity. Management believes the presentation of EBITDA is helpful to investors as a measure of the Company's ability to service the debt. Management also believes that EBITDA is helpful to investors, because EBITDA will be used to determine compliance with certain covenants contained in the Indenture. The items excluded from EBITDA are significant components in understanding and assessing the Company's financial performance.
- (5) Capital expenditures do not include \$1,906,000, \$4,189,000 and \$11,006,000 relating to ATMs acquired under capital lease obligations during the years ended December 31, 1995, 1996 and 1997, respectively.
- (6) For the period from June 22, 1994 (inception) to December 31, 1994 and for the years ended December 31, 1995, 1996 and 1997, the Company incurred net losses and hence earnings to fixed charges indicate a less than one to one coverage. For the period from June 22, 1994 (inception) to December 31, 1994 and for the years ended December 31, 1995, 1996 and 1997, earnings were inadequate to cover fixed charges with a coverage deficiency of \$228,000, \$1,941,000, \$7,576,000 and \$7,965,000 respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

GENERAL OVERVIEW

The Company was formed and established its first office in Budapest (Hungary) in June 1994. In May 1995, the Company opened its second office, in Warsaw Poland. During 1997 the Company also opened offices in Berlin (Germany), Zagreb (Croatia), Prague (the Czech Republic), Paris (France) and Bucharest (Romania). To date, Euronet has devoted substantially all of its resources to establishing its ATM network through the acquisition and installation of ATMs and computers and software for its transaction processing center and through the marketing of its services to local banks as well as International Card Organizations. Euronet installed its first ATM in Hungary in June 1995, and at the end of 1995, the Company had 53 ATMs installed. An additional 113 ATMs were installed during 1996 in Hungary and Poland and as of December 31, 1996, the Company's ATM network consisted of 166 ATMs. During 1997 the Company installed a further 527 ATMs, consisting of 469 in Hungary and Poland and 58 in Germany and Croatia. With the expansion of operations, the Company increased the number of its employees in Hungary from 36 as of December 31, 1996 to 79 as of December 31, 1997. In Poland, the Company increased the number of its employees from 21 as of December 31, 1996 to 73 as of December 31, 1997. In 1997, the Company employed 9 people in Croatia, 8 in Germany, 7 in the Czech Republic, and 2 in France. In 1997, 99% of the Company's revenues were generated in Hungary and Poland. The Company's expansion of its network infrastructure and administrative and marketing capabilities has resulted in increased expenditures. Further planned expansion will continue to result in increases in general operating expenses as well as expenses related to the acquisition and installation of ATMs.

The Company has derived substantially all of its revenues from ATM transaction fees since inception. The Company receives a fee from the card issuing banks or International Card Organizations for ATM transactions processed on its ATMs. As the Company continues to focus on expanding its network and installing additional ATMs, the Company expects that transaction fees will continue to account for a substantial majority of its revenues for the foreseeable future. The Company's existing contracts with banks and International Card Organizations provide for reduced transaction fees with increases in transaction volume. As the Company's transaction levels continue to increase, the average fee it receives per transaction will decrease. However, the Company expects that because the decrease in transaction fees is tied to an increase in transactional volume, the overall revenues of the Company should increase despite the fee discounts. However, the Company expects that transaction levels may, however, be negatively impacted if all or a large part of the transaction fees are passed on to cardholders by client banks.

The transaction volumes processed on an ATM in any given market are affected by a number of factors, including location of the ATM and the amount of time the ATM has been installed at the location. The Company's experience has been that the number of transactions on a newly installed ATM is initially very low and takes approximately three to six months after installation to achieve average transaction volumes for that market. Accordingly, the average number of transactions, and thus revenues, per ATM are expected to increase as the percentage of ATMs operating in the Company's network for over six months increases.

The Company recently began to sell advertising on its network by putting clients' advertisements on its ATMs and the receipts. Advertising revenue accounted for approximately 10% of total consolidated revenues during 1997. The Company believes that advertising revenues will continue to increase as it expands its network and continues to market this service. The Company also began to generate revenues during 1997 from ATM network management services that it offers to banks that own proprietary ATM networks. Although the revenues generated to date have been small, the Company believes that revenues from this service will increase in the future.

The Company has had substantial increases in the level of operations, including ATMs operated and total personnel in 1995, 1996 and 1997. In addition, the Company was in the development stage until June 1995 when it began operations in Hungary. As a result, a comparison of the Company's results of operations between such years is not necessarily meaningful.

The Company's expenses consist of ATM operating expenses and other operating expenses. ATM operating expenses are generally variable in nature and consist primarily of ATM site rentals, depreciation of ATMs and ATM installation costs, maintenance, telecommunications, insurance, and cash delivery and security services to ATMs. ATM operating expenses will necessarily increase as the Company's network expands. Other operating expenses consist of items such as salaries, professional fees, communication and travel related expenditures. While these expenditures are anticipated to increase with the Company's expansion into new markets and the introduction products, other operating expenses are expected to decrease as a percentage of total revenues.

COMPARISON OF RESULTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 1995, 1996 AND 1997

Revenues. Total revenues increased to \$5,290,000 for the year ended December 31, 1997 from \$1,261,000 for the year ended December 31, 1996 and \$62,000 for the year ended December 31, 1995. The increase in revenues both in 1997 and 1996 were due primarily to the significant increase in transaction fees resulting from the increase in transaction volume attributable to additional network connections to credit and debit card issuers and an increase in the number of ATMs operated by the Company during these periods. The Company had 53 ATMs, 166 ATMs, and 693 ATMs installed at the end of 1995, 1996, and 1997, respectively. Transaction fee revenue represented approximately 87% of total revenues for the year ended December 31, 1997 and 95% of total revenues for the year ended December 31, 1996. Revenues in the year ended December 31, 1995 consisted entirely of transaction fees.

Transaction fees charged by the Company vary for the three types of transactions that are currently processed on the Company's ATMs: cash withdrawals, balance inquiries and transactions not completed because authorization is not given by the relevant Card Issuer. Approximately 98% of transaction fees in 1997, as compared to 92% in 1996, were attributable to cash withdrawals. The remaining 2% in 1997 and 8% in 1996 were attributable to balance inquiries and transactions not completed because authorization is not given by the relevant Card Issuer. Transaction fees for cash withdrawals vary from market to market but generally range from \$0.60 to \$1.75 per transaction while transaction fees for the other two types of transactions are generally substantially less.

In January 1998, OTP notified the Company that it was terminating its contract with Euronet effective as of July 27, 1998. As a result of this termination, the Company will not have a direct connection with OTP and will not be able to accept OTP proprietary bank cards. The Company will, however, still be able to accept all OTP issued VISA and EUROPAY cards through its VISA and EUROPAY gateways. For the year ended December 31, 1997, the Company's contract with OTP represented approximately 51% of its consolidated revenues. The financial impact of the OTP contract termination is difficult to assess. The Company believes that such impact may be mitigated in part because (i) the Company believes that VISA and EUROPAY cards represent over 95% of the cards issued by OTP and (ii) the Company receives a higher fee for transactions processed through its VISA and EUROPAY gateway(s) than for OTP proprietary bank cards. However, the Company believes that some of OTP's cardholders will be dissuaded from patronizing Euronet's ATMs due to the higher fees passed through to customers for transactions processed through the VISA and EUROPAY connection.

Other revenues of \$663,000 and \$63,000 for the years ended December 31, 1997 and 1996 consisted primarily of advertising revenue. The increase during 1997 results from the increase in the number of ATMs operated by the Company. There were no other revenues in 1995.

Operating expenses. Total expenses increased to \$13,812,000 for the year ended December 31, 1997 from \$9,007,000 for the year ended December 31, 1996 and from \$2,170,000 for the year ended December 31, 1995. This increase in both years were due primarily to costs associated with the installation of significant numbers of ATMs during the periods and expansion of the Company's operations during the periods. In addition a share compensation expense of \$4,172,000 relating to the grant of certain employee and management options was charged to operating expenses in 1996.

ATM operating costs, which consist primarily of ATM site rentals, depreciation of ATMs and costs associated with maintaining, providing telecommunications and cash delivery services to ATMs increased to

\$5,172,000 for the year ended December 31, 1997 from \$1,176,000 for the year ended December 31, 1996 and from \$510,000 for the year ended December 31, 1995. The percentage of ATM operating costs to total operating expenses for the year ended December 31, 1997 increased to 37% as compared to 13% for the year ended December 31, 1996, and 24% for the year ended December 31, 1995. The increase in ATM operating costs was primarily attributable to costs associated with operating the increased number of ATMs in the network during the periods. The number of ATMs installed increased from 53 to 166 from December 31, 1995 to December 31, 1996, and from 166 to 693 from December 31, 1996 to December 31, 1997.

Professional fees increased to \$1,166,000 for the year ended December 31, 1997 from \$1,125,000 for the year ended December 31, 1996 and from \$394,000 for the year ended December 31, 1995. The fees in 1997, primarily legal, related to its expansion to new markets. The level of fees in 1996 was due primarily to legal fees attributable to the investment by new investors in the Company, the interim reorganization of the Company into a Netherlands Antilles Company and the expansion of the Company's operations into Poland.

Salaries increased to \$3,796,000 for the year ended December 31, 1997 from \$989,000 for the year ended December 31, 1996 and from \$452,000 for the year ended December 31, 1995. The increase from 1995 to 1996 reflected the increase in employees from 31 to 57 and the increase from 1996 to 1997 reflected the increase in the number of employees from 57 to 178, as discussed above.

Communication, Rent and Utilities, and Travel related costs increased to \$818,000, \$783,000, and \$701,000 respectively for the year ended December 31, 1997 from \$263,000, \$290,000, and \$254,000 for the year ended December 31, 1996, and \$20,000, \$112,000, and \$71,000 for the year ended December 31, 1995. The increases in all cases relate to the expansion of the Company's operations in both years, as previously discussed.

Fees and charges increased to \$458,000 for the year ended December 31, 1997 from \$427,000 and \$112,000 for the years ended December 31, 1996 and 1995, respectively. These costs include \$207,000 and \$76,000, respectively, of expenses which the Company has recorded relating to the late payments of customs duties and Hungarian value added taxes in connection with the restructuring of its ATM leases in Hungary. Prior to any such restructuring, such leases were structured as operating leases for Hungarian accounting purposes (although treated as capital leases for U.S. GAAP purposes), and its ATMs have therefore been imported under a temporary import scheme. The ATMs are subject to a "re-export" requirement and this has the effect of postponing payment of customs duties. The Company has decided to restructure such lease arrangements as capital leases for Hungarian accounting purposes, and the Company recorded the related charges as other expenses. Customs duties have been capitalized as part of the cost of the ATMs under capital lease and depreciated over the useful lives of the ATMs.

Share compensation of \$4,172,000, with respect to the grant of certain employee and management options, was recorded in 1996. The non-cash charge, calculated in accordance with Accounting Principles Board Opinion No. 25, represents the difference between the estimated fair market value of the Shares underlying such options at the date of option grant and the exercise price. Estimated fair market value at the grant dates in the last quarter of 1996 was assumed to be the cash price for the sale of Shares in the next succeeding third party purchase of Shares, which accrued in February 1997. With respect to these options, an additional \$343,000, is being amortized over the remaining vesting period of such options. Of this amount, \$108,000 has been expensed during the year ended December 31, 1997. See Note 9 to the Company's Consolidated Financial Statements included elsewhere in this Prospectus.

The Company had a net foreign exchange gain of \$8,000 for the year ended December 31, 1997, and net foreign exchange losses of \$79,000, and \$158,000, during the years ended December 31, 1996 and 1995, respectively. Exchange gains and losses that result from remeasurement of assets and liabilities are recorded in determining net loss. See Note 2(c) of the Consolidated Financial Statements. A substantial portion of the assets and liabilities of the Company are denominated in U.S. dollars, including, for instance, fixed assets, shareholders' equity and capital lease obligations. Additionally, it is the Company's policy to attempt to match local currency receivables and payables. Hence, the amount of unmatched assets and liabilities giving rise to foreign exchange gains and losses is relatively limited, consisting mostly of cash and cash equivalents. The Company has invested

in German mark denominated government securities as a hedge against certain German mark denominated lease obligations.

Other operating expenses, which include marketing, depreciation, which represents significant increase in non-ATM related assets, and insurance, increased to \$818,000 for the year ended December 31, 1997 from \$232,000 for the year ended December 31, 1996 and \$341,000 for the year ended December 31, 1995. These increases were in line with the expansion of the Company's operations during such periods. The increase of \$586,000 in 1997 over 1996 results primarily from the expansion into new and existing markets.

Other income/expense. Interest income increased to \$1,609,000 for the year ended December 31, 1997 from \$225,000 for the year ended December 31, 1996 and \$126,000 for the year ended December 31, 1995. The increase in 1997 was the result of the investments made by the Company in U.S. State and Municipal obligations, Corporate debentures, U.S. Federal Agency and foreign government obligations using the proceeds from the 1997 equity offering. The amount held under such investments at December 31, 1997 was \$31,944,000 compared to \$194,000 at December 31, 1996. During 1996 the increase was due to larger amounts held in interest bearing accounts, including restricted cash held as security for certain of the Company's vendors, banks supplying cash to Euronet's ATMs and certain other parties. See "--Liquidity and Capital Resources".

Interest expense relating principally to capital leases of ATMs and Euronet's computer systems increased to \$1,152,000 during the year ended December 31, 1997 from \$378,000 during the year ended December 31, 1996 and \$107,000 during the year ended December 31, 1995. This increase was due primarily to the increase of capital lease obligations outstanding during the periods.

Net loss. The Company's net loss increased to \$7,965,000 during the year ended December 31, 1997 from \$7,576,000 during the year ended December 31, 1996 and \$1,941,000 during the year ended December 31, 1995 as a result of the factors discussed above.

LIQUIDITY AND CAPITAL RESOURCES

Since its inception, the Company has sustained negative cash flows from operations and has financed its operations and capital expenditures primarily through the proceeds from the 1997 equity offering, through equipment lease financing and through private placements of equity securities. The net proceeds of such transactions, together with revenues from operations and interest income have been used to fund aggregate net losses of approximately \$17,710,000 and investments in property, plant and equipment. The Company had cash and cash equivalents of \$7,516,000 and working capital of \$33,496,000 at December 31, 1997. The Company had \$847,000 of restricted cash held as security with respect to cash provided by banks participating in Euronet's ATM network, to cover guarantees to a customer and as deposits with customs officials. The Company expects to continue to generate losses from operating activities, negative EBITDA and negative cash flow while it concentrates on the expansion of its ATM network business. As a result of the Company's strategy of continuing expansion and increasing its market share, the Company's net losses are expected to increase. There can be no assurance that the Company's revenues will grow or be sustained in future periods or that the Company will be able to achieve or sustain profitability or positive cash flow from operations in any future period. If the Company cannot achieve and sustain operating profitability or positive cash flow from operations, it may not be able to meet its debt service or working capital requirements, including its obligations with respect to the Notes. See "Risk Factors-- Limited Operating History; Historical and Future Operating Losses and Negative Cash Flow."

The Company leases the majority of its ATMs under capital lease arrangements that expire between 1999 and 2002. The leases bear interest between 11% and 15%. As of December 31, 1997 the Company owed \$14.5 million under such capital lease arrangements. The Company anticipates using approximately \$10,000,000 to \$12,000,000 of the proceeds from the Offering to repay a significant portion of the amounts outstanding under such lease arrangements.

At December 31, 1997, the Company had contractual capital commitments of approximately \$1.2 million. The Company expects that its capital requirements will increase in the future as it pursues its strategy of

expanding its network and increase the number of installed ATMs. The Company anticipates that its capital expenditures for the 12 months ending December 31, 1998 will total approximately \$30 million, primarily in connection with the acquisition of ATMs, scheduled capital lease payments on existing lease obligations, and related installation costs. Aggregate capital expenditures for 1998 and 1999 for such purposes are expected to reach approximately \$60-70 million in its existing markets which assumes the installation of approximately 2,000 additional ATMs over the next two years in accordance with the Company's current strategy. See "Business--Strategy". These requirements contemplate both planned expansion in Hungary, Poland, Germany, Croatia, the Czech Republic and certain other European markets. Acquisitions of related businesses in Europe and other markets in furtherance of the Company's strategy may require additional capital expenditures.

The Company believes the net proceeds from the Offering, together with its cash flows from operations and remaining proceeds from the 1997 equity offering, will be sufficient to fund the company's operating losses, debt service requirements and capital expenditures associated with its expansion plans through the year 2000. There can be no assurance, however, that the Company will achieve or sustain profitability or generate significant revenues in the future. It is possible that the Company may seek additional equity or debt financing in the future.

The Company will have substantial indebtedness after the Offering. As of December 31, 1997, after giving pro forma effect to the Offering and the application of the net proceeds therefrom, the Company's total indebtedness would be approximately \$103.1 million, its stockholders' equity would be approximately \$49.2 million and the Company's total assets would be approximately \$158.5 million. The Indenture limits, but does not prohibit, the Company and its subsidiaries from incurring additional indebtedness. See "Description of the Notes." If an opportunity to consummate a strategic acquisition arises or if one or more new contracts is executed requiring a more rapid installation of ATM machines or a significant increase in the number of ATM machines in any market area, the Company may require substantial additional financing for such purpose and to fund its working capital needs. Such additional financing may be in the form of additional indebtedness which would increase the Company's overall leverage. See "--Significant Capital Requirements" and "Selected Financial Data", "Management Discussion and Analysis of Financial Condition and Results of Operations" and "Description of Notes".

The level of the Company's indebtedness could have important consequences to holders of the Notes, including the following: (i) the Company may not be able to generate sufficient cash flows to service the Notes and its other outstanding indebtedness and to fund adequately its planned capital expenditures and operations; (ii) the ability of the Company to obtain any necessary financing in the future for working capital, capital expenditures, debt service requirements or other purposes may be limited or such financing may be unavailable; (iii) a substantial portion of the Company's cash flow, if any, must be dedicated to the payment of principal and interest on its indebtedness and other obligations and will not be available for use in its business; (iv) the Company's level of indebtedness could limit its flexibility in planning for, or reacting to, changes in its business and markets; and (v) the Company's high degree of indebtedness will make it more vulnerable to changes in general economic conditions and a downturn in its business, thereby making it more difficult for the Company to satisfy its obligations under the Notes.

The Company must substantially increase its net cash flows in order to meet its debt service obligations, including obligations under the Notes, and there can be no assurance that the Company will be able to meet such obligations, including its obligations under the Notes. If the Company is unable to generate sufficient cash flows or otherwise obtain funds necessary to make required payments or if it otherwise fails to comply with the various covenants under its indebtedness, it would be in default under the terms thereof, which would permit the holders of such indebtedness to accelerate the maturity of such indebtedness and could cause defaults under other indebtedness of the Company. Such defaults could result in a default on the Notes and could delay or preclude payments of interest or principal thereon. See "--Significant Capital Requirements".

BALANCE SHEET ITEMS

Cash and cash equivalents. The increase of cash and cash equivalents to \$7,516,000 at December 31, 1997 from \$2,541,000 at December 31, 1996 is due to the expansion of operations in the countries where the Company

operated in 1996 and the new countries in which the Company has commenced operations in 1997. For the same reasons, restricted cash increased from \$152,000 at December 31, 1996 to \$847,000 at December 31, 1997. The increase in 1997 was primarily attributable to a lease deposit. The increase in investment securities from \$194,000 at December 31, 1996 to \$31,944,000 at December 31, 1997 was due to the investment of proceeds from the 1997 equity offering not currently used in funding the Company's operations.

Cash and cash equivalents increased from \$411,000 at December 31, 1995 to \$2,541,000 at December 31, 1996 due primarily to the subscription for shares by certain shareholders on March 27. Restricted cash decreased from \$180,000 at December 31, 1995 to \$152,000 at December 31, 1996, and investment securities increased from none at December 31, 1995 to \$194,000 at December 31, 1996.

Property, plant and equipment. Total property, plant and equipment increased from \$7,906,000 at December 31, 1996 to \$26,439,000 at December 31, 1997. This increase is due primarily to the installation of 527 ATMs during 1997. The increase in total property, plant and equipment from \$2,656,000 at December 31, 1995 to \$7,906,000 at December 31, 1996 is due primarily to the installation of 113 ATMs in 1996.

Deposits for ATM leases. Deposits for ATM leases increased from \$666,000 at December 31, 1996 to \$2,542,000 at December 31, 1997 as a result of the Company's expansion. Lease deposits at December 31, 1995 were \$772,000.

Obligations under capital leases. In connection with the increase of property, plant and equipment, obligations under capital leases increased from \$384,000 at December 31, 1995 to \$4,471,000 at December 31, 1996 to \$14,470,000 at December 31, 1997. The majority of the 482 ATMs installed in 1997 and the 166 ATMs installed in 1995 and 1996 were financed under capital leases.

Trade accounts payable. Trade accounts payable increased from \$1,670,000 at December 31, 1996 to \$4,420,000 at December 31, 1997. The increase is due primarily to the significant increase in operations in 1997, including approximately \$2,000,000 related to ATM purchases. The increase of trade accounts payable from \$364,000 at December 31, 1995 to \$1,670,000 at December 31, 1996 is also attributable to a significant increase in operations in 1996. These increases are consistent with the Company's projected growth in the earlier years of its operations.

FOREIGN EXCHANGE EXPOSURE

In 1997, 99% of the Company's revenues were generated in Poland and Hungary. While in Hungary the majority of revenues received are to be US dollar denominated, this is not the case in Poland, where the majority of revenues are denominated in Polish zloty. However the majority of these contracts are linked either to inflation or the retail price index. While it remains the case that a significant portion of the Company's expenditures are made in or are denominated in U.S. dollars the Company is also striving to achieve more of its expenses in local currencies to match its revenues.

The Company anticipates that in the future, a substantial portion of the Company's assets, including fixed assets, will be denominated in the local currencies of each market. As a result of continued European economic convergence, including the increased influence of the Deutsche Mark, as opposed to the U.S. dollar, on the Central European currencies, the Company expects that the currencies of the markets where the proceeds from the offering will be used will fluctuate less against the Deutsche Mark than against the Dollar. Accordingly, the Company believes that the issuance of Deutsche Mark denominated debt will provide, in the medium to long term, for a closer matching of assets and liabilities than a dollar denominated issuance would.

INFLATION AND FUNCTIONAL CURRENCIES

In recent years, Hungary, Poland and the Czech Republic have experienced high levels of inflation. Consequently, these countries' currencies have continued to decline in value against the major currencies of the OECD over this time period. However, due to the significant reduction in the inflation rate of these countries in recent years, it is expected that none of these countries will be considered to have a hyper-inflationary economy

in 1998. Therefore, since Poland will no longer be considered hyper-inflationary beginning in 1998 and a significant portion of the Company's Polish subsidiary's revenues and expenses are denominated in zloty, the functional currency of the Company's Polish subsidiary will now be the zloty. The functional currency of the Company's Hungarian subsidiary will continue to be the U.S. dollar. It is expected that the functional currency of the Company's Czech subsidiary will also be the U.S. dollar.

Germany and France have experienced relatively low and stable inflation rates in recent years. Therefore, the local currencies in each of these markets is the functional currency. Although Croatia, like Germany and France, has maintained relatively stable inflation and exchange rates, the functional currency of the Croatian company is the U.S. dollar due to the significant level of U.S. dollar denominated revenues and expenses. Due to the factors mentioned above, the Company does not believe that inflation will have a significant effect on results of operations or financial condition. The Company continually reviews inflation and the functional currency in each of the countries that it operates in.

The Company has made an assessment of the impact of the advent of the year 2000 on its systems and operations. The Processing Center will require certain upgrades which have been ordered and are scheduled for installation by the fourth quarter 1998. Most of the ATMs in the Euronet network are not year 2000 compliant, and hardware and software upgrades will be installed under contract with Company's Euronet's ATM maintenance vendors. According to the Company's current estimates, the cost will be approximately \$1,000 per ATM, and the required installation will be finished by the end of 1998. The Company estimates that approximately 560 of its ATMs will require upgrades for year 2000 compliance. See "Business--Year 2000 Compliance."

IMPLEMENTATION OF NEW ACCOUNTING PRONOUNCEMENTS

The Company, effective for the year ended December 31, 1997, has adopted the following Statements of Financial Accounting Standards (SFAS): SFAS No. 128, "Earnings per Share." Pursuant to the provisions of the statement, basic loss per share has been computed by dividing net loss attributable to common shareholders by the weighted average number of common shares outstanding during the period. The effect of potential common shares (stock options outstanding) is anti-dilutive. Accordingly, dilutive loss per share does not assume the exercise of stock options outstanding.

SFAS No. 130, "Reporting Comprehensive Income." Comprehensive income can be defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. The Company had no significant comprehensive income during the period.

SFAS No. 131, "Disclosure about Segments of an Enterprise and Related Information." The Company has one industry segment but operates in a number of geographical segments. The Company has disclosed separately its two major geographical segments in 1997, being Hungary and Poland as required by SFAS No.131.

OVERVIEW

The Company operates the only independent, non-bank owned automatic teller machine ("ATM") network in Central Europe, as a service provider to banks and other financial institutions. The Company was established in 1994 and commenced operations in June 1995. Since it commenced operations, the Company has undertaken a rollout of its ATM network with 53, 166 and 693 ATMs in operation at December 31, 1995, 1996 and 1997, respectively. As of February 28, 1998 the Company operated a network of 754 state of the art ATMs, with 348 located in Hungary, 317 in Poland, 54 in Germany, 32 in Croatia and 3 in the Czech Republic. Through agreements and relationships established with local banks, international credit and debit card issuers and associations of card issuers such as American Express, Diners Club International, VISA, Mastercard and EUROPAY (together "International Card Organizations"), the Company's ATMs are able to process ATM transactions for holders of credit and debit cards issued by or bearing the logos of such banks and International Card Organizations. In addition, through its sponsorship arrangements with banks which issue VISA and EUROPAY cards, the Company is able to accept cards with the PLUS and Cirrus logos. The Company receives a fee from the relevant card issuing bank or International Card Organization for any ATM transactions processed on the Company's ATMs. Subject to full evaluation of market opportunities, the Company expects to install approximately 800 additional ATMs during 1998. The Company also offers out-sourced ATM management services to local banks that own proprietary ATM networks for which the Company receives a fixed monthly fee and a per transaction fee. The Company's Common Stock is traded on the NASDAQ National Market under the symbol "EFT" and based on its share price as of the close of . , 1998 the Company's equity market capitalization was approximately \$. million.

As of December 31, 1997, Euronet's ATM machines accepted approximately 99% of the domestic credit and debit cards issued in Hungary and 63% of the domestic credit and debit cards issued in Poland. The Company is able to accept substantially all of the domestic credit and debit cards issued in Germany due to its connection, through a sponsorship agreement with the German bank, Service Bank GmbH, to a central transaction authorization switch in Germany. In Croatia, the Company currently accepts 13% of the issued credit and debit cards, and it expects to be able to accept 34% by the end of March 1998 through an agreement signed with Atlas American Express. The Company is at the early stages of establishing its network in the Czech Republic where it currently operates three ATMs which are currently able to accept VISA cards.

The Company believes that one of the most important factors in determining the success of an ATM network is the location of the ATMs. The Company's strategy is to establish sites for its ATMs that provide high visibility and cardholder utilization. As part of this strategy, the Company identifies major pedestrian traffic locations where people need quick and convenient access to cash. Key target locations for Euronet's ATMs include (i) major shopping malls, (ii) busy intersections, (iii) local smaller shopping areas offering grocery stores, supermarkets and services where people routinely shop, (iv) mass transportation hubs such as city bus and subway stops, rail and bus stations, airports and gas stations, and (v) tourist and entertainment centers such as historical sections of cities, cinemas, and recreational facilities.

Recognizing that convenience and reliability are principal factors in attracting and retaining ATM customers, the Company has invested in the establishment of advanced ATM machines and monitoring systems, as well as redundancies to protect against network interruption. Approximately 87% of the Company's machines are available to customers 24 hours per day (with the majority of the balance of the machines being limited by retail hours of operation in the particular location.) The performance and cash positions of the Company's ATMs are monitored centrally, with local operations and maintenance contractors dispatched to fill and service the machines. The Company's machines in all markets, except Germany, are linked by satellite or land based telecommunications lines to the Company's central processing center in Budapest (the "Processing Center"). In order to obtain transaction authorization, the Processing Center interfaces with either the bank or International Card Organization that issued the card ("Card Issuer").

The Company believes that the level of services it provides and the location of its ATMs make it an attractive service provider to banks and International Card Organizations. By connecting to the Company's network, local banks can offer their customers the convenience of cash withdrawal and balance inquiry services in numerous off-site locations without incurring additional branch operating costs. Alternatively, banks can outsource the management of their proprietary ATM networks to the Company, thereby reducing their operating costs and improving the allocation of their own resources. In addition, the Company believes that the services it provides permit it to capitalize on the increase in bank account usage and credit and debit card issuance in Central Europe as demand for banking services continue to grow in the region.

THE ATM MARKET OPPORTUNITY IN EUROPE

The Company believes there are a number of trends occurring in its existing and planned markets which offer significant opportunities for its business:

Substantial and Growing Central European Economies. Hungary, Poland, the Czech Republic, and Croatia are among the fastest growing economies in Europe and represent a consumer market of approximately 64.0 million people in the aggregate. The long term sovereign credit ratings of these countries by Moody's Investor Service, Inc. and Standard & Poor's Corporation are currently (Baa3)/(BBB-), (Baa3)/(BBB-), (Baa1)/(BBB-), and (Baa3)/(BBB-), respectively. Hungary, Poland, the Czech Republic, and Croatia have recently experienced significant growth in their economies, with 1997 real gross domestic product growth estimates for each of these countries of 3.0%, 5.5%, 4.7%, and 7.0%, respectively. In recent years, each of these countries has encouraged foreign private investment. In 1995, direct foreign investment, was \$2.9 billion for Hungary, \$1.2 billion for Poland, \$2.5 billion for the Czech Republic, and \$81 million for Croatia while for 1996, direct foreign investment in these countries was \$2.8 billion, \$2.5 billion, \$1.4 billion, and \$349 million, respectively. In addition to a steady inflow of foreign investment, Hungary, Poland and the Czech Republic have reduced inflation from 28.3% and 26.8%, and 9.1% respectively, in 1995 to an estimated 18.0%, 15.9% and 8.5% respectively, in 1997. Croatia has maintained inflation in the single digits, increasing only slightly from 2.0% in 1995 to an estimated 4.0% for 1997.

Development of Central European Banking Infrastructure. Historically, the banking industry in Central Europe generally has been characterized by low levels of customer service, limited operating hours, and long waiting time to complete simple transactions. With the fall of communism, the banking sector in most Central European countries has undergone a significant transformation due to the initiation of privatisation programs and the adoption of free market principles. These changes have allowed banks the opportunity to expand the range of services and products offered. In addition, many Central European countries have allowed foreign banks to enter local markets, bringing additional technological know-how, products, expertise and capital. As foreign banks have been permitted to establish banks or invest in local banks in the region, the retail banking industry in many countries in Central Europe has become more competitive. Many banks have begun to implement strategies for serving and attracting a larger portion of the retail market in this competitive environment. The Company believes that banks view electronic banking and the issuance of debit and credit cards as methods for increasing customer service and enhancing customer loyalty.

Low ATM Density and Card Issuance in Central Europe; Significant Growth Potential. The Company believes that two principal drivers of an ATM business in a developing economy are ATM density per million people and card issuance as a percentage of the population. The Company estimates that as of January 1997 there were 97 ATMs per million of population in Hungary, 17 ATMs per million of population in Poland, 115 ATMs per million of population in the Czech Republic and 15 ATMs per million of population in Croatia. These figures compare with 478 ATMs per million of population in Austria, 376 ATMs per million of population in the United Kingdom, 422 ATMs per million of population in France, 466 ATMs per million of population in Germany, and 522 ATMs per million of population in the United States as of January 1997. Based on information compiled by the Company, as of January 1, 1997, the number of cards issued as a percentage of population is 21% in Hungary, 3% in Poland, 14% in the Czech Republic, and 9% in Croatia as compared with

110% in Austria, 151% in the United Kingdom, 90% in France, 123% in Germany and 254% in the United States at the same date. The Company believes the lower ATM density and card issuance in these Central European countries provide potential for significant growth.

The banks in Hungary and Poland originally issued VISA and EUROPAY cards only to their best customers at relatively unfavorable terms, which often included a high deposit of hard currency earning little or no interest, high percentage charges per transaction and high annual fees. Competitive pressure has led to more favorable terms and the issuance of VISA and EUROPAY cards to maintain and attract customers. The number of VISA cards in circulation in Hungary has increased from approximately 190,000 in June, 1996 to 715,000 in December 1997. In Poland there were approximately 150,000 VISA cards issued as of December, 1996, compared to 317,000 as of December 31, 1997. This is significant in the development of the Company's business because the Company can accept all such cards issued in each market through a single "sponsorship" arrangement with a VISA or EUROPAY bank in that market--the Company does not need an agreement with each bank as in the case of proprietary cards issued by banks. The Company believes that, over time, as the number of proprietary cards in the overall card base shrinks due to issuance of cards bearing international logos, the relative importance of the Company's direct connections with banks should decrease and the importance of its sponsorship arrangements should increase.

Development of Electronic Banking. The economies of most emerging markets, including those of Poland, Hungary, and the Czech Republic, have historically been cash based because efficient electronic funds transfer, ATM, and check cashing and clearing facilities had not been developed. Most employees in these countries have typically been paid in cash and until recently, most purchases were made, and bills were paid, in cash. While electronic banking, including electronic transfers, ATM and point of sale services have recently been introduced into the region, they are still in the early stages of development. The Company believes this represents a substantial opportunity. Hungary has recently introduced legislation to increase the use of electronic means of payment, by requiring that civil servants receive their salary via direct deposit to bank accounts. As a result, many people who ordinarily would not have a bank account have been or will be forced to open accounts to access their salary. The Company expects that a trend toward direct deposit of payroll in Central Europe will continue. Direct deposit combined with the accelerating development of the retail electronic banking industry and general economic growth in Central Europe is expected to lead to increased bank account usage, credit and debit card issuance, and demand for ATM services.

Additional Opportunities In Western European Markets. The developed markets of Western Europe are characterized by high levels of card issuance and a large number of ATMs. However, the Company believes that there are significant opportunities in Western Europe for the Company's services including (i) installing ATM's in high traffic, non-bank locations, (ii) providing ATM outsourcing and management services to banks with proprietary networks and (iii) offering innovative solutions for year 2000 compliance. The majority of ATM's in Western Europe are installed in bank branches. In France there are 24,500 ATM's, but only 7% of them are in non-bank locations. By comparison, approximately 27% of the ATM's in the United States and 17% in the United Kingdom are in non-bank locations. The Company also believes that banks in Western Europe will increasingly seek to outsource their proprietary ATM networks to focus on their core businesses and reduce operating expenses. Finally, there are a substantial number of ATM's throughout Western Europe which are not year 2000 compliant. The Company believes it can offer banks convenient turn-key year 2000 compliance solutions, including purchasing an existing ATM network and performing all the necessary upgrades.

COMPANY STRENGTHS

The Company believes it has a number of key strengths which position it to capitalize on the market opportunities it has identified:

Early Entrant in Central Europe; Established Market Position. The Company believes it has an advantage as one of the early entrants to the ATM markets of Central Europe. Euronet has been able to obtain ATM locations which are typically characterized as high traffic non-bank locations with 24-hour accessibility. The Company has been able to obtain long-term exclusive leases and agreements for many ATM

sites, at low cost. Examples of the Company's highly visible locations include McDonald's, gas stations such as ARAL, OMV, British Petroleum, and Shell, food stores such as Tesco, Julius Meinl, Tengelmann, Kaiser's, Magnet/Grosso and Plus, Makro Cash & Carry, Ikea, Metro, and the Marriott Hotel in Warsaw. In some cases, the Company has an option to install ATMs at all the sites owned by certain retail chains. The Company believes the quality of its ATM sites, and the long-term nature of its leases allow the Company well to maintain its competitive position and to attract and retain customers. In addition, as the only independent ATM operator in Central Europe, the Company has established a significant number of agreements with local and international banks and International Card Organizations ("Card Issuers") which enable it to attract a wider base of customers to its network than proprietary bank-owned networks whose card acceptance policies may be limited. Furthermore, the Company believes the number of its ATM sites, particularly in Hungary and Poland, make it an attractive partner for Card Issuers wishing to extend their reach. See "Business--Acceptance and Management's Agreements and--ATM Location".

Geographic Diversity of Operations. The Company currently conducts its ATM network business in Hungary, Poland, Germany, Croatia, and the Czech Republic. The Company believes that the expansion of its operations in its existing and future markets will provide it with some protection against potential disruptions in any one country's economy. In addition, the breadth of the Company's country coverage allows it to direct the rollout of its network towards the most lucrative market opportunities as they arise. For example, should banks in one of the Company's countries of operation significantly increase or decrease card issuance levels in a given year, the Company can redirect its network rollout to factor in such developments without any material disruption in its overall rollout plan. As the Company continues to expand into its existing markets and new markets, such as France, the Company's revenue base is expected to diversify and become less reliant on any one country's economy. Euronet believes its geographic expansion will enable it to benefit from the stability of the developed Western European markets where the cardholder base is large and transaction volumes are high while also allowing the Company to benefit from the substantial opportunity of the emerging markets.

Extensive Range of Card Provider Contracts. Euronet is the only non-bank owned ATM network in Central Europe, which enables it to concentrate on processing transactions for all Card Issuers whether they are individual banks, consortiums of banks or International Card Organizations. As a result, the Company is not dependent upon any one card source. As of December 31, 1997, the Company had a total of 21 card acceptance agreements with banks and International Card Organizations in four countries and it is continuing to obtain contacts with local banks and International Card Organizations in existing markets as well as new markets. The Company's Acceptance Agreements generally provide that all credit and debit cards issued by the banks may be used at all ATM machines operated by Euronet. Through agreements with local sponsor banks in Hungary and Poland, Euronet is able to accept all credit and debit cards bearing the VISA, Plus, Mastercard, EUROPAY and Cirrus logos at its ATMs in Hungary and Poland. The Company is also able to accept all credit and debit cards bearing the VISA and Plus logos at its ATMs in the Czech Republic. Euronet has also entered into agreements with Diners Club International and American Express. The agreement with Diners Club International provides for the acceptance of all credit and debit cards issued by Diners Club at all of Euronet's ATMs in Hungary, Poland and Croatia. This agreement is a "regional" agreement which is intended to be extended to all of the Central European countries. In addition, the Company has signed agreements with American Express or its local franchise to accept cards in these countries. The Company expects to begin accepting American Express cards in Croatia under this agreement at the end of March. This will enable the Company to accept approximately 34% of the cards issued in Croatia. Prior to being permitted to accept VISA/Plus, Mastercard/EUROPAY/Cirrus and American Express cards at its ATMs, the Company was required to demonstrate that it met all standards set by International Card Organizations to process transactions for such International Card Organizations.

Critical Mass; Largest Non-Bank Purchaser of ATMs in Central Europe. With over 754 ATMs in operation and a monthly average of 50 ATMs purchased or leased for the six months ended February 28, 1998, Euronet believes it is the largest purchaser of ATMs in Central Europe and one of the largest purchasers of new ATMs in Europe. As such, Euronet has negotiating leverage with ATM manufacturers and believes that it receives favorable prices as compared to lower volume purchasers. The Company has long term contracts with

certain ATM manufacturers to purchase ATMs at contractually defined prices which include quantity discounts. These contracts, however, do not commit the Company to purchase a defined number of ATMs. In addition, the Company has leverage, as compared to smaller ATM networks, in negotiating favorable pricing for ATM-related software, cash delivery services and ATM maintenance services. As the Company continues to expand into other countries, it expects to enter into multi-country agreements with telecommunication providers to reduce monthly charges. The Company expects that as it expands its network, its ability to reduce costs will make it more competitive.

Lower Cost Alternative to Banks. By acquiring ATMs, computer equipment, maintenance, telecommunication and other services, less expensively, and by running a focused operation, the Company believes that it can offer banks a low cost alternative to building or operating their own ATM network. The Company can offer banks a connection to the Euronet's ATM network, the management of an existing proprietary network of ATMs or the development of a new ATM network. The Company's ATM management services include 24-hour monitoring from Euronet's Processing Center of ATM operational status, coordinating the cash delivery, the monitoring and management of cash levels in the ATM, and automatic dispatch for necessary service calls. See "Agreements with Card Issuers and International Card Organizations--ATM Management Services Agreements."

State of the Art Integrated On-Line ATM Network; Capable of Providing Additional Services. The Company has purchased advanced hardware and software providing state-of-the-art features and reliability through sophisticated diagnostics and self-testing routines. The ATMs utilized by the Company can perform basic functions, such as dispensing cash and retrieving account information, as well as providing other services such as advertising through the use of color monitor graphics, messages on receipts, and coupon dispensing. In addition, the Company's ATMs are modular and upgradable so that they can be adapted to provide additional services in response to changing technology and consumer demand, including new products such as reloadable chip cards. See "--ATM Network Technology--Satellite Communications."

STRATEGY

The Company's objective, for the near term, is to maintain and enhance its position as a leading ATM service provider in Central and Western Europe by meeting international standards of reliability and customer service. Key elements of Euronet's business strategy are to:

Expand its ATM Base in Existing and New European Markets. The Company's principal focus in the near term will be the continued expansion of its installed base of ATMs in Europe. The Company's rollout plans are highly dependent upon the level of new card issuance in its existing markets of Hungary, Poland, the Czech Republic and Croatia as well as possible other markets in the region. The Company believes it is important to balance the number of ATMs in service with the number of cards expected to be in circulation to ensure that there is enough consumer demand to support its capital investments. The Company's rollout plans for any one market may vary from time to time in response to fluctuations in card issuance levels. Notwithstanding these fluctuations, the Company anticipates adding approximately 3,600 new ATMs in existing and new European Markets by December 31, 2000, the majority of which are expected to be in existing markets. Factors affecting the Company's expansion into new Central European countries include the state of the local economy, the stage of development of the retail banking market and ability to conduct business in accordance with the Company's customary standards and practices. Factors affecting further penetration of existing markets in the region are principally related to new card issuance levels, securing attractive retail sites and the number of strategic bank and card provider agreements.

Leverage its Critical Mass to Achieve Further Economies of Scale. The Company intends to seek ways to achieve further cost savings and economies of scale. Specific areas of opportunity identified by the Company include (i) the further centralization and automation of its ATM monitoring services, (ii) the utilization of software to assist banks in better cash management, and (iii) obtaining better terms with suppliers and contractors. With respect to ATM monitoring efforts, the Company is in the process of implementing a new

monitoring software system which automatically generates commands to the Company and its cash delivery and ATM maintenance contractors to remedy operational problems. The Company has also purchased a software system which is a highly accurate predictor of cash usage at individual ATMs. The Company believes this system will enable it to reduce the amount of cash which must be supplied to each ATM.

Continue to Form Strategic Relationships with Banks and International Card Organizations. It is the Company's goal to be able to accept all credit and debit cards issued in its markets at its ATMs. Euronet plans to continue to develop cooperative relationships with VISA, EUROPAY, American Express and Diners Club International, as well as certain banks with global consumer approaches to banking or the card markets, such as GE Capital and Citibank. Further, the Company is in the process of expanding certain individual country relationships into regional relationships and centralizing accounts management functions for such relationships.

Assist Banks in Issuing Cards. The level of usage of the Company's ATM network depends in large part upon the issuance by banks of credit and debit cards. In order to promote the issuance by banks of such cards, and to establish relationships with banks at an early stage in the development of their card departments, the Company has developed the "Blue Diamond" service. In connection with this service, Euronet acts as a consultant in the installation of the hardware and software necessary to assist banks in issuing credit and debit cards to their account holders. The Company hopes that this low cost product will be attractive to banks which seek to establish programs to issue a relatively small numbers of cards. Although this product itself is not likely to generate significant revenues, the Company believes the impact on transaction volumes and the collateral benefits of working within the card departments of banks could be significant over the long term. See "--Other Services."

Capitalize on Additional Revenue Opportunities. The Company plans to take advantage of the various distribution possibilities of ATMs and credit and debit cards beyond basic cash withdrawal and balance inquiry functions by providing value added services through ATMs as new technology develops and the demand for such services grows in its markets. The Company currently sells advertising on its ATM video screens, on receipts issued by the ATMs and on coupons dispensed with cash from the ATMs. The Company is also currently working to develop an ATM bill paying system that will be made available to utilities and other service providers for bills that have traditionally required payment in person at a post office or other central location. Depending on demand, in the future the Company may also introduce other ATM services currently available in other markets, including the ability to "reload" chip cards, check stock or mutual fund account balances and purchase items such as stamps and travelers checks at its ATM machines. The Company is also evaluating the opportunity to offer point of sale authorization services in the future. See "--Other Services."

Seek Additional Geographic and Other Market Opportunities. While the Company's intention is to focus principally on expanding its ATM service operations in Europe, it is exploring other geographic markets or strategic business opportunities where it can make use of its operational expertise. The Company plans to continue to seek additional ATM network management contracts from which it can generate revenues and utilize its existing central operations infrastructure with minimal capital investment. Other business and network opportunities that the Company may evaluate include the expansion of its operations through the acquisition of ATM networks from banks or other businesses which support or complement its network. The Company believes that many ATM networks could be run more efficiently and rendered more profitable by the Company due to economies of scale or through the consolidation or reorganization of the networks. Acquisitions of strategic businesses which support the Company's activities (including software providers or other transaction processors) could permit the Company to procure necessary services more inexpensively, increase network traffic, or to expand more rapidly. In terms of expansion outside of Europe, the Company plans to evaluate certain developing markets where card issuance is high or expected to increase rapidly, but where ATM infrastructure is not yet developed. The Company expects that expansion in such new markets will generally be made in cooperation with a local or international bank partner or Card Issuer in order to enhance its ability to quickly establish a market presence.

The Company is evaluating new markets for long term development, including both emerging and developed markets in Europe and elsewhere. Markets with potentially attractive ATM characteristics include, among others, Argentina, China, Egypt, Estonia, Ireland, Lithuania, Russia and Sweden. The Company is engaged in discussions with two U.S. persons regarding the development of certain business opportunities in China. The Company entered into a memorandum of understanding with such persons pursuant to which the Company and such persons would form a subsidiary to own and operate an ATM business in China if they are successful in obtaining a contract with one or more Chinese banks. The Company would own more than an 80% interest in such entity should it be formed.

In developing its network in other markets, the Company will seek to balance the need to achieve the highest level of transactions per machine over its network (which mitigates in favor of installation of machines in developed markets with large card bases) with the objective of capitalizing on its advantageous position in newer markets, where it believes that higher levels of growth will result over the medium to long term due to increases in the card base. The Company intends to slow down its installation of ATMs in Hungary and Poland until transactions per ATM increase in those countries. During the first half of 1998, the Company will focus its efforts on developing its network in the Czech Republic, Germany, Croatia and France. Thereafter, the orientation of the Company will depend upon its evaluation of performance in the various existing markets and opportunities arising in new markets.

THE EURONET NETWORK

General. The Company currently operates ATMs in Hungary, Poland, the Czech Republic and Croatia. It offers ATM management services in Germany. The Company has offices in, and plans to extend its network and its ATM management services operations to France and Romania in the near future. Over the medium to long term, the Company will also consider expansion of its network into other emerging or developed markets (including outside of Europe) in which the fundamental characteristics of the card and ATM markets suggest that there may be strong demand for the Company's services.

In several European countries, including Germany and France, banks have organized central switches through which transactions can be routed to the appropriate bank for authorization. Once connected to such a switch through a bank, an ATM is able to accept transactions made by the holders of substantially all of the cards in those markets. The Company's approach to these markets will be to enter into agreements with banks having access to these switches as an operator of ATMs under sponsorship of the bank, as a pure service provider (as the Company has done in Germany under its contract with Service Bank GmbH ("Service Bank")). See "--Germany."

Hungary. As of February 28, 1998 the Company had 348 ATMs installed in Hungary as part of its independent network, primarily in the country's six largest cities. Euronet has entered into agreements with most major banks in Hungary that issue ATM cards allowing all credit and debit cards issued by such banks to be accepted at Euronet's ATMs. In addition, the Company has entered into agreements with American Express, Diners Club International and sponsor banks that are members of VISA International and EUROPAY/Mastercard/Cirrus allowing cards issued by American Express and those cards bearing the VISA/Plus/Europay/Mastercard/Cirrus logos to be used at Euronet's ATMs in Hungary. As a result of these agreements, as of December 31, 1997, Euronet's ATMs in Hungary accepted approximately 99% of the domestic debit and credit cards issued in Hungary and all major international credit and debit cards.

In addition to operating its own network of ATMs, as of December 31, 1997, Euronet was managing 45 non-bank branch ATMs under a management contract with Budapest Bank. Under this contract, the Company connects ATMs which are owned by Budapest Bank to its central processing center and routes transactions to Budapest Bank's authorization center for approval. The Company also monitors the operation of the ATMs, provides maintenance and, through its subcontracted cash in transit company, delivers cash to the ATMs.

Poland. As of February 28, 1998 Euronet had 317 ATMs installed in Poland. Euronet had executed Acceptance Agreements with seven Polish banks. The Company has also entered into agreements with American Express, Diners Club International and sponsor banks affiliated with VISA International and EUROPAY

allowing all cards issued by American Express and all credit and debit cards bearing the VISA/Plus/EUROPAY/ Mastercard/ Cirrus logos to be used at Euronet's ATMs in Poland. As a result of these agreements the Company's ATMs in Poland are currently able to accept 63% of credit and debit cards issued by Polish banks. The Company intends to pursue a strategy similar to that employed in Hungary in order to increase the percentage of the total card base which can be used at Euronet's ATMs.

Germany. In Germany, ATMs are subject to essentially the same licensing requirements as bank branches. The Company has signed a contract with Service Bank under which it provides ATM services, including network development, maintenance and monitoring services. Because the Company acts as a pure service provider to Service Bank it is not subject to German financial institution licensing requirements. However, Euronet could obtain certain advantages by obtaining a limited financial activity license (including the ability to increase the scope of the services it offers and develop its own network of ATMs). The Company may apply for such a license in the future. The Company first began rendering services to Service Bank as of May, 1997 and as of February 28, 1998 the Company was servicing 54 ATMs. The Company intends to increase the number of ATMs substantially during 1998. Although Euronet locates ATM sites under this contract for Service Bank, the site agreements are entered into on behalf of Service Bank. To comply with German regulations, the Company processes transactions in Germany through a contractor, rather than through its Processing Center. The agreement with Service Bank is terminable upon six months' notice at any time after December, 1999. As a result of an agreement between certain card issuing banks in Germany, all ATMs in Germany can accept virtually all credit and debit cards issued by German financial institutions. Therefore, all of Service Bank's ATMs managed by Euronet in Germany under the agreement will be able to accept virtually all credit and debit cards issued by German financial institutions.

Croatia. Euronet installed its first ATMs in November, 1997 and began processing transactions on those ATMs on December 12, 1997. As of February 28, 1998, Euronet had 32 ATMs installed and operating in Croatia. Currently all of the ATMs are in Zagreb and surrounding cities, but the Company has targeted the coastal areas for development, where the tourist industry is strong. The Company has signed agreements with Diners Club International and American Express, which have collectively issued approximately 35% of the cards in the Croatian market.

Czech Republic. The Company began processing transactions in the Czech Republic in February 1998. On February 25, 1998, the Company signed an agreement with Bank Austria to become its VISA sponsor bank. As of February 28, 1997, the Company had installed three ATMs and is in the process of connecting these ATMs to its central processing center. The Company has signed five real estate agreements covering 38 locations, including one with Billa, the third largest supermarket chain in the Czech Republic.

France. The Company established its office in France in December 1997 and is performing the preliminary work necessary to begin providing services, including commercial negotiations with banks and other card issuers, site owners and subcontractors for cash delivery, ATM equipment supplies and telecommunications.

Expansion into France would require the Company to establish and thereafter maintain a relationship with one or more French financial institutions. Although the Company has not yet identified a French financial institution, it has retained a managing director for France, and is exploring potential relationships with French financial institutions and searching for potential ATM locations. There can be no assurance as to when or if the Company will be able to establish the necessary relationship for the commencement of operations in France.

Romania. The Company established its office in Romania in December 1997 and is performing the preliminary work necessary to begin providing services, including commercial negotiations with banks and other card issuers, site owners and subcontractors for cash delivery, ATM equipment supplies and telecommunications.

TYPICAL ATM TRANSACTION

In a typical ATM transaction processed by the Company, a debit or credit cardholder inserts a credit or debit card into an ATM to withdraw funds or obtain a balance inquiry. The transaction is routed from the ATM

to Euronet's Processing Center. The Company's Processing Center computers then identify the Card Issuer by the bank identification number contained within the card's magnetic strip. The transaction is then switched to the local issuing bank or International Card Organization (or its designated processor) for authorization. Once authorization is received, the authorization message is routed back to the ATM and the transaction is completed. Transactions by holders of cards bearing international logos are routed to central clearing systems operated by the relevant International Card Organization.

For banks that do not maintain on-line account balance information for their cardholders, the Company receives authorization limits from such banks on a daily basis, stores such banks' cardholders' authorization limits on its Processing Center computers and authorizes transactions on behalf of such banks. The Company transmits records of all transactions processed in this manner to such banks which then update their own cardholder account records.

Authorization of ATM transactions processed on Euronet's ATMs is the responsibility of the Card Issuer. Euronet is not liable for dispensing cash in error if it receives a proper authorization message from a Card Issuer. Euronet receives payment of a processing fee from the issuer of the credit or debit card used in a transaction, even for certain transactions that are not completed because authorization is not given by the relevant Card Issuer. The fees charged by Euronet to the Card Issuers are independent of any fees charged by the Card Issuers to cardholders in connection with the ATM transactions. The Company does not charge cardholders a fee for using its ATMs. In many cases the fee charged by a Card Issuer to a cardholder in connection with a transaction processed at Euronet's ATMs is less than the fee charged by Euronet to the Card Issuer.

ATM LOCATION

The Company believes that one of the most important factors in determining the success of an ATM network is the location of the ATMs. While most ATMs owned by European banks are located on the premises of the banks or their branches or on premises of large employers paying their employees by direct deposit, currently all but six of Euronet's ATMs are located in non-bank sites. The Company's strategy in pursuing off branch sites for its ATMs is to concentrate on locations that will provide high visibility and high cardholder utilization. As part of its strategy, the Company identifies the major high pedestrian traffic regions and locations where people need access to cash and find it convenient to stop for cash. Key target locations for Euronet's ATMs include (i) major shopping malls, (ii) busy intersections, (iii) local smaller shopping areas offering grocery stores, supermarkets and services where people routinely shop, (iv) mass transportation hubs such as city bus and subway stops, rail and bus stations, airports and gas stations, and (v) tourist and entertainment centers such as historical sections of cities, cinemas, and recreational facilities.

Research conducted in the United States indicates that once a cardholder establishes a habitual pattern of using a particular ATM, the cardholder will continue to use that ATM unless there are significant problems with a location, such as a machine frequently being out of service. It is the Company's goal to secure key real estate locations before its competitors can do so, and become the habitual ATM location of card users in its markets.

In Hungary, the Company has obtained agreements to install ATMs at several outlets of Julius Meinl, a large grocery chain, several McDonald's restaurants, several ARAL, OMV and Shell gas stations, Tesco supermarkets, Ikea as well as other major retail sites in Budapest, Debrecen, Kaposvar, Gyor and Szekesfehervar. In Poland, the Company has signed contracts to place ATMs in many key locations including McDonald's restaurants, British Petroleum, Shell gas stations, the Warsaw Marriott Hotel, Makro Cash and Carry and Ikea stores, Casinos Poland, and other hotel and retail outlets in Polish cities. In Germany, the Company is installing Service Bank ATMs in Metro stores and Tangelmann group stores (which include Tangelmann, Kaiser's, Magnet/Grosso and Plus food stores). It is part of the Company's strategy to expand its relationships with large multinational companies which have multi-location businesses to obtain ATM sites.

The Company's agreements for the location of ATMs generally provide for the location of one or more ATMs inside or adjacent to the premises of the site provider at minimal rental rates. In Hungary, the agreements

generally provide for an indefinite term and are terminable on relatively short notice. The Company is in the process, however, of renegotiating its agreements with major site providers to include fixed terms of three to five years. In Poland, the Czech Republic and Croatia, the agreements generally provide for a three to seven year term and are renewable for additional three to five year terms. In most cases, the Company pays rent for the sites, although such rent is substantially lower than the average rental rate in Western European countries. Generally, the Company's fixed term leases for ATM sites can only be terminated by a site provider if the Company defaults on its obligations. To date, none of the Company's leases have been terminated by site providers. The Company's leases in Poland generally include provisions permitting termination by the Company if transaction volumes at a site are unacceptable to the Company. The leases termination provisions in Hungary are somewhat broader and the Company can generally terminate leases there for any reason. To date, the Company has closed or relocated 25 sites.

AGREEMENTS WITH CARD ISSUERS AND INTERNATIONAL CARD ORGANIZATIONS

ACCEPTANCE AGREEMENTS

The Company's Acceptance Agreements with banks generally provide that all credit and debit cards issued by the banks may be used at all ATM machines operated by Euronet. The Acceptance Agreements also generally allow Euronet to receive transaction authorization directly from the card issuing bank or International Card Organization. Acceptance Agreements generally provide for a term of two to five years and are generally automatically renewed unless notice is given by either party prior to the termination date. In some cases, the agreements are terminable by either party upon six months' notice. The Company generally is able to connect a bank to its network within 30 to 90 days of signing an Acceptance Agreement.

Banks that execute Acceptance Agreements agree to participate in Euronet's ATM cash supply system. Under this system the banks provide all of the cash needed to operate the network. Each bank provides its pro rata share of cash dispensed to cardholders from Euronet's ATMs each day based upon the prior day's transaction reports generated by Euronet. Cash provided by the banks is deposited by a third party security company in Euronet's ATMs generally once or twice a week depending on the volume of the transactions. The cash remains the property of the banks until it is dispensed to cardholders. The Company maintains insurance with respect to the cash while it is held in its ATMs.

The Company may, if required to secure an Acceptance Agreement, loan funds to a bank or other Card Issuer to permit that entity to meet its obligation to supply cash. So far, two loans of this type have been approved: one to Atlas American Express (a privately owned and capitalized franchisee of American Express) and one to Diners Club Adriatic (a privately owned and capitalized franchisee of Diner's Club) but have not yet been funded. To minimize any financial risks related to these loans the Company intends to obtain guarantees from the international organizations. The Company will have the right to offset any amount in its ATM machines against any amounts it advances. The Company plans to periodically examine the relationship in an effort to minimize its repayment risk. When Euronet agrees to make such a loan, it either charges interest or increases the fees payable under the underlying Acceptance Agreement to include an interest factor.

The ATM transaction fees charged by Euronet under the Acceptance Agreements vary depending on the type of transaction (which are currently cash withdrawals, balance inquiries, and transactions not completed because authorization is not given by the relevant Card Issuer) and the quantity of transactions attributable to a particular Card Issuer. The transaction fee charged to Card Issuers for cash withdrawals, on average, is in excess of \$0.75 per transaction, while transaction fees for the other two types of transactions that can currently be processed on Euronet's ATMs are generally substantially less. There has been considerable downward pressure on transaction fees (in particular for cash withdrawals) as the volumes of transactions has increased for the larger banks. As transaction levels increase for the larger banks, and the overall number of cards circulating in the markets increases, such larger banks are more likely to conclude that it is economical to bear the infrastructure costs associated with creating their own ATM networks. Thus, the Company has been compelled to grant volume discounts to such banks. For these banks, the Company attempts to achieve a tiered fee structure, with a reduction

of the transaction fee being granted only on higher transaction volumes. See "Management's Discussion and Analysis of Financial Condition" and Results of Operations--Overview."

Under the terms of the Acceptance Agreements, Euronet charges ATM transaction fees to the card issuing banks. The Company attempts to include a provision in its Acceptance Agreements to the effect that card issuing banks will not charge their cardholders more for using Euronet's ATMs than the banks' own ATMs. However, it is not always successful in obtaining agreement to this provision. More recently, some banks have increased the amount of fees charged through to their customers. This damages the Company's competitive position as compared with bank-owned ATM networks, on which the fee charged through to the customer may be lower.

The Acceptance Agreements generally provide for payment in local currency but transaction fees are denominated in U.S. dollars or inflation adjusted. Transaction fees are billed on terms no longer than one month. The Company's agreement with Service Bank in Germany to manage and install ATMs provides for fees similar to those paid with respect to Acceptance Agreements. The Company's agreements to provide ATM management services, other than in Germany, are expected to provide for monthly management fees plus fees payable for each transaction. The transaction fees under these agreements are expected to be generally lower than under the Acceptance Agreements. See "--ATM Network Management Services."

ATM NETWORK MANAGEMENT SERVICES AGREEMENTS

During 1997, the Company began offering complete ATM network management services to banks that own proprietary ATM networks. The ATM network management services provided by the Company include management of an existing network of ATMs or development of new ATM networks. This includes 24 hour monitoring from its Processing Center of each individual ATM's status and cash condition, coordinating the cash delivery and management of cash levels in the ATM and automatic dispatch for necessary service calls. These services also include: real-time transaction authorization, advanced monitoring, network gateway access, network switching, 24 hour customer services, maintenance services and settlement and reporting. The Company already provides many of these services to existing customers and has invested in the necessary infrastructure. As a result, agreements for such ATM network management services ("ATM Management Agreements") provide for additional revenue with lower incremental cost. Euronet will also be able to provide these managed ATMs access to those international cards and networks that are connected to the Euronet network.

In February 1997, the Company entered into an agreement with GE Capital Corporation under which the Company became a preferred provider of ATM network management services to certain banks affiliated with GE Capital Corporation and located in Poland, Hungary, Czech Republic, Germany and Austria, including Mercurbank AG in Austria, Service Bank in Germany, GE Capital Bank SA in Poland and Budapest Bank in Hungary. In January 1997, prior to execution of this agreement, the Company had executed an agreement with Service Bank in Germany to provide installation and management services to expand Service Bank's existing ATM network in Germany in non-bank branch locations. As of February 28, 1998, the Company was maintaining 54 ATMs under this agreement. To date, the Company has not signed any agreements with banks owned by GE Capital other than Service Bank and Budapest Bank.

The Company has entered into two other ATM Management Agreements. In December 1996, it signed an agreement with Budapest Bank to provide these ATM network management services to Budapest Bank's 120 machine ATM network in Hungary. Currently, the Company has taken over management of 45 Budapest Bank ATMs. Take over of the remainder has been delayed pending resolution of certain software interface problems which have arisen in connection with the implementation of the contract. An additional ATM Management Agreement was signed with ING in Hungary in July of 1997.

Under ATM Management Agreements, the Company can offer banks the option of expanding the card base which may be accepted on managed ATMs. The banks may elect to permit acceptance on Euronet managed ATMs of all cards accepted on the Euronet network through certain Acceptance Agreements in the country concerned. This could increase the volume of transactions processed by the Company.

Acceptance and Management Agreements

The following table sets forth bank and card issuer agreements with the Company as of December 31, 1997. It also identifies whether the agreement is an Acceptance Agreement or an ATM Management Agreement.

ACCEPTANCE AGREEMENTS

HUNGARY

Orszagos es Takarek Penztar Bank ("OTP")(1)
Magyar Kulkereskedelmi Bank Rt. (MKB)
Budapest Fejlesztési es Hitelbank Rt. (Budapest Bank)(2)
Mezobank Rt.(2)
Citibank Budapest Rt.
Postabank es Takarekpenztar Rt.
Creditanstalt Rt.
Deutsche Bank Rt.
Inter-Europa Bank Rt.
ING(2)
American Express
Diners Club International

POLAND

Wielkopolskie Bank Kredytowy S.A.
Bank Depozytowo-Kredytowy w Lublinie S.A.
Bank Współpracy Regionalnej S.A. Krakow
Bank Polska Kasa Opieki S.A.
Bank Przemysłowo-Handlowy SAs
Cuprum Bank SA
Bank Rozwoju Eksportu SA

CROATIA

Diners Club International
Atlas American Express
Raiffeisenbank Austria

CZECH REPUBLIC

Bank Austria

ATM MANAGEMENT AGREEMENTS

GERMANY

Service Bank

HUNGARY

Budapest Bank
ING(2)
Deutsche Bank Rt.(2)

-
- (1) OTP terminated this agreement effective July 1998. See "Management's Discussion and Analysis of Financial Condition and Results of Operations-- Comparison of Results of Operations for the Year Ended December 31, 1995, 1996 and 1997--Revenues" and "Risk Factors--Dependence on Relationships with Banks and International Card Organizations; Termination of OTP Contract".
 - (2) These entities have both an acceptance and ATM Management Agreement with the Company.

The agreements with MKB, WBK, Bank Austria and Raiffeisenbank permit Euronet to process all VISA cards issued in Hungary, Poland and the Czech Republic, respectively. The agreements with OTP and WBK permit Euronet to process all EUROPAY cards in Hungary and Poland, respectively. The Company can accept all VISA and EUROPAY cards in Germany through its agreement with Service Bank.

In January 1998, OTP notified the Company that it was terminating its contract with Euronet effective as of July 27, 1998. As a result of this termination, the Company will not have a direct connection with OTP and will not be able to accept OTP proprietary bank cards. The Company will, however, still be able to accept all OTP issued VISA and EUROPAY cards through its VISA and EUROPAY gateways. For the year ended December 31, 1997, the Company's contract with OTP represented approximately 51% of its consolidated revenues. The financial impact of the OTP contract termination is difficult to assess. The Company believes that such impact may be mitigated in part because (i) the Company believes that VISA and EUROPAY cards represent over 95% of the cards issued by OTP and (ii) the Company receives a higher fee for transactions processed through its VISA and EUROPAY gateway(s) than for OTP proprietary bank cards. However, the Company believes that some of OTP's cardholders will be dissuaded from patronizing Euronet's ATMs due to the higher fees passed through to customers for transactions processed through the VISA and EUROPAY connection.

OTHER SERVICES

The Euronet Network constitutes a distribution network through which financial and other products or services may be sold at a low incremental cost. The Company has already developed certain services in addition to cash withdrawal and balance inquiry transactions and will continue to implement additional services as markets develop.

In May 1996, the Company began to sell advertising on its network. Advertising clients can put their advertisements on the video screens of Euronet's ATMs, on the receipts issued by the ATMs and on coupons dispensed with cash from the ATMs.

Euronet also plans to introduce payment processing capabilities on its ATMs which would allow ATM card holders to pay utility bills. The bill payment system would be made available to utilities and other service providers for bills that have traditionally required payment in person at a post office or other central locations. The Company has signed its first bill payment agreement with a utility in Hungary and a corresponding settlement bank and is currently working to develop the system operationally.

Euronet is exploring various markets (in particularly Croatia) regarding providing on-line point of sale authorization for purchases made at retail outlets with credit and debit cards. If such services are implemented by the Company, purchases made with cards issued by banks that have executed Acceptance Agreements and cards connected to international ATM networks that are connected to the Euronet ATM network would be able to be authorized through Euronet's Processing Center, generating additional transaction fees.

The Company's ATMs are ungradable so that they can be updated to be used with new technologies including computer chip "smart cards" which are electronic debit cards which can be used to withdraw cash from ATMs as well as being "charged up" with ATM Network at an ATM through a connection with the cardholder's bank and used to purchase goods from retail locations. All ATMs now ordered by Euronet include chip card readers.

In addition to transactions over its network, the Company is developing services which are complementary to, or promote, ATM transactions. During 1997, the Company developed a new card issuance product, referred to as the "Blue Diamond." This product combines IBM hardware and Arksys software (the Software that runs the Company's ATM Network) and is intended to permit banks to rapidly implement card issuance programs. In exchange for a fee, Euronet acts as a consultant in connection with the installation of the hardware and software necessary to implement an ATM processing network and assists banks in issuing credit and debit cards to their account holders. The Blue Diamond system interfaces automatically with Euronet's Arksys ATM network software and facilitates the acceptance on Euronet of transaction by the cards issued in connection with the Blue Diamond service. The market for this product appears to be strongest among banks wishing to issue a small number of cards or to initiate their first card programs. The Company's primary motivation in the development of this program is to promote the issuance of cards by banks, which ultimately will be used on Euronet's network.

TRANSACTION VOLUMES

The Company monitors and reports on a regular basis to the public the number of transactions which are made by cardholders on its networks. These include cash withdrawals, balance inquiries and certain types of

denied transactions (transactions which have been requested by a cardholder but which are denied by a bank). Certain transactions on the Euronet network are not billable to banks, and these are excluded for reporting purposes. The average number of transactions processed each month at Euronet's ATMs over its entire network increased on average approximately 26% per month in 1996 and 12.8% in 1997. The number of transactions processed grew from 238,108 in January 1997 to 892,414 in December 1997. During 1996, substantially all of the growth was in Hungary, since the Company had very few ATMs in Poland. The Company believes that the lower average rates of transaction growth in 1997 as compared with 1996 resulted from the relatively higher number of ATMs which the Company operated in Poland, where card issuance has grown slower than in Hungary.

The Company's experience during 1997 has been that transaction growth varies substantially from one month to another. For example, transaction growth was 1.9% in April and 4.1% in September, but was 14% in October and 24% in December. The number of transactions decreased in January in each of 1996 and 1997 by 3% and 5%, respectively. The Company believes this shrinkage results from the fact that consumers have less funds available during the period immediately following Christmas.

The transaction volumes processed on any given ATM are affected by a number of factors, including location of the ATM and the amount of time the ATM has been installed at that location. The Company's experience is that the number of transactions on a newly installed ATM is initially very low and increases for a period of three to six months after installation as consumers become familiar with the location of the machine. Because the Company is continuing to build out its ATM network rapidly, the number of newly installed machines is relatively high in proportion to older machines. The Company anticipates that the number of transactions per machine will increase as the network matures and card issuance continues.

ATM NETWORK TECHNOLOGY

The Company uses IBM/Diebold and NCR ATMs. It currently has long term contracts with these manufacturers to purchase these ATMs at contractually defined prices which include tiered quantity discounts. However, there are no contractually defined commitments with respect to quantities to be purchased. Because Euronet is one of the largest purchasers of new ATMs in Europe, it has substantial negotiating leverage with ATM manufacturers and believes it has received favorable prices as compared with lower volume purchasers. The wide range of advanced technology available from IBM/Diebold and NCR provides Euronet customers with state-of-the-art-electronics features and reliability through sophisticated diagnostics and self-testing routines. The different machine types can perform basic functions, such as dispensing cash and displaying account information, as well as provide revenue opportunities for advertising and selling products through use of color monitor graphics, receipt message printing, and coupon dispensing. The Company's ATMs are modular and ungradable so that they can be adapted to provide additional services in response to changing technology and consumer demand. In many respects, Euronet's ATMs are more technologically advanced and more adaptable than many older ATMs in use in more developed ATM markets. This allows the Company to modify its ATMs to provide new services without replacing its existing network infrastructure.

Strong back office central processing support is a critical factor in the successful operation of an ATM network. Each ATM is connected to Euronet's Processing Center through land-based and satellite telecommunications. Because the Company strives to ensure western levels of reliability for its network, it currently relies primarily on satellite telecommunications for ATM connections to its Processing Center. Except in Germany, all ATMs in the network are linked through VSAT telecommunications to the Processing Center, and the Processing Center is, in most cases, linked by VSAT telecommunications to the Card Issuers. The VSAT telecommunications providers generally guarantee uninterrupted service for 99% of the time. The Company strives to continually improve the terms of its agreements with its telecommunications providers and intends to enter into multi-country agreements with lower rates for service. The Company's agreements with its satellite telecommunications providers contain certain assurances with respect to the repair of satellite malfunction to ensure continuous reliable communications for the network. As the reliability of land based telecommunications

improves, the Company may rely more heavily on them because they are generally less expensive than satellite telecommunications.

The Processing Center, which is located in Euronet's Budapest office, is staffed 24 hours a day, seven days a week and consists of two production IBM AS400 computers which run the ARKSYS Gold Net ATM software package, as well as a real time back up A/S 400. The back up machine provides high availability during a failure of either production A/S 400. The Processing Center also includes two A/S 400's used for product and connection testing and development. The ARKSYS software is a state-of-the-art software package that conforms to all relevant industry standards and has been installed in 64 countries worldwide. The Processing Center's computers operate Euronet's ATMs and interface with the local bank and international transaction authorization centers.

To protect against power fluctuations or short term interruptions, the Processing Center has full uninterruptable power supply systems with battery back-up to service the network in case of a power failure. The Processing Center's data back-up systems would prevent the loss of transaction records due to power failure and permit the orderly shutdown of the switch in an emergency.

The Company is formulating plans to create an off-site disaster recovery back up system to provide protection against both natural and man-made disasters. Because such a disaster recovery site would require duplication of all of the telecommunications and processing capabilities of the Company at a second location, the Company has estimated the cost of such center at \$1 million if it is required to establish the site on its own. Euronet had intended to put such a center in place in Hungary in 1997, but the high cost of such a system has led the Company to seek methods of reducing the cost (for example by having the center placed in a hub maintained by one of the Company's telecommunications providers) or using the equipment in the recovery site to meet other requirements arising as a result of the geographical expansion of the Company's business, in particular a requirement that the Company process its German transactions in a member state of the European Union. The Company now expects to establish such back up site by late 1998.

COMPETITION

Competitive factors in the Company's business are network availability and response time, price both to the Card Issuer and to its customers, ATM location and access to other networks. Principal competitors of the Company include ATM networks owned by banks. Larger banks, in particular, may be able to develop their own network of ATMs. Because banks control the relationship with their cardholders, they may promote the use of their own ATM networks by charging through to customers a higher fee for use of the Euronet network. The Company seeks to counter such charge through by contractual provisions and offering additional services (such as bill payment) to the banks and their customers. Certain national networks consisting of consortiums of banks also compete with the Company. In the Czech Republic, ISC MUZO (formed by a consortium of four banks) offers ATM driving and switching services in addition to point of sale services to Czech banks. PolCard in Poland (formed by a consortium of 11 banks) provides point of sale services, card management services, switching services, and ATM driving services to customer banks. The Company expects that ATM transactions will eventually be switched from PolCard to and from Euronet. In Hungary, certain banks established a jointly owned company in 1989, called Giro Bankcard Rt., to develop a central switch for ATM transactions which would permit those banks to switch transactions among themselves in a fashion similar to Euronet. However, the membership in this company has been limited to four banks and during 1997, the Company has established direct connections to two of the member banks, Postabank and Mezobank. As a result of the Company's connection, transactions for these banks no longer transit through the Giro Bankcard system.

EMPLOYEES

The Company's business is highly automated and it out-sources many of its specialized, repetitive functions such as ATM maintenance and installation, cash delivery and security. As a result, the Company's labor requirements for operation of the network are relatively modest and are centered on monitoring activities to

ensure service quality and cash reconciliation and control. The Company also has a customer service department to interface with cardholders to investigate and resolve reported problems in processing transactions.

However, Euronet's roll out of ATMs, its development of new products and individual bank connections and its expansion into new markets creates a substantial need to increase existing staff on many levels. The Company requires skilled staff to identify desirable locations for ATMs and negotiate ATM lease agreements. Euronet is also expanding its systems department to add new technical personnel and recruiting strong business leadership for new markets. In addition, the need to ensure consistency in quality and approach in new markets and proper coordination and administration of the Company's expansion, is leading the Company to recruit additional staff in the areas of financial analysis, project management, human resources, communications, marketing and sales. The Company has a program of continual recruitment of superior talent whenever it is identified and ongoing building of skill for existing staff. The Company believes that its future success will depend in part on its ability to continue to recruit, retain and motivate qualified management, technical and administrative employees.

As of December 31, 1996, the Company and its subsidiaries had 58 full-time employees, 36 of which were located in its Budapest office, 21 in its Warsaw office and 1 in its Frankfurt office. As of December 31, 1997 the number of employees was 178 full-time employees, with 79 located in Hungary, 73 in Poland, 7 in the Czech Republic, 8 in Germany, 9 in Croatia and 2 in France. The Company has created a central "head office" organization in Budapest which is independent of the Hungarian country operations and dedicated to overall management of the Company's business.

None of the Company's or its subsidiaries' employees are currently represented by a union. The Company has never experienced any work stoppages or strikes.

GOVERNMENT REGULATION

The Company has received interpretative letters from the Hungarian Bank Supervisory Board and the Polish National Bank to the effect that the business activities of the Company in those jurisdictions do not constitute "financial activities" subject to licensing. In addition, the Company has received advice to the effect that its activities in each of its other markets do not currently require it to obtain licenses. Any expansion of the activity of the Company into areas which are qualified as "financial activity" under local legislation may subject the Company to licensing, and the Company may be required to comply with various conditions in order to obtain such licenses. Moreover, the interpretations of bank regulatory authorities as to the activity of the Company as currently conducted might change in the future. The Company monitors its business for compliance with applicable laws or regulations regarding financial activities.

Under German law, ATMs in Germany may be operated only by licensed financial institutions. The Company, therefore, may not operate its own ATM network in Germany and must act, under its contract with Service Bank GmbH ("Service Bank"), as a subcontractor providing certain ATM-related services to Service Bank. As a result, the Company's activities in the German market currently are entirely dependent upon the continuance of the agreement with Service Bank, or the ability to enter into a similar agreement with another bank in the event of a termination of such contract. The inability to maintain such agreement or to enter into a similar agreement with another bank upon a termination of the agreement with Service Bank could have a material adverse effect on the Company's operations in Germany. To comply with German regulations, the Company processes transactions in Germany through a contractor, rather than through its Processing Center.

The Company is considering expansion into France, whose laws relative to the operation of ATMs are similar to those of Germany. Expansion into France would require the Company to establish and thereafter maintain a relationship with one or more French financial institutions. Although the Company has not yet identified a French financial institution, it has retained a managing director for France, and is exploring potential relationships with French financial institutions and searching for potential ATM locations. There can be no

assurance as to when or if the Company will be able to establish the necessary relationship for the commencement of operations in France.

The Company wishes to offer the widest possible range of services on its network and is considering taking steps to obtain a limited financial activity licenses in some markets to be able to expand its services.

PROPERTY

The Company's executive offices and Processing Center are located in Budapest. The Company also maintains offices in Warsaw, Zagreb, Berlin, Paris, Prague, Krakow and Szczecin. All of the Company's offices are leased. The Company's office leases provide for initial terms of 24 to 60 months.

YEAR 2000 COMPLIANCE

The Company has made an assessment of the impact of the advent of the year 2000 on its systems and operations. The Processing Center will require certain upgrades which have been ordered and are scheduled for installation by the fourth quarter 1998. Most of the ATMs in the Euronet network are not year 2000 compliant, and hardware and software upgrades will be installed under contract with Company's Euronet's ATM maintenance vendors. According to the Company's current estimates, the cost will be approximately \$1,000 per ATM, and the required installation will be finished by the end of 1998. The Company estimates that approximately 560 of its ATMs will require upgrades for year 2000 compliance.

The Company is currently planning a survey of its bank customers concerning the compliance of their back office systems with year 2000 requirements, and anticipates launching such survey in the third quarter of 1998. If the Company's bank customers do not bring their card authorization systems into compliance with year 2000 requirements, the Company may be unable to process transactions on cards issued by such banks and may lose revenues from such transactions. This could have a material adverse effect on the Company's revenues. Therefore, Euronet will monitor, and hopes to assist its bank clients in, implementation of its customers year 2000 compliance programs, and may, if required to accelerate the compliance programs of its banks, create consulting capabilities in this respect.

TRADEMARKS

The Company has filed applications for registration of certain of its trademarks including the names "Euronet" and "Bankomat" and/or the blue diamond logo in Hungary, Poland, the Czech Republic, Slovakia, Sweden, France and the United Kingdom. Such applications have been granted in Hungary, Poland and Croatia but are still pending in the other countries.

The Company does not hold the Euronet trademark in Germany, France or certain other Western European countries due to prior registrations by other Companies. For the time being, the Company does not "brand" ATMs or otherwise use the Euronet trademark in these countries, except as permissible as a corporate name. The Company is developing an alternative trademark and corporate identity for European countries in which the Euronet name is not available and non-European countries.

LITIGATION

The Company is not currently involved in any material legal proceedings.

MANAGEMENT

DIRECTORS, EXECUTIVE OFFICERS AND KEY EMPLOYEES

The Directors, Executive Officers and key employees of the Company are as follows:

NAME ----	AGE ---	POSITION -----
DIRECTORS		
Michael J. Brown(1).....	41	Chairman, President and Chief Executive Officer
Daniel R. Henry.....	32	Director, Chief Operating Officer
Thomas A. McDonnell(1)(2)(3).....	52	Director
Nicholas B. Callinan(1)(2).....	51	Director
Steven J. Buckley(1)(2)(3).....	42	Director
Eriberto R. Scocimara...	61	Director
Andrzej Olechowski.....	50	Director
EXECUTIVE OFFICERS		
Dennis H. Depenbusch....	34	Vice President--Poland
Bruce S. Colwill.....	33	Chief Financial Officer and Chief Accounting Officer
Jeffrey B. Newman.....	43	Vice President and General Counsel
OTHER KEY EMPLOYEES		
Anthony M. Ficarra.....	55	Chief Information Officer
Miro I. Bergman.....	35	Managing Director--Czech Republic
Thierry Michel.....	35	Managing Director--France
Matthew Lanford.....	31	Information Systems Director
William Benko.....	38	Managing Director--Hungary
Roger Heinz.....	37	Managing Director--Germany
John Romney.....	32	Managing Director--Croatia
Timothy A. Fanning.....	32	Managing Director--Romania

- - - - -
- (1) Member of the Compensation Committee
 - (2) Member of the Audit Committee
 - (3) Member of the Stock Option Committee

The 1998 annual meeting of stockholders is presently scheduled for May 1998 at which meeting stockholders will be asked to re-elect as directors Messrs. Brown and Olechowski who will be nominated by the Board of Directors for election as directors for a term expiring in 2001.

DIRECTORS

MICHAEL J. BROWN is one of the founders of the Company and has served as its Chief Executive Officer since 1994. In 1979 Mr. Brown founded Innovative Software, a computer software company that was merged with Informix in 1988. During this period, Innovative Software conducted three public offerings of its shares. Mr. Brown served as President and Chief Operating Officer of Informix from February 1988 to January 1989. He served as President of the Workstation Products Division of Informix from January 1989 until April 1990. Annual revenues of Informix had grown to \$170 million by the time Mr. Brown left Informix in 1990. In 1993 Mr. Brown was a founding investor of Visual Tools, Inc., a company that writes and markets component software for the growing Visual Basic and Visual C++ developer market. Visual Tools, Inc. was acquired by Sybase Software in February 1996. Mr. Brown received a B.S. in Electrical Engineering from the University of Missouri--Columbia in 1979 and a M.S. in Molecular and Cellular Biology at the University of Missouri--Kansas City in 1996. Mr. Brown has been a Director of the Company since its incorporation in December 1996 and he previously served on the boards of Euronet's predecessor companies. His term as Director of the Company will expire in May 1998. Mr. Brown is married to the sister of Mr. Henry's wife.

DANIEL R. HENRY founded the Company with Michael Brown in 1994 and is serving as Chief Operating Officer of the Company. Mr. Henry is based in Budapest, Hungary where he operates and oversees the daily operations of the Company's Hungary operations and the supervision of the Company's Poland operations. Mr. Henry also is responsible for the expansion of the Company into other countries and the development of new markets. Prior to joining the Company, Mr. Henry was a commercial real estate broker for five years in the Kansas City metropolitan area where he specialized in the development and leasing of premiere office properties. Mr. Henry received a B.S. in Business Administration from the University of Missouri--Columbia in 1988. Mr. Henry has been a Director of the Company since its incorporation in December 1996 and he previously served on the boards of Euronet's predecessor companies. His term as Director of the Company will expire in May 2000. Mr. Henry is married to the sister of Mr. Brown's wife.

THOMAS A. MCDONNELL has been a Director of the Company since its incorporation in December 1996 and he previously served on the boards of Euronet's predecessor companies. From 1973 to September 1995, he served as Treasurer of DST Systems, Inc. Since October 1984 he has served as Chief Executive Officer and since January 1973 (except for a 30 month period from October 1984 to April 1987) he has served as President of such company. From February 1987 to October 1995, he served as Executive Vice President and from 1983 to November 1995 he served as a director of Kansas City Southern Industries. From December 1989 to October 1995, he served as a director of The Kansas City Southern Railway Company. From October 1994 to April 1995 he served as President and from 1992 to September 1995 as director of Berger Associates, Inc. From 1994 to January 1997, Mr. McDonnell was a director of First of Michigan Capital Corporation. He is currently a director of Informix, BHA Group, Inc., DST Systems Inc., Cerner Corporation, Computer Science Corporation and Janus Capital Corporation. Mr. McDonnell has a B.S. in Accounting from Rockhurst College and an M.B.A. from the Wharton School of Finance. Mr. McDonnell's term as Director of the Company will expire in May 2000.

NICHOLAS B. CALLINAN has been a Director of the Company since its incorporation in December 1996 and he previously served on the board of Euronet Holding N.V. From 1993 he served as Senior Vice President and Managing Director for Central and Eastern Europe of Advent International Corporation, the ultimate general partner of private equity funds which are a shareholder of the Company. In 1997, he was appointed Managing Director of Emerging Markets for Advent International Corporation. From 1983 to 1993, he was founder and Chief Executive Officer of Western Pacific Management & Investment Company, which later became the Advent Group of Companies. Mr. Callinan has a B.E. in Civil Engineering and an M.B.A. from the University of Melbourne. Mr. Callinan's term as Director of the Company will expire in May 1999.

STEVEN J. BUCKLEY has been a Director of the Company since its incorporation in December 1996 and he previously served on the boards of Euronet's predecessor companies. In April 1994 he was a co-founder of Poland Partners L.P., a venture capital fund for investment in Poland and since that time April 1994 he has served as President and Chief Executive Officer of Poland Partners Management Company, the advisor of such fund. From June 1990 to April 1994, he was a founder and director of Company Assistance Ltd., a business advisory firm in Poland. He has a B.A. in Political Science from Stanford University and an M.B.A. from Harvard University. Mr. Buckley's term as Director of the Company will expire in May 2000.

ERIBERTO R. SCOCIMARA has been a Director of the Company since its incorporation in December 1996 and he previously served on the boards of Euronet's predecessor companies. Since April 1994 Mr. Scocimara has served as President and Chief Executive Officer of the Hungarian-American Enterprise Fund, a private company that is funded by the U.S. government and invests in Hungary and is also a shareholder of the Company. Since 1990 he has been a partner of The Contrarian Group, an investment and management company based in California. Mr. Scocimara is currently a director of the Hungarian-American Enterprise Fund, Carlisle Companies, Harrow Industries, Inc., Roper Industries, Quaker Fabrics and several privately-owned companies. He has a Licence de Science Economique from the University of St. Gallen, Switzerland, and an M.B.A. from Harvard University. His term as a Director of the Company will expire in May 1999.

ANDRZEJ OLECHOWSKI has served as a Director of the Company since its incorporation in December 1996. He has held several senior positions with the Polish government: from 1993 to 1995, he was Minister of Foreign

Affairs and in 1992 he was Minister of Finance. From 1992 to 1993, and again in 1995, he served as economic advisor to President Walesa. From 1991 to 1992, he was Secretary of State in the Ministry of Foreign Economic Relations and from 1989 to 1991 was Deputy Governor of the National Bank of Poland. At present Dr. Olechowski is Chairman of Central Europe Trust, Poland, a consulting firm. Since 1994, he has served as Chairman of the City Council in Wilanow, a district of Warsaw. His memberships include a number of public policy initiatives: International Advisory Boards of Creditanstalt, Banca Nazionale del Lavoro, International Finance Corporation, Textron and boards of various charitable and educational foundations. He received a Ph.D. in Economics in 1979 from the Central School of Planning and Statistics in Warsaw. His term as Director of the Company will expire in May 1998.

EXECUTIVE OFFICERS

DENNIS H. DEPENBUSCH has been Vice President of the Company's Poland office since its inception in May 1995. From 1992 to 1995, Mr. Depenbusch was Director of Project Finance with RMC in Lawrence, Kansas, where he structured various financing and acquisition strategies for housing projects. From 1990 to 1992, Mr. Depenbusch was a Senior Financial Analyst and Market Research Analyst for Payless ShoeSource. Mr. Depenbusch received a B.S. in Business Administration in 1985 and an M.B.A. in Finance in 1989 from the University of Kansas.

BRUCE S. COLWILL has been Chief Financial Officer and Chief Accounting Officer of Euronet since May 1996. Mr. Colwill was employed as Assistant Controller and Financial Controller for PepsiCo Trading Sp. z o.o. in Warsaw, Poland from 1994 to 1996. From 1989 to 1994, he was employed as a Manager and Senior Accountant with KPMG in both Poland and Canada in the audit function. Mr. Colwill obtained his Canadian Chartered Accountants Designation in 1992. He received a B.B.A. in Accounting from Simon Fraser University in Canada in 1989.

JEFFREY B. NEWMAN joined the Company as Vice President and General Counsel on January 31, 1997. Prior to this, he practiced law in Paris with the law firm of Salans Hertzfeld & Heilbronn and then with the Washington, D.C. based law firm of Arent Fox Kintner Plotkin & Kahn, PLLC, of which he was a partner since 1993. He established the Budapest office of Arent Fox Kintner Plotkin & Kahn, PLLC in 1991 and has resided in Budapest since that time. He is a member of the Virginia, District of Columbia and Paris bars. He received a B.A. in Political Science and French from Ohio University and law degrees from Ohio State University and the University of Paris.

KEY EMPLOYEES

ANTHONY M. FICARRA joined the company as Chief Information Officer in January 1998. Prior to this, he was with Bisys Inc. from 1983 to 1997 as Director National Operations (Banking), Vice-President (Electronic Financial Services), Eastern Region General Manager, and finally Senior Vice President/Chief Information Officer. From 1971 to 1983, he worked with Tymshare Inc. with the final post of Regional Vice President of the Dynatax Division. From 1969 to 1971, he was with Brandon Applied Systems in the final post of Executive Vice President/General Manager. He also previously worked with Thiokol Chemical Corporation from 1962 to 1966. Mr. Ficarra has a B.B.A. in Management from Florida International University.

MIRO I. BERGMAN joined the Company in 1997 and is currently the Managing Director of the Company's Czech Republic operations. Prior to joining Euronet, he established a Colorado based company involved in international trade. From 1992 to 1996, Mr. Bergman was with First Bank System as Vice President responsible for the bank's off-premises ATM business of over 1,200 ATMs and served as a Manager of new co-brand card initiatives. From 1988 to 1992, Mr. Bergman worked for Citicorp--Diners Club in various card management and marketing positions. Mr. Bergman received a B.S. in Business Administration from the University of New York at Albany in 1984 and an M.B.A from Cornell University in 1988.

THIERRY MICHEL joined the Company as Managing Director of Euronet's French subsidiary, EFT Services France S.A.S., in November 1997. Prior to this, he was Vice President of Business Development at GE Capital-Sovac from 1994 to 1997. From 1990 to 1993, he was Vice President of Marketing and Sales at Robeco and also Chief Information Officer from 1987 to 1990. From 1985 to 1987, he was Chief Information Officer at American Express in France. Mr. Michel received a Masters degree in General Engineering from l'Ecole polytechnique in 1983, a Masters degree in Systems and Telecommunications from l'Ecole National Superieure de Telecommunication in 1985. In 1984 he received a Ph.D. in Economics from l'Universite de Paris.

MATTHEW LANFORD was appointed Information Systems Director for Euronet in August 1996. He is responsible for systems design and development and ensuring that Euronet's technology is up-to-date and capable of supporting the rapid expansion of the Company. From 1989 to 1995, he worked as a programmer, project supervisor and lead programmer/analyst for Arksys, Inc., the supplier of the ITM/400 software on the AS/400, where he designed the network processing software currently being used by the Company. From February 1995 to August 1996, he worked as lead programmer/analyst for Associates Bancorp, Inc., a division of The Associates, an international consumer/commercial finance organization. Mr. Lanford has a B.S. in Computer Science from the University of Arkansas at Little Rock.

WILLIAM BENKO joined Euronet in January 1997 in business development and became the Managing Director in July 1997. From May 1990 to January 1997, Mr Benko co-owned and operated a commercial real estate brokerage company and published a bi-weekly real estate magazine, R.E. Source, in Budapest, Hungary. From 1988 to 1990, Mr Benko owned and operated a computer leasing firm in Dallas, Texas and also worked with CIS Leasing Corporation, where he was responsible for marketing IBM mainframe equipment in an eight state area. From 1982 and 1988, he worked with StorageTek in Dallas. Mr. Benko has a B.A. in Economics from the University of Colorado.

ROGER HEINZ joined the Company as Managing Director of the Euronet's German subsidiary, Euronet Services GmbH, in July 1997. From 1985 to 1997, Mr. Heinz was with NCR Germany and NCR Poland as Sales Manager and Sales and Operations Director.

JOHN ROMNEY is Managing Director of Euronet's Croatian Subsidiary, EFT Uslege. Mr. Romney joined Euronet in February of 1997 and in April 1997 opened the Croatian office in Zagreb. From 1993 to 1997, Mr. Romney was a partner in and sales manager for Escalante Imports and was responsible for accounts in 20 states in the western United States. From 1989 to 1993, Mr. Romney worked for Peterson Consulting in Chicago where he specialized in performing financial analysis and cost allocation calculations for multi-party litigation. Mr. Romney received a B.S. degree in Finance from the University of Notre Dame in 1989.

TIMOTHY A. FANNING has been Managing Director of Euronet's Romanian office since its inception in November 1997. Between August and November 1997, Mr. Fanning worked in Euronet's European Business Development group. Mr. Fanning was an associate with the Law Firm of McCarthy, Duffy, Neidhart & Snakard in 1997 prior to joining Euronet. From 1988 to 1993, Mr. Fanning was Manager of Syndications and Manager of Capital Markets with The Toronto-Dominion Bank in Chicago, Illinois, where he administered syndicated loans as well as interest rate and currency swaps. Mr. Fanning received a B.A. in Economics in 1988 and a law degree in 1996 from the University of Notre Dame.

EXECUTIVE COMPENSATION

The following table sets forth certain information regarding the compensation awarded or paid by the Company to its Chief Executive Officer and to the one other executive officer of the Company whose total annual salary and bonus equaled or exceeded \$100,000 during the year ended December 31, 1997 (the "Named Executive Officers") for the periods indicated:

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	PERIOD	ANNUAL COMPENSATION			LONG-TERM COMPENSATION				
		SALARY (\$)	BONUS (\$)	OTHER ANNUAL COMPEN- SATION (\$)	SECURITIES UNDERLYING OPTIONS/ SAR'S (#)	RESTRICTED STOCK AWARD(S) (\$)	LTP PAYOUTS (\$)	ALL OTHER COMPEN- SATION (\$)	
Michael J. Brown.....	1997	100,000	\$0	\$0	--	--	--	--	
Chief Executive Officer	1996	100,000	\$0	\$0	1,149,890	--	--	--	
Jeffrey B. Newman.....	1997	133,333	\$0	\$0	17,500	--	--	--	
Vice President and General Counsel	1996	--	\$0	\$0	52,500	--	--	--	

OPTION GRANTS IN LAST FISCAL YEAR

The following table provides certain information concerning Options granted to the Named Executive Officers of the Company during the year ended December 31, 1997.

INDIVIDUAL GRANTS

NAME	NUMBER OF UNDERLYING OPTIONS GRANTED	% OF TOTAL EMPLOYEES IN FISCAL YEAR	EXERCISE PRICE PER SHARE	EXPIRATION DATE	POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM (1)	
					5% (\$)	10% (\$)
Michael J. Brown.....	--	--	--	--	--	--
Jeffrey B. Newman.....	17,500	5.8%	\$13.94	Apr. 22, 2007	153,419	388,793

(1) Potential realizable value is based on the assumption that the shares appreciate at the annual rates shown (compounded annually) from the date of grant until the expiration of the option term. Those numbers are calculated based upon the requirements promulgated by the Commission and do not reflect any estimate by the Company of future price increases.

AGGREGATE OPTION EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR-END OPTION VALUES

The following table sets forth certain information concerning Options exercised by the Named Executive Officers during the year ended December 31, 1997 and Options held by such individuals at December 31, 1997:

NAME	SHARES ACQUIRED ON EXERCISE	VALUE REALIZED \$(1)	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT DECEMBER 31, 1997		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT DECEMBER 31, 1997 (\$)	
			EXERCISABLE	UNEXERCISABLE	EXERCISABLE	UNEXERCISABLE
Michael J. Brown.....	224,492	2,010,979	926,323	--	5,196,672	--
Jeffrey B. Newman.....	--	--	10,500	42,000	58,905	235,620

(1) Based on the difference between the exercise price of the Options and the fair market value of the Common Stock on March 7, 1997 and December 1, 1997, which are the dates the Options were exercised.

COMPENSATION OF DIRECTORS

The Company historically has not paid fees to its directors for attendance at meetings. Effective January 1, 1998, the Company pays each director a fee of \$2,000 for each board meeting attended, a fee of \$1,000 for each committee meeting attended, and a fee of \$250 for participation in a telephonic meeting. In addition, each Director will receive options to purchase 1,000 shares of stock in accordance with the Company's Stock Option Plan. The Company also reimburses directors for out-of-pocket expenses incurred in connection with the directors' attendance at meetings. Andrzej Olechowski is paid \$4,000 for serving as a member of the Company's Advisory Board.

EMPLOYMENT AGREEMENTS

Mr. Brown serves as the Chief Executive Officer, President and Chairman of the Board of the Company pursuant to an employment agreement dated December 17, 1996. Under the terms of his agreement, Mr. Brown is entitled to an annual salary of \$100,000, subject to annual review and adjustments by the Board of Directors, and is reimbursed for all reasonable and proper business expenses incurred by him in the performance of his duties under the agreement. The terms of the agreement also provide that Mr. Brown will be entitled to fringe benefits and perquisites comparable to those provided to any or all of the Company's senior officers. The term of the agreement expires in December 1999. The term of the agreement, however, will be automatically extended on the same terms and conditions for successive periods of one year each unless declined by either party for any reason. In the event that Mr. Brown's employment with the Company is terminated by the Company for Cause (as defined in the agreement), or if Mr. Brown voluntarily terminates employment with the Company, he will be entitled to receive all compensation, benefits and reimbursable expenses accrued as of the date of such termination. In the event that Mr. Brown's employment with the Company is terminated by reason of death or Disability (as defined in the agreement), he (or his designated beneficiary) will be paid his annual salary at the rate then in effect for an additional one-year period. The agreement also contains certain non-competition, non-solicitation and non-disclosure covenants.

The Company has also entered into employment agreements with Messrs. Henry, Depenbusch, Newman and Colwill, all of which expire in December 1999. The terms of these employment agreements are substantially similar to those contained in Mr. Brown's employment agreement.

STOCK OPTION PLANS

Milestone Options. In accordance with a shareholders' agreement, dated February 15, 1996, as amended October 14, 1996 (the "Shareholders' Agreement"), the Company has reserved a total of 2,050,405 shares of Common Stock for issuance pursuant to stock options (the "Milestone Options") granted under the Shareholders' Agreement to Mr. Brown and Mr. Henry, as well as certain other key employees of the Company. The Milestone Options are subject to the provisions of the Euronet Long-Term Incentive Stock Option Plan. See "--The Long-Term Incentive Plan." The Milestone Options granted to Mr. Brown, Mr. Henry and Mr. Depenbusch have an exercise price equal to \$2.14 per share and vest and become exercisable upon the earlier of October 14, 2006, or the date on which any one or more of the three performance goals described in the Shareholders' Agreement is attained. One-third of the Milestone Options vest upon the occurrence of each milestone. The Milestone Options granted to Mr. Brown, Mr. Henry and Mr. Depenbusch are fully vested and exercisable. Milestone Options allocated at Mr. Brown's discretion to other management and key employees also have an exercise price of \$2.14 per share and become exercisable in three equal installments between 1997 and 2000. See "Certain Transactions."

The Long-Term Incentive Plan. The Euronet Long-Term Incentive Stock Option Plan (the "Plan") was adopted by the Company on December 17, 1996. Pursuant to the provisions of the Plan, employees and consultants of the Company may be offered the opportunity to acquire shares of Common Stock by the grant of non-qualified stock options ("Options"). A total of 1,299,550 shares of Common Stock have been reserved for issuance pursuant to Options under the Plan. Options to purchase shares of Common Stock of the Company may

be granted to eligible employees and consultants, as determined by the Board of Directors, in amounts reflecting the employee's or consultant's employment responsibilities and level of performance. The Options vest in five equal annual installments of 20% of the grant, and have a term of ten years from grant date. Once vested, the Options may be exercised in whole or part. The Plan also incorporates various prior grants of Milestone Options under the Shareholders' Agreement. In addition to Milestone Options, as of the date of this Prospectus non-qualified stock options have been granted to certain employees of the Company, including 440,440 Options to Mr. Henry, 287,000 to Mr. Deppenbusch and 335,510 in the aggregate to other key employees. The Company is considering the adoption of a new stock option plan pursuant to which options to purchase 2,000,000 shares of Common Stock may be granted to directors, officers, employees and consultants of the Company. Such plan, which would be subject to stockholder approval, would provide for the issuance of incentive and non-qualified options the terms of which would be similar to those issued under the Plan.

Determination of Option Exercise Price. The Company has granted the options described above at an exercise price based on the estimated fair market value of the underlying shares of Common Stock. Fair market value has been determined by taking into consideration the per share price at which the most recent sale of equity securities was made by the Company to new investors, with the exception of Milestone Options issued on October 14, 1996 and Incentive Stock Options issued in the last quarter of 1996, all with an exercise price of \$2.14 per share. The fair market value of the shares underlying the options issued on October 14, 1996 and those issued during the last quarter of 1996 was determined to be \$4.22 per share which is the cash price for the sale of shares in the third party purchase of shares in February 1997. Subsequent to the 1997 equity offer, the exercise price for option grants under the Plan is equal to the closing sale price on the NASDAQ National Market.

COMMITTEES OF THE BOARD OF DIRECTORS

Audit Committee. The Directors have established an Audit Committee of independent Directors. The Audit Committee makes recommendations concerning the engagement of independent accountants, review with the independent accountants the plans and results of the audit engagement, approve professional services provided by the independent accountants, review the independence of the independent accountants, consider the range of the audit and non-audit fees and review the adequacy of the Company's internal accounting controls. In addition, the Audit Committee will be responsible for reviewing and overseeing transactions between the Company and related parties or affiliated companies. Thomas A. McDonnell, Steven J. Buckley and Nicholas B. Callinan are members of the Audit Committee.

Compensation Committee. The Directors have established a Compensation Committee with a majority of independent Directors, which makes determinations with respect to salaries and bonuses payable to the Company's Executive Officers and will administer the Company's stock option plan. Michael J. Brown, Thomas A. McDonnell, Steven J. Buckley and Nicholas B. Callinan are the current members of the Compensation Committee. Mr. Brown does not participate in decisions regarding his own compensation.

Stock Option Committee. The Directors have established a Stock Option Committee, which makes determinations with respect to grants of options to officers and employees of the Company. Thomas A. McDonnell and Steven J. Buckley are members of this Committee.

CERTAIN TRANSACTIONS

FINANCINGS

Between June 22, 1994 and the present, the Company and its existing shareholders engaged in several transactions to provide the Company (including its predecessors and operating subsidiaries) with necessary financing. These transactions are summarized below. For the convenience of the reader all amounts of capital contributions made in Hungarian forints have been translated into U.S. dollars at the official middle rate established by the National Bank of Hungary on the date such capital contributions were made and all amounts of capital contributions made in Polish zlotys have been translated into U.S. dollars at the exchange rate quoted by the National Bank of Poland at noon on the date such capital contributions were made.

Formation of the Company. Bank Access 24 Kft. ("Bank 24"), the predecessor of the Hungarian operating subsidiary of the Company, was established on June 22, 1994 by Michael Brown and Daniel Henry, both of whom are Directors of the Company. Mr. Brown received a 90% equity interest in Bank 24 in consideration for a contribution of \$9,000 and Mr. Henry received a 10% interest in consideration of a contribution of \$1,000.

Original Joint Venture Agreement. On July 19, 1994 a Joint Venture Agreement (the "Original JVA") was entered into by Mr. Brown and DST Systems, Inc., Euroventures (Hungary) B.V. ("Euroventures"), Mark Callegari, Larry Maddox and Lawrence Schwartz. The Original JVA provided that the parties to the Original JVA would contribute capital to Bank 24 in exchange for ownership interests in Bank 24 in the following amounts:

SHAREHOLDER -----	CAPITAL CONTRIBUTION -----	PERCENTAGE OWNERSHIP -----
Michael Brown.....	\$ 990,000	42.74%
DST Systems, Inc.....	\$1,000,000	34.72%
Euroventures.....	\$ 300,000	10.42%
Mark Callegari.....	\$ 200,000	6.93%
Lawrence Schwartz.....	\$ 50,000	1.74%
Larry Maddox.....	\$ 100,000	3.74%

Pursuant to the Original JVA, Mr. Henry transferred his 10% interest in Bank 24 to Mr. Brown for a purchase price equal to \$1,000. At the time of the Original JVA, Mr. Brown was granted an additional 8% equity interest in Bank 24 at no cost.

Capital Increase and Amendment of Original JVA. On February 20, 1995, the Original JVA was amended by an Amended and Restated Joint Venture Agreement (the "Amended JVA") under which a new shareholder, the Hungarian-American Enterprise Fund ("HAEF"), and Euroventures agreed to purchase from a third party 100% of the equity interests in SatComNet Kft., which is now a subsidiary of the Company ("SatComNet"). HAEF acquired an 89% interest in SatComNet for a purchase price of \$439,000 and Euroventures purchased an 11% interest in SatComNet for \$52,000. Under the Amended JVA, HAEF also agreed to contribute \$611,000 to Bank 24, Euroventures agreed to contribute \$148,000 and a new shareholder, Hi-Care Trade and Development Company ("Hi-Care") agreed to contribute \$197,000.

The shareholders of SatComNet and Bank 24 exchanged their interests held in such companies to create identical ownership of the two companies, as follows:

SHAREHOLDER -----	PERCENTAGE OWNERSHIP -----
Michael Brown.....	30.29%
DST Systems, Inc.....	22.49%
HAEF.....	23.61%
Euroventures.....	11.24%
Hi-Care.....	4.50%
Mark Callegari.....	4.50%
Larry Maddox.....	2.25%
Lawrence Schwartz.....	1.12%

Total.....	100.00%
	=====

Bank 24 was then transformed into an "Rt.", a different form of Hungarian corporate entity.

Under the Amended JVA, Mr. Henry was granted an option to purchase up to 6% of the shares of each of Bank 24 and SatComNet for a total purchase price of \$246,000.

Hi-Care entered into a lease with Bank 24 effective as of September 10, 1994 for the Company's current offices in Budapest. The entire amount contributed to the capital of Bank 24 by Hi-Care under the Amended JVA was immediately paid out to Hi-Care as a payment under such lease.

Loans from Mr. Michael J. Brown. Mr. Brown established the Company's Polish operating subsidiary, Bankomat 24/Euronet Sp. z o.o. ("Bankomat"), on August 8, 1995. Upon its formation, Mr. Brown contributed \$2,000 to Bankomat and was the sole interest holder of Bankomat. A capital increase in the amount of \$61,000 was made on December 7, 1995. On August 31, 1995, Mr. Brown agreed to make revolving loans in the amount \$125,000 to Bankomat at a rate of interest of 10% per year. The amount of such loans was increased to \$195,000 as of May 21, 1996. As of December 31, 1996, \$262,000 was outstanding under such loans and other loans made by Mr. Brown to the Company consisting of \$67,000 in loans at an interest rate of 10% relating to the establishment of Bankomat. Such loans were repaid in 1997 by application of the proceeds of the Company's 1997 equity offering.

Formation of Euronet Holding N.V. On February 15, 1996 the shareholders in Bank 24 and SatComNet and Hi-Care (the "Original Investors") terminated the Amended JVA and entered into the Shareholders' Agreement reorganizing the ownership of Bank 24, SatComNet and Bankomat. Under the Shareholders' Agreement, the Original Investors contributed all of their shares and interests in Bank 24, SatComNet and Bankomat to Euronet Holding N.V., which was established on March 27, 1996 as a holding company. In addition, four new shareholders made cash contributions to the capital of Euronet Holding N.V in exchange for preferred stock of Euronet Holding N.V., as follows:

NEW SHAREHOLDERS -----	CONTRIBUTION COMMITMENT -----	NUMBER OF SHARES OF PREFERRED STOCK OF EURONET HOLDING N.V. -----
Advent Private Equity Fund CELP.....	\$1,250,000	875,000
Hungarian Private Equity Fund.....	\$ 500,000	350,000
Poland Investment Fund.....	\$1,250,000	875,000
Poland Partners L.P.....	\$3,000,000	2,100,000

Concurrently with these transactions, Euroventures purchased the shares and interests of Hi-Care in Bank 24 and SatComNet.

The Shareholders' Agreement provided that the Original Investors and management of Euronet Holding N.V. would be granted certain awards of preferred shares, and in the case of Mr. Brown, Common Shares, of Euronet Holding N.V. in consideration of the payment of the par value (\$0.02) of such shares if certain goals ("Milestones") were attained by the Company (the "Milestone Awards"). Specifically, the following Original Investors were to receive the following amounts of preferred shares or Common Shares of Euronet Holding N.V.:

ORIGINAL INVESTOR OR MANAGEMENT MEMBER -----	NUMBER OF SHARES TO BE AWARDED -----
Michael Brown.....	up to 1,117,620
DST Systems, Inc.....	up to 258,300
HAEF.....	up to 271,110
Euroventures.....	up to 180,810
Mark Callegari.....	up to 51,597
Larry Maddox.....	up to 25,802
Lawrence Schwartz.....	up to 12,901
Daniel Henry.....	up to 593,670

Pursuant to the Shareholders' Agreement, Euronet Holding N.V. was entitled to call a "standby round" of investment from DST Systems, Inc., Poland Partners L.P., Hungarian Private Equity Fund and the Advent Private Equity Fund CELP of up to \$3,000,000 in the aggregate from such shareholders at a per share price of \$2.14 for one tranche and \$10.00 per share for a second tranche subject to certain conditions. The first tranche of this standby round was called on November 26, 1996 and 466,669 Series B convertible preferred shares of Euronet Holding N.V. were issued in exchange for \$1 million. The Company's right to call the remainder of the standby round commitment terminated on the termination of the Shareholders' Agreement which occurred on March 7, 1997 in connection with the equity offering.

In addition, the Shareholders' Agreement provided that Mr. Brown would be reimbursed by the shareholders for up to \$100,000 for expenses incurred from December 1994 to May 1995, and by the Company for expenses incurred from June 1, 1995 to March 27, 1996 relating to the establishment of Bankomat. On October 11, 1996, Euronet Holding N.V. adopted a revision to its Articles of Association effecting a ten for one stock split.

On October 14, 1996, the Shareholders' Agreement was amended (the "First Amendment") and the Milestone Award arrangements were modified to provide for two different types of grants:

(i) Milestone Awards of preferred shares of Euronet Holding N.V. in exchange for payment of par value (\$0.02), to all Original Investors except Mr. Brown;

(ii) Options to purchase Common Shares and preferred stock of Euronet Holding N.V. to Mr. Brown, and options to purchase preferred shares of Euronet Holding N.V. to Mr. Henry, Mr. Depenbusch and certain other employees of the group at a purchase price of \$2.14 per share ("Milestone Options"). The number of shares of Euronet Holding N.V. subject to these option arrangements was increased as compared with the amounts that were to be awarded under the Shareholder's Agreement to take into account the fact that consideration was now to be paid for such shares. The following numbers of Milestone Options were granted to directors and officers of the Company: Michael Brown (1,149,890 of Common Shares and preferred stock of Euronet Holding N.V.); Daniel Henry (599,340 preferred shares of Euronet Holding N.V.); and Dennis Depenbusch (226,450 preferred shares of Euronet Holding N.V.).

All Milestone Awards of Common Shares of Euronet Holding N.V. became effective as of the closing of the 1997 equity offering and all Milestone Options became vested upon the closing of the offering, with the exception of 49,819 Options to certain key employees which will vest equally in March of 1998 and 1999. See "Management--Stock Option Plans."

The Reorganization. In December 1996, the Company, shareholders and optionholders of Euronet Holding N.V. entered into an Exchange Agreement pursuant to which (i) 10,296,076 shares of Common Stock were to be

issued to the shareholders of Euronet Holding N.V. in exchange for all of the Common Shares of Euronet Holding N.V., (ii) options to acquire 3,113,355 shares of Common Stock were to be granted to the holders of options to acquire 3,113,355 Common Shares of Euronet Holding N.V. in exchange for all of such options and (iii) awards with respect to 800,520 shares of Common Stock were to be issued to the holders of awards with respect to 800,520 preferred shares of Euronet Holding N.V. in exchange for all such awards. The exchange became effective as of March 6, 1997, the date of the execution of the underwriting agreement in connection with the Company's 1997 equity offering.

GE Capital Investment. On January 31, 1997, the Company signed a subscription agreement (the "Subscription Agreement") with General Electric Capital Corporation ("GE Capital") pursuant to which GE Capital agreed to subscribe for preferred stock of Euronet Holding N.V. for an aggregate purchase price of \$3 million which entitled GE Capital to receive 710,507 shares of Common Stock of the Company in connection with the Reorganization, resulting in a per share purchase price of \$4.22. Under a "claw back" option, the Company retained the right to repurchase up to 292,607 of such shares for nominal consideration in the event of a public or private offering of the Company's Common Stock, if the Company was attributed a valuation that is higher than that used for purposes of the Subscription Agreement, including the 1997 equity offering. The conditions for the exercise of this option were met and the Company exercised this option on June 16, 1997. The Company repurchased all 292,607 shares from GE Capital for a price of approximately \$4,000. These shares are currently held in treasury.

The Subscription Agreement also included certain reciprocal rights of the parties to act as preferred providers of services to each other in Poland, Hungary, the Czech Republic, Germany and Austria. In particular, the Company is a preferred provider of outsourced ATM services to certain banks affiliated with GE Capital and GE Capital is a preferred provider of equipment financing and satellite telecommunications to the Company.

Initial Public Offering. On March 7, 1997, the Company completed an initial public offering of its Common Shares. The following transactions occurred in connection with the offering:

(i) the Reorganization became effective;

(ii) the Shareholders' Agreement was terminated;

(iii) Michael Brown exercised Milestone Options to purchase 149,492 shares and sold them in the offering together with 205,023 shares which he held directly prior to the offering, resulting in total net proceeds to him of approximately \$4,226,000.

(iv) Daniel Henry exercised Milestone and Incentive options to purchase 103,985 shares of the Company's stock and sold them in the offering, resulting in net proceeds to him of approximately \$1,174,000.

(v) Dennis Depenbusch exercised Milestone and Incentive options to purchase 51,345 shares of the Company's stock and sold them in the offering, resulting in net proceeds to him of approximately \$569,000.

(vi) all of the shareholders of the Company as of March 6, 1997 except DST Systems, Inc. sold 25% of the shares held as of that time, including the following shareholders who held over 10% of the shares prior to the offering: Michael J. Brown; HAEF, which sold 350,753 shares for total net proceeds of approximately \$4,493,000; and Poland Partners which sold 525,000 shares for total net proceeds of approximately \$6,733,000.

(vii) the Company issued and sold in the offering a total of 3,833,650 shares, including 795,000 shares which were purchased by the underwriters pursuant to their over-allotment option. Total net proceeds to the Company in the offering were approximately \$47,857,000.

ATM Purchase Option. On March 10, 1995, Bank 24 entered into a Master Rental Agreement with HFT Corporation ("HFT") pursuant to which HFT agreed to lease ATM machines to Bank 24 pursuant to operating leases which are treated, for U.S. GAAP purposes only, as capital leases. On the same date, HFT granted an option to purchase the ATM machines which were the subject of this Master Rental Agreement to Windham

Technologies, a company controlled by Michael Brown and Mark Callegari. On March 25, 1995, Windham Technologies executed a unilateral undertaking (the "Undertaking") to sell such machines to Bank 24 for a purchase price which was equal to the price paid by Windham, plus incidental expenses. All ATMs operated by the Company are subject to this arrangement. As indicated in "Management's Discussion and Analysis of Financial Condition and Results of Operations", the Company intends to restructure these arrangements as capital leases under Hungarian law and has recorded an accrual in this respect.

Windham Technologies Inc. Windham Technologies Inc. ("Windham") holds the option to purchase certain ATMs at the end of the lease term. Windham is jointly owned by two shareholders of Euronet Holding N.V. Windham has signed an undertaking to contribute these assets to Euronet Holding N.V. at the end of the lease at a bargain purchase price of \$1 plus incidental expenses.

In addition, payments of \$94,000, \$425,000, \$320,000 and \$66,000 have been made for the years ended December 31, 1997, 1996 and 1995, for the period from June 22, 1994 (inception) through December 31, 1994, respectively, to Windham. These payments cover the services and related expenses of consultants seconded by Windham to Euronet Holding N.V. These services include AS400 computer expertise, bank marketing and management support.

See "Description of Capital Stock--Registration Rights" for information regarding the right of certain directors or officers and their affiliates to require the Company to file a registration statement covering the public sale by such persons of the shares of common stock owned by them, and to pay all of the costs and expenses associated therewith, other than underwriting discounts and fees.

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of the shares of Common Stock in the Company as of February 15, 1998, by (i) each shareholder known by the Company to own beneficially more than 5% of the Common Stock and (ii) each Director and named Executive Officer of the Company and (iii) all Directors and Executive Officers of the Company as a group.

STOCKHOLDER	BENEFICIAL OWNERSHIP	
	NUMBER OF SHARES(1)	PERCENTAGE OF OUTSTANDING(1)
Directors and Named Executive Officers		
Michael J. Brown(2)	3,063,202	20.2%
Daniel R. Henry(3)	759,619	5.0%
Jeffrey B. Newman(4)	14,000	*
Bruce S. Colwill	16,058	*
Dennis H. Depenbusch	289,905	1.9%
Steven J. Buckley(5)	1,000	*
Nicholas B. Callinan(6)	5,898	*
Thomas A. McDonnell(7)	--	*
Andrzej Olechowski(8)	1,400	*
Eriberto R. Scocimara(9)	--	*
All directors and executive officers as a group (8 persons)	4,151,082	27.5%
Five Percent Holders		
DST Systems, Inc.(7) 333 West 11th Street Kansas City, Missouri 64105-1594	1,178,797	7.8%
Hungarian-American Enterprise Fund(9) 1 East Putman Avenue, Greenwich, Connecticut 06830	798,702	5.3%
Poland Investment Fund L.P.(6)(10) Corporation Trust Center 1209 Orange St. Wilmington, Delaware 19801	737,268	4.9%
Advent Partners L.P.(6)(10) 101 Federal Street Boston, Massachusetts 02110	29,491	*
Advent Private Equity Fund-Central Europe L.P. (6)(10) 101 Federal Street Boston, Massachusetts 02110	707,777	4.7%
Hungarian Private Equity Fund L.P.(6)(10) 101 Federal Street Boston, Massachusetts 02110	294,910	1.9%
Poland Partners L.P.(5) c/o Corporation Trust Company 1209 Orange Street Wilmington, Delaware 19801	1,769,446	11.7%

* The percentage of shares of Common Stock beneficially owned does not exceed one percent of the outstanding Shares.

- (1) Calculations of percentage of beneficial ownership assumes the exercise by only the respective named stockholder of all options for the purchase of shares of Common Stock held by such stockholder which are exercisable within 60 days of February 15, 1998.
- (2) Includes an aggregate of 926,323 shares of Common Stock issuable pursuant to options (including Milestone Options) exercisable within 60 days of February 15, 1998.
- (3) Includes an aggregate of 689,619 shares of Common Stock issuable pursuant to options (including Milestone Options) exercisable within 60 days of February 15, 1998.
- (4) Includes an aggregate of 14,000 shares of Common Stock issuable pursuant to options exercisable within 60 days of February 15, 1998.
- (5) Steven Buckley is also the President of Poland Partners L.P.

- (6) Mr. Callinan's shares are held indirectly through his interest in Advent Partners L.P. Mr. Callinan is also Senior Vice President and Managing Director for Emerging Markets of Advent International Corporation.
- (7) Thomas A. McDonnell is also the President of DST Systems, Inc.
- (8) Includes an aggregate of 1,400 shares of Common Stock issuable pursuant to options (including Milestone Options) exercisable within 60 days of February 15, 1998.
- (9) Eriberto R. Scocimara is also the President and Chief Executive Officer of the Hungarian-American Enterprise Fund.
- (10) These entities are affiliated through Advent International Corporation of which Mr. Callinan is Senior Vice President and Managing Director for Central and Eastern Europe. Such entities own in the aggregate 1,769,446 shares, which constitute approximately 11.7% of the outstanding shares.

DESCRIPTION OF CAPITAL STOCK

GENERAL

The authorized capital stock of the Company consists of 30 million shares of Common Stock, par value \$0.02 per share and 10 million shares of Preferred Stock, par value \$0.02 per share. The following summary description of the capital stock of the Company does not purport to be complete and is subject to the detailed provisions of, and is qualified in its entirety by reference to, the Certificate of Incorporation and Bylaws, copies of which have been filed as exhibits to the Registration Statement of which this Prospectus is a part, and to the applicable provisions of the General Corporation Law of the State of Delaware (the "DGCL").

COMMON STOCK

The holders of Common Stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Subject to the rights of any holders of Preferred Stock, holders of Common Stock are entitled to receive ratably such dividends as may be declared by the Board of Directors out of funds legally available. See "Dividend Policy" and "Description of Senior Discount Notes" regarding the limitation on the Company's right to declare and pay a dividend on its Preferred and Common Stock. In the event of a liquidation, dissolution or winding up of the Company, holders of the Common Stock are entitled to share ratably in the distribution of all assets remaining after payment of liabilities, subject to the rights of any holders of Preferred Stock. The holders of Common Stock have no preemptive rights to subscribe for additional shares of the Company and no right to convert their Common Stock into any other securities. In addition, there are no redemption or sinking fund provisions applicable to the Common Stock. All the outstanding shares of Common Stock are fully paid and non-assessable.

PREFERRED STOCK

The Board of Directors is authorized, without further action by the stockholders, to issue any or all shares of authorized Preferred Stock as a class without series or in one or more series and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences and the number of shares constituting any series. The issuance of Preferred Stock could adversely affect the voting power of holders of Common Stock and could have the effect of delaying, deferring or impeding a change in control of the Company. As of the date of this Prospectus, the Company has not authorized the issuance of any Preferred Stock and there are no plans, agreements or understandings for the issuance of any shares of Preferred Stock.

CERTAIN PROVISIONS OF THE COMPANY'S CERTIFICATE OF INCORPORATION AND BYLAWS

Certain provisions of the Certificate of Incorporation and Bylaws of the Company summarized below may be deemed to have an anti-takeover effect and may delay, defer or make more difficult a takeover attempt that a stockholder might consider in its best interest. A change of control provision in the Indenture under which the Notes are to be issued also will delay or make more difficult a takeover attempt. See "Risk Factors--Anti- takeover Provisions" and "Description of Senior Discount Notes." Set forth below is a description of certain provisions of the Company's Certificate of Incorporation and Bylaws.

The Certificate of Incorporation provides that the Board of Directors of the Company be divided into three classes of directors serving staggered three-year terms. The classes of directors will be as nearly equal in number as possible. Accordingly, approximately one-third of the company's Board of Directors will be elected each year. See "Management--Directors, Executive Officers and Other Key Employees." The Certificate of Incorporation provides that the number of directors will be determined by the Board of Directors.

The Company's Certificate of Incorporation provides that no director of the Company shall be liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Company or its stockholders, (ii) for acts or omissions

not in good faith or which involve intentional misconduct or a knowing violation of laws, (iii) in respect of certain unlawful dividend payments or stock redemptions or repurchases pursuant to Section 174 of the DGCL or (iv) for any transaction from which the director derived an improper personal benefit. The effect of these provisions is to eliminate the rights of the Company and its stockholders (through stockholders' derivative suits on behalf of the Company) to recover monetary damages against a director for breach of fiduciary duty as a director (including breaches resulting from grossly negligent behavior), except in the situations described above. These provisions may not limit the liability of directors under federal securities laws.

SECTION 203 OF DELAWARE GENERAL CORPORATION LAW

Section 203 of the DGCL prohibits certain transactions between a Delaware corporation and an "interested stockholder," which is defined as a person who, together with any affiliates or associates of such person, beneficially owns, directly or indirectly, 15% or more of the outstanding voting shares of a Delaware corporation. This provision prohibits certain business combinations (defined broadly to include mergers, consolidations, sales or other dispositions of assets having an aggregate value in excess of 10% of the consolidated assets of the corporation, and certain transactions that would increase the interested stockholder's proportionate share ownership in the corporation) between an interested stockholder and a corporation for a period of three years after the date the interested stockholder becomes an interested stockholder, unless (i) the business combination is approved by the corporation's board of directors prior to the date the interested stockholder becomes an interested stockholder, (ii) the interested stockholder acquired at least 85% of the voting stock of the corporation (other than stock held by directors who are also officers or by certain employee stock plans) in the transaction in which it becomes an interested stockholder or (iii) the business combination is approved by a majority of the board of directors and by the affirmative vote of 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

REGISTRATION RIGHTS

Pursuant to an agreement (the "Registration Rights Agreement") dated March 13, 1996, among Euronet Holding N.V. (the predecessor to the Company) and the following shareholders: Advent Private Equity Fund CELP, Poland Investment Fund, the Hungarian Private Equity Fund L.P., Poland Partners L.P., Michael J. Brown, Larry Maddox, Mark Callegari, Lawrence Schwartz, DST Systems, Inc., Euroventures and HAEF (each a "Holder" and collectively the "Holders"), the Holders and all other shareholders were granted certain rights with respect to the registration of their shares of Common Stock under the Securities Act.

Under the terms of such agreement, Holders of no less than 12% of the shares of Common Stock of the Company can demand that the Company effect up to four registrations of the Common Stock under the Securities Act with respect to all or any portion of their shares provided that each demand relates to a registration of at least \$4 million worth of Common Stock. The Company can delay such a demand for a period not in excess of 120 days, and not more than once in any 12 month period, if at the time of such demand the Company is in the process of preparing a registration statement for a public offering (other than a registration statement solely to implement an employee benefit plan or a transaction to which Rule 145 of the Securities Act is applicable) which is filed and becomes effective within 90 days after such demand.

In addition, if the Company at any time initiates a registration under the Securities Act (other than a registration effected solely to implement an employee benefit plan or a transaction to which Rule 145 of the Securities Act is applicable), all shareholders are entitled to notice of such registrations and to include their shares of Common Stock in such registration subject to certain limitations.

After the Company has qualified for use of Form S-3, all shareholders will have the right to request an unlimited number of registrations on Form S-3 (but the Holders as a group may not make more than two such requests in any given 12 month period and not more than four in the aggregate), provided that the aggregate offering price of such shareholder's shares of Common Stock exceeds \$500,000 and the Company has initiated a proposed registration. The Company can delay such a request for a period not in excess of 120 days if at the

time of such request the Company is in the process of preparing a registration statement for a public offering (other than a registration statement solely to implement an employee benefit plan or a transaction to which Rule 145 of the Securities Act is applicable) which is filed and becomes effective within 90 days after such request.

In all cases the registration rights are subject to certain conditions and limitations, including the right of the underwriters of an offering to limit the number of shareholders' shares to be included in such registration. The Company is required to bear the expenses of all such registrations, except for underwriters' fees, discounts and commissions. Registration rights are assignable to any assignee of at least 50% of shares conveyed who agrees to be bound by the terms and conditions of the Registration Rights Agreement within ten days of such assignment.

SHARES ELIGIBLE FOR FUTURE SALE

An aggregate of approximately 8,960,000 shares held by directors, officers, promoters and initial investors may be sold by such persons pursuant to Rule 144 and are subject to the registration rights agreement requiring the Company to register such shares for resale. In addition, Michael Brown and the other existing shareholders of the Company were granted rights entitling them, under specified circumstances, to cause the Company to register for sale all or part of their shares of Common Stock and to include such shares in any registered public offerings of shares of Common Stock by the Company. See "--Registration Rights." In addition, of the 2,798,206 options outstanding, 2,480,047 are currently exercisable. Any Shares issued on the exercise of these options would be available for sale subject to Rule 701 or another exemption from the registration requirements of the Securities Act (including Regulation S under the Securities Act). Furthermore, the Company has registered under the Securities Act approximately 2,000,000 Shares of Common Stock that may be issued to the Company's employees and directors under its employee benefits plans. See "Management."

The availability of all such shares for sale in the market may have an effect on the Company's ability to sell shares of Common Stock in the future.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Stock is State Street Bank and Trust Company.

DESCRIPTION OF THE NOTES

The Notes offered hereby will be issued under an indenture to be dated as of March , 1998 (the "Indenture") between the Issuer, and , as trustee (the "Trustee") which will be subject to and governed by the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). The following summary of certain provisions of the Notes, the Indenture and the Deposit Agreement does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Notes, the Indenture and the Deposit Agreement, including the definitions of certain terms contained therein and those terms made part of the Indenture through the incorporation by reference of the Trust Indenture Act. Copies of the Indenture are available upon request from the Issuer or the Trustee. For definitions of certain capitalized terms used in this summary, see "--Certain Definitions" below.

GENERAL

The Notes will mature on , 2006, will be limited to DM million aggregate principal amount at maturity and will be senior, unsecured obligations of the Issuer. The issue price of the Notes (for purposes of calculating Accreted Value) will be DM . per DM1,000 principal amount at maturity of the Notes.

Principal of, premium, if any, and interest on definitive registered Notes, if any, will be payable, and the Notes will be exchangeable and transferable, at the office or agency of the Issuer maintained for such purposes in The City of New York (which initially will be the corporate trust office of the Trustee located at), at [Luxembourg Paying Agent] and at such other offices as may be designated from time to time. In addition, will act as the Deutsche Mark Paying Agent (the "DM Paying Agent") for purposes of making payments in Deutsche Marks on the Notes, and maintains an office therefor at West end & Carre, Grueneburgweg 16, D-60322 Frankfurt am Main, Germany.

Application has been made to list the Notes on the Luxembourg Stock Exchange.

INTEREST

The Notes are being offered at a substantial discount from their principal amount at maturity. Although for U.S. federal income tax purposes a significant amount of original issue discount, taxable as ordinary income, will be recognized by a holder as such discount accrues from the Issue Date, no cash interest will be payable on the Notes prior to , 2002. Each Note will bear cash interest at the rate set forth on the cover page hereof from , 2002 or from the most recent interest payment date (each, an "Interest Payment Date") to which interest has been paid or duly provided for, payable on and in each year until the principal thereof is paid or duly provided for to the Person in whose name the Note (or any predecessor Note) is registered at the close of business on the or next preceding such Interest Payment Date. Based on the foregoing, the yield to maturity of each Note will be % (computed on a semiannual bond equivalent basis). Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. If the Issuer defaults on any payment of principal, whether at maturity, redemption or otherwise, interest will continue to accrue and, to the extent permitted by law, cash interest will accrue on overdue installments of interest at the rate of interest borne by the Notes.

FORM OF NOTES

The Notes will be represented by two permanent global notes (the "Global Notes"), without coupons, in denominations of DM1,000 and integral multiples thereof. Notes sold outside the United States will be represented by a single, permanent global note in bearer form, deposited with DBC (the "DBC Global Note"), which will represent the Notes held by account holders in DBC, including such Notes held through the operator of Euroclear and Cedel, each of which has an account with DBC. Notes sold to U.S. investors will be represented by a single, permanent global note in registered form deposited with a custodian for, and registered in the name of, DTC or its nominee (the "DTC Global Note"). Except as set forth in "--Description of Book-Entry System";

Payment; Transfers", owners of beneficial interests in the Global Notes will not receive or be entitled to receive physical delivery of Notes in definitive form and will not be considered the owners or Holders thereof under the Indentures. No service charge will be made for any registration of transfer or exchange of Notes, but the Issuer may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

PAYMENT CURRENCY

The Issuer will make payment of any amounts owing in respect of the Global Notes to DBC or Cede & Co., the nominee of DTC, as holder of the DBC Global Note and the DTC Global Note, respectively, through Paying Agents (as defined below) appointed under the Indenture and will pay amounts to the Paying Agents in Deutsche Marks. . will act as paying agent in respect of the Notes represented by the DTC Global Note (the "U.S. Paying Agent") and as a foreign exchange dealer for purposes of converting Deutsche Marks to U.S. dollars. The amounts owing in respect of the Global Notes that will be converted into U.S. dollars will depend upon the election of the holders of interests in the DTC Global Note as to whether to receive payment of principal and interest in Deutsche Marks. The Issuer has been informed that Euroclear and Cedel will elect to receive payments of principal and interest in Deutsche Marks on behalf of holders of interests in the DBC Global Note that are held through Euroclear and Cedel. All holders of interests in the DTC Global Note will receive U.S. dollars in respect of payments of principal and interest unless they elect to receive such payments in Deutsche Marks by following the procedure set forth in the Indenture. See "--Description of Book-Entry System; Payment; Transfers--Payment on The Global Notes."

SUBSTITUTION OF CURRENCY

Although there can be no assurance that a single European currency will be adopted or, if adopted, on what time schedule, the Treaty on the European Union provides for the introduction of the Euro in substitution for the national currencies of the member states which adopt the Euro. If the Federal Republic of Germany adopts the Euro, the regulations of the European Commission relating to the Euro shall apply to the Notes and the Indenture. The circumstances and consequences described in this paragraph entitle neither the Issuer nor any holders of Notes to early redemption, rescission, notice, repudiation, adjustment or renegotiation of the terms and conditions of the Notes or the Indenture or to raise other defenses or to request any compensation claim, nor will they affect any of the other obligations of the Issuer under the Notes and the Indenture.

RANKING

The Indebtedness evidenced by the Notes will rank pari passu in right of payment with all other existing and future senior unsecured obligations of the Issuer (except for any obligations preferred by law) and senior in right of payment to all future obligations of the Issuer expressly subordinated in right of payment to the Notes. As of December 31, 1997, after giving pro forma effect to the Offering and the application of the net proceeds therefrom, the Indebtedness of the Issuer would have been approximately \$103.1 million, of which \$3.1 million would have been secured Indebtedness. Subject to certain limitations, the Issuer may incur additional Indebtedness in the future, including secured Indebtedness.

The Issuer is a holding Issuer with no direct operations and no significant assets other than the stock of its subsidiaries. The Issuer will be dependent on the cash flow of its subsidiaries to meet its obligations, including the payment of interest and principal on the Notes. Its subsidiaries are separate legal entities that have no obligations to pay any amounts due pursuant to the Notes or to make any funds available therefor, whether by dividends, loans or other payments. Because its subsidiaries will not guarantee the payment of the principal or interest on the Notes, any right of the Issuer to receive assets of its subsidiaries upon its liquidation or reorganization (and the consequent right holders of the Notes to participate in the distribution or realize proceeds from those assets) will be effectively subordinated to the claims of the creditors of its subsidiaries (including trade creditors and holders of indebtedness of such subsidiary), except if and to the extent the Issuer is itself a creditor of its subsidiaries, in which case the claims of the Issuer may still be effectively subordinated to any

security interest in the assets of its subsidiaries held by other creditors. Accordingly, after giving effect to the sale of the Notes and the application of the net proceeds therefrom, as of December 31, 1997, holders of the Notes would have been effectively subordinated to \$3.0 million of indebtedness of subsidiaries of the Issuer. For a discussion of certain adverse consequences of the Issuer being a holding Issuer and of the terms of certain existing and potential future indebtedness of the Issuer and its subsidiaries, see "Risk Factors--Holding Issuer Structure; Reliance on Subsidiaries for Distributions to Repay Notes."

SINKING FUND

The Notes will not be entitled to the benefit of any sinking fund.

REDEMPTION

The Notes will be redeemable, at the option of the Issuer, in whole at any time or from time to time in part, on or after _____, 2002 on not less than 30 nor more than 60 days' prior notice at the redemption prices (expressed as percentages of principal amount at maturity) set forth below, together with accrued and unpaid interest, if any, to the redemption date, if redeemed during the 12-month period beginning on _____ of the years indicated below (subject to the right of holders of record on relevant record dates to receive interest due on a relevant Interest Payment Date):

YEAR	REDEMPTION PRICE
----	-----
2002.....	%
2003.....	
2004 and thereafter.....	100.00

At any time or from time to time prior to _____, 2001 the Issuer may redeem within 60 days of one or more Equity Offerings up to 33 1/3% of the aggregate principal amount at maturity of the originally issued Notes with all or a portion of the net proceeds of such offering, at a redemption price equal to _____% of the Accreted Value thereof as of the redemption date, together with accrued and unpaid interest, if any, to the date of redemption (subject to the right of holders of record on relevant record dates to receive interest due on relevant Interest Payment Dates); provided that immediately after giving effect to any such redemption, at least 66 2/3% aggregate principal amount at maturity of the originally issued Notes remains outstanding.

In addition, (i) upon the occurrence of a Change of Control, each holder of Notes shall have the right to require that the Issuer purchase such holder's Notes, in whole or in part and in integral multiples of DM1,000 principal amount at maturity, at a purchase price of 101% of the Accreted Value thereof of the Notes, together with accrued and unpaid interest, if any, to the date of redemption, and (ii) upon the occurrence of an Asset Sale, the Issuer may be obligated to make an offer to purchase all or a portion of the outstanding Notes at a price of 100% of the Accreted Value thereof, together with accrued and unpaid interest, if any, to the date of purchase (in each case, subject to the right of holders of record on relevant record dates to receive interest due on relevant Interest Payment Dates). See "--Certain Covenants--Purchase of Notes upon a Change of Control" and "--Limitation on Sale of Assets," respectively.

If less than all the Notes are to be redeemed, the particular Notes to be redeemed will be selected not more than 60 days prior to the redemption date by the Trustee in compliance with any applicable rules of the Luxembourg Stock Exchange or the principal U.S. securities exchange, if any, on which the Notes are listed or, if the Notes are not listed on the Luxembourg Stock Exchange or a U.S. securities exchange or if there are no applicable rules, on a pro rata basis, by lot or by such other method as such Trustee will deem fair and appropriate; provided, however, that no Note of DM1,000 in principal amount at maturity or less will be redeemed in part. Notice of redemption will be mailed, first-class postage prepaid, at least 30 but not more than 60 days before the redemption date to each holder of Notes to be redeemed at its registered address. If any Note is to be redeemed in part only, the notice of redemption that relates to such Note will state the portion of the

principal amount thereof to be redeemed. A new Note in a principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original Note. On and after the redemption date, cash interest, or original issue discount, as the case may be, will cease to accrue on Notes or portions thereof called for redemption and accepted for payment.

CERTAIN COVENANTS

The Indenture will contain, among others, the following covenants:

Limitation on Additional Indebtedness. The Issuer will not, and will not permit any Restricted Subsidiary to incur any Indebtedness (including any Acquired Indebtedness), except for Permitted Indebtedness; provided that the Issuer will be permitted to incur Indebtedness if after giving pro forma effect to such Incurrence (including the application of the net proceeds therefrom), the ratio of (x) Total Consolidated Indebtedness outstanding as of the date of such Incurrence to (y) Annualized Pro Forma Consolidated Operating Cash Flow for the latest fiscal quarter for which consolidated financial statements of the Issuer are available preceding the date of such Incurrence would be greater than zero and less than or equal to (i) 6.0 to 1 if the Indebtedness is Incurred prior to December 31, 1999 or (ii) 5.0 to 1 if the Indebtedness is Incurred on or after December 31, 1999.

In making the foregoing calculation, pro forma effect will be given to: (i) the Incurrence of such Indebtedness and (if applicable) the application of the net proceeds therefrom, including to refinance other Indebtedness, as if such Indebtedness was Incurred, and the application of such proceeds occurred, on the first day of the latest fiscal quarter for which consolidated financial statements of the Issuer are available immediately preceding the date of the Incurrence of such Indebtedness, (ii) the Incurrence, repayment or retirement of any other Indebtedness by the Issuer and its Restricted Subsidiaries since the first day of such fiscal quarter as if such Indebtedness were Incurred, repaid or retired on the first day of such fiscal quarter (except that, in making such calculation, the amount of Indebtedness under any revolving credit facility shall be computed based upon the average daily balance of such Indebtedness during such fiscal quarter) and (iii) the acquisition (whether by purchase, merger or otherwise) or disposition (whether by sale, merger or otherwise) of any Issuer, entity or business acquired or disposed of by the Issuer or its Restricted Subsidiaries, as the case may be, since the first day of such fiscal quarter, as if such acquisition or disposition occurred on the first day of such fiscal quarter.

For purposes of determining compliance with this covenant, in the event that an item of Indebtedness or any portion thereof meets the criteria of more than one of the types of Indebtedness the Issuer or any Restricted Subsidiary is permitted to incur, the Issuer will have the right, in its sole discretion, to classify such item of Indebtedness or portion thereof at the time of the Incurrence and will only be required to include the amount and type of such Indebtedness or portion thereof under the clause permitting the Indebtedness so classified.

Limitation on Restricted Payments. (a) The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, take any of the following actions:

(i) declare or pay any dividend on, or make any distribution to holders of, any shares of the Capital Stock of the Issuer (other than dividends or distributions payable solely in shares of its Qualified Capital Stock or in options, warrants or other rights to acquire such shares of Qualified Capital Stock);

(ii) purchase, redeem or otherwise acquire or retire for value, directly or indirectly, any shares of Capital Stock of the Issuer or any Capital Stock of any Affiliate of the Issuer (other than Capital Stock of any Wholly Owned Restricted Subsidiary) or any options, warrants or other rights to acquire such shares of Capital Stock;

(iii) make any principal payment on, or repurchase, redeem, defease or otherwise acquire or retire for value, prior to any scheduled principal payment, sinking fund payment or maturity, any Subordinated Indebtedness (other than any Subordinated Indebtedness owed to and held by a Restricted Subsidiary);

(iv) make any Investment (other than any Permitted Investment and subject to the provisions of the "Limitation on Investments in Unrestricted Subsidiaries" covenant);

(v) create or assume any guarantee of Indebtedness of any Affiliate of the Issuer (other than (i) guarantees of any Indebtedness of any Wholly Owned Restricted Subsidiary by the Issuer or any Restricted Subsidiary or (ii) the guarantees of the Notes by any Restricted Subsidiary); or

(vi) declare or pay any dividend or distribution on any Capital Stock of any Restricted Subsidiary to any Person (other than the Issuer or any of its Wholly Owned Restricted Subsidiaries or to all holders of Capital Stock of such Restricted Subsidiary on a pro rata basis);

(such payments or other actions described in (but not excluded from) clauses (i) through (vi) are collectively referred to as "Restricted Payments"), unless: (1) no Default or Event of Default shall have occurred and be continuing at the time of or after giving effect to such Restricted Payment; (2) immediately after giving effect to such Restricted Payment, the Issuer could incur at least \$1.00 of additional Indebtedness (other than Permitted Indebtedness) pursuant to the "Limitation on Additional Indebtedness" covenant; and (3) immediately after giving effect to such Restricted Payment, the aggregate amount of all Restricted Payments declared or made on or after the date of the Indenture would not exceed an amount equal to the sum of:

(A) 50% of cumulative Consolidated Adjusted Net Income (or, if the Consolidated Adjusted Net Income is a deficit, minus 100% of the amount of such deficit) of the Issuer during the period (taken as a single accounting period) beginning on the first day of the fiscal quarter of the Issuer beginning after the date of the Indenture and ending on the last day of the last full fiscal quarter immediately preceding the date of such Restricted Payment for which quarterly or annual consolidated financial statements of the Issuer are available; plus

(B) the aggregate Net Cash Proceeds received by the Issuer on or after the date of the Indenture as capital contributions or from the issuance or sale (other than to any Subsidiary) of shares of Qualified Capital Stock of the Issuer (including upon the exercise of options, warrants or rights) or warrants, options or rights to purchase shares of Qualified Capital Stock of the Issuer; plus

(C) the aggregate Net Cash Proceeds received after the date of the Indenture by the Issuer from the issuance or sale (other than to any Subsidiary) of debt securities or Redeemable Capital Stock that have been converted into or exchanged for Qualified Capital Stock of the Issuer, together with the aggregate net cash proceeds received by the Issuer at the time of such conversion or exchange; plus

(D) to the extent not otherwise included in the Consolidated Adjusted Net Income of the Issuer, an amount equal to the sum of (i) the net reduction in Investments in any Person (other than Permitted Investments) resulting from the payment in cash of dividends, repayments of loans or advances or other transfers of assets, in each case to the Issuer or any Restricted Subsidiary after the date of the Indenture from such Person and (ii) the portion (proportionate to the Issuers equity interest in such Subsidiary) of the fair market value of the net assets of any Unrestricted Subsidiary at the time such Unrestricted Subsidiary is designated a Restricted Subsidiary; provided, however, that in the case of (i) or (ii) above the foregoing sum shall not exceed the amount of Investments previously made (and treated as a Restricted Payment) by the Issuer or any Restricted Subsidiary in such Person or Unrestricted Subsidiary.

(b) Notwithstanding paragraph (a) above, the Issuer and any Restricted Subsidiary may take the following actions so long as (with respect to clauses (ii), (iii), (iv), (v) and (vi) below) no Default or Event of Default shall have occurred and be continuing:

(i) the payment of any dividend within 60 days after the date of declaration thereof, if at such date of declaration such dividend would have complied with the provisions of paragraph (a) above and such payment will be deemed to have been paid on such date of declaration for purposes of the calculation required by paragraph (a) above;

(ii) the purchase, redemption or other acquisition or retirement for value of any shares of Capital Stock of the Issuer, in exchange for, or out of the net cash proceeds of a substantially concurrent issuance and sale (other than to a Subsidiary) of, shares of Qualified Capital Stock of the Issuer;

(iii) the purchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Indebtedness in exchange for or out of the net cash proceeds of a substantially concurrent issuance and sale (other than to a Subsidiary) of shares of Qualified Capital Stock of the Issuer;

(iv) the purchase of any Subordinated Indebtedness at a purchase price not greater than 101% of the principal amount thereof, together with accrued interest, if any, thereof in the event of a Change of Control in accordance with provisions similar to the "Purchase of Notes upon a Change of Control" covenant; provided that prior to such purchase the Issuer has made the Change of Control Offer as provided in such covenant with respect to the Notes and has purchased all Notes validly tendered for payment in connection with such Change of Control Offer;

(v) Investments constituting Restricted Payments made as the result of the receipt of non-cash consideration from any Asset Sale made in compliance with the "Limitation on Sale of Assets" covenant; and

(vi) the purchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Indebtedness in exchange for, or out of the net cash proceeds of a substantially concurrent incurrence (other than to a Subsidiary) of, new Subordinated Indebtedness so long as (A) the principal amount of such new Subordinated Indebtedness does not exceed the principal amount (or, if such Subordinated Indebtedness being refinanced provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration thereof, such lesser amount as of the date of determination) of the Subordinated Indebtedness being so purchased, redeemed, defeased, acquired or retired, plus the lesser of the amount of any premium required to be paid in connection with such refinancing pursuant to the terms of such Subordinated Indebtedness being refinanced or the amount of any premium reasonably determined by the Issuer as necessary to accomplish such refinancing, plus, in either case, the amount of expenses of the Issuer incurred in connection with such refinancing, (B) such new Subordinated Indebtedness is subordinated to the Notes to the same extent as such Subordinated Indebtedness so purchased, redeemed, defeased, acquired or retired and (C) such new Subordinated Indebtedness has an Average Life longer than the Average Life of the Notes and a final Stated Maturity of principal later than the final Stated Maturity of principal of the Notes.

The actions described in clauses (i), (ii), (iii) and (iv) of this paragraph (b) shall be Restricted Payments that shall be permitted to be taken in accordance with this paragraph (b) but shall reduce the amount that would otherwise be available for Restricted Payments under clause (3) of paragraph (a) and the actions described in clauses (v) and (vi) of this paragraph (b) shall be Restricted Payments that shall be permitted to be taken in accordance with this paragraph (b) and shall not reduce the amount that would otherwise be available for Restricted Payments under clause (3) of paragraph (a) above.

Limitation on Issuances and Sales of Capital Stock of Restricted Subsidiaries. The Issuer will not, and will not permit any Restricted Subsidiary to, issue or sell any Capital Stock of a Restricted Subsidiary (other than to the Issuer or a Wholly Owned Restricted Subsidiary) other than Permitted Capital Stock Sales; provided, however, that this covenant shall not prohibit (i) the ownership by directors of directors' qualifying shares or the ownership by foreign nationals of Capital Stock of any Restricted Subsidiary, to the extent mandated by applicable law, (ii) the issuance and sale of all, but not less than all, of the issued and outstanding Capital Stock of any Restricted Subsidiary owned by the Issuer or any Restricted Subsidiary in compliance with the "Limitation on Sale of Assets" covenant.

Limitation on Transactions with Affiliates. (a) The Issuer will not, and will not permit any Restricted Subsidiary to enter into or suffer to exist, directly or indirectly, any transaction or series of related transactions (including, without limitation, the sale, purchase, exchange or lease of assets, property or services) with, or for the benefit of, any Affiliate of the Issuer or any Restricted Subsidiary unless (i) such transaction or series of related transactions are on terms that are no less favorable to the Issuer, or such Restricted Subsidiary, as the case may be, than those that could have been obtained in an arm's-length transaction with unrelated third parties who are not Affiliates, (ii) with respect to any transaction or series of related transactions involving aggregate

consideration equal to or greater than \$1.0 million (or to the extent not denominated in U.S. dollars, the U.S. Dollar Equivalent thereof), the Issuer will deliver an officers' certificate to the Trustee certifying that such transaction or series of related transactions complies with clause (i) above; (iii) with respect to any transaction or series of related transactions involving aggregate consideration equal to or greater than \$5.0 million (or, to the extent not denominated in U.S. dollars, the U.S. Dollar Equivalent thereof), the Issuer will deliver an officers' certificate to the Trustee certifying that such transaction or series of related transactions complies with clause (i) above and has been approved by a majority of the Disinterested Directors of the Board of Directors of the Issuer, or the Issuer shall deliver to the Trustee a written opinion from an internationally recognized investment banking firm to the effect that such transaction or series of related transactions is fair to the Issuer or such Restricted Subsidiary, as the case may be, from a financial point of view and (iv) with respect to any transaction or series of related transactions involving aggregate consideration equal to or greater than \$10.0 million (or to the extent not denominated in U.S. dollars, the U.S. Dollar Equivalent thereof), the Issuer shall deliver to the Trustee a written opinion from an internationally recognized investment banking firm to the effect that such transaction or series of related transactions is fair to the Issuer or such Restricted Subsidiary, as the case may be, from a financial point of view; provided, however, that this provision will not restrict (1) any transaction or series of related transactions among the Issuer and Restricted Subsidiaries or among Restricted Subsidiaries, (2) Investments in Qualified Capital Stock of the Issuer by any Person, including an Affiliate of the Issuer, (3) the Issuer from paying reasonable and customary regular compensation and fees to directors of the Issuer or any Restricted Subsidiary who are not executives of any such Persons, (4) the Issuer or any Subsidiary from making any Restricted Payment in compliance with the "Limitation on Restricted Payments" covenant, (5) any transaction by the Issuer or any Restricted Subsidiary with a supplier, vendor or lessor of goods or services in the ordinary course of business, (6) any compensation payable under any employment agreement entered into by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business, or (7) transactions that do not constitute Restricted Payments by virtue of exceptions set forth in the definition of "Permitted Investments" set forth below under the caption "Certain Definitions".

Limitation on Liens. The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, incur, assume or suffer to exist any Lien (other than Permitted Liens) on or with respect to any of its property or assets, including any shares of stock or indebtedness of any Restricted Subsidiary, whether owned at the date of the Indenture or thereafter acquired, or any income, profits or proceeds therefrom, or assign or otherwise convey any right to receive income thereon, unless (x) in the case of any Lien securing Subordinated Indebtedness, the Notes are secured by a Lien on such property, assets or proceeds that is senior in priority to such Lien and (y) in the case of any other Lien, the Notes are equally and ratably secured with the obligation or liability secured by such Lien.

Limitation on Issuances of Guarantees of Indebtedness by Restricted Subsidiaries. (a) The Issuer will not permit any Restricted Subsidiary, directly or indirectly, to guarantee, assume or in any other manner become liable with respect to any Indebtedness of the Issuer unless (i) (A) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture providing for the guarantee of payment of the Notes by such Restricted Subsidiary and (B) with respect to any guarantee of Subordinated Indebtedness of the Issuer by a Restricted Subsidiary, any such guarantee shall be subordinated to such Restricted Subsidiary's guarantee with respect to the relevant Notes at least to the same extent as such Subordinated Indebtedness is subordinated to the Notes and (ii) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights or reimbursement, indemnity or subrogation or any other rights against the Issuer or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its guarantee until the relevant Notes have been paid in full; provided that this paragraph (a) shall not be applicable to (x) any guarantee of any Restricted Subsidiary that existed at the time such Person became a Restricted Subsidiary or (y) any guarantee of any Restricted Subsidiary of Indebtedness incurred pursuant to a Bank Facility.

(b) Notwithstanding the foregoing, any guarantee of the Notes created pursuant to the provisions described in the foregoing paragraph (a) shall provide by its terms that it shall be automatically and unconditionally released and discharged upon (i) any sale, exchange or transfer, to any Person who is not an Affiliate of the

Issuer, of all of the Issuer's Capital Stock in, or all or substantially all the assets of, such Restricted Subsidiary (which sale, exchange or transfer is not prohibited by the Indenture) or (ii) the release by the holders of the Indebtedness of the Issuer described in the preceding paragraph of their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness, except by or as a result of payment under such guarantee), at a time when (A) no other Indebtedness of the Issuer has been guaranteed by such Restricted Subsidiary or (B) the holders of all such other Indebtedness which is guaranteed by such Restricted Subsidiary also release their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness, except by or as a result of payment under such guarantee).

Purchase of Notes upon a Change of Control. If a Change of Control shall occur at any time, then each holder of Notes will have the right to require that the Issuer purchase such holder's Notes, in whole or in part in integral multiples of DM1,000 principal amount at maturity, at a purchase price (the "Change of Control Purchase Price") in cash in an amount equal to 101% of the Accreted Value of the Notes, plus, accrued and unpaid interest, if any, to the date of purchase (the "Change of Control Purchase Date"), pursuant to the offer described below (the "Change of Control Offer") and the other procedures set forth in the Indenture.

Within 15 days following any Change of Control, the Issuer shall notify the Trustee and give written notice of such Change of Control to each holder of Notes by first-class mail, postage prepaid, at the address appearing in the security register, stating, among other things, (i) the purchase price and the purchase date, which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed, or such later date as is necessary to comply with requirements under the Exchange Act or any applicable securities laws or regulations; (ii) that any Note not tendered will continue to accrue interest or original issue discount, as the case may be; (iii) that, unless the Issuer defaults in the payment of the purchase price, any Notes accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest or original issue discount, as the case may be, after the Change of Control Purchase Date; and (iv) certain other procedures that a holder of Notes must follow to accept a Change of Control Offer or to withdraw such acceptance.

If a Change of Control Offer is made, there can be no assurance that the Issuer will have available funds sufficient to pay the Change of Control Purchase Price for all of the Notes that might be delivered by holders of the Notes seeking to accept the Change of Control Offer. The failure of the Issuer to make or consummate the Change of Control Offer or pay the Change of Control Purchase Price when due would result in an Event of Default and would give the Trustee and the holders of the Notes the rights described under "--Events of Default."

One of the events which constitutes a Change of Control under the Indenture is the disposition of "all or substantially all" of the Issuer's assets. This term has not been interpreted under New York law (which is the governing law of the Indenture) to represent a specific quantitative test. As a consequence, in the event holders of the Notes elect to require the Issuer to purchase the Notes and the Issuer elects to contest such election, there can be no assurance as to how a court interpreting New York law would interpret the phrase.

The existence of a holder's right to require the Issuer to purchase such holder's Notes upon a Change of Control may deter a third party from acquiring the Issuer in a transaction which constitutes a Change of Control.

The definition of "Change of Control" in the Indenture is limited in scope. The provisions of the Indenture may not afford holders of Notes the right to require the Issuer to purchase such Notes in the event of a highly leveraged transaction or certain transactions with the Issuer's management or its affiliates, including a reorganization, restructuring, merger or similar transaction involving the Issuer (including, in certain circumstances, an acquisition of the Issuer by management or its affiliates) that may adversely affect holders of the Notes, if such transaction is not a transaction defined as a Change of Control. See "--Certain Definitions" for the definition of "Change of Control." A transaction involving the Issuer's management or its affiliates, or a transaction involving a recapitalization of the Issuer, would result in a Change of Control if it is the type of transaction specified by such definition.

The Issuer will comply with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws and regulations in connection with a Change of Control Offer.

Limitation on Sale of Assets. (a) The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, engage in any Asset Sale unless (i) the consideration received by the Issuer or such Restricted Subsidiary for such Asset Sale is not less than the fair market value of the shares or assets sold (as determined by the Board of Directors of the Issuer, whose determination shall be conclusive and evidenced by a Board Resolution) and (ii) the consideration received by the Issuer or the relevant Restricted Subsidiary in respect of such Asset Sale consists of at least 85% cash or Cash Equivalents.

(b) If the Issuer or any Restricted Subsidiary engages in an Asset Sale, the Issuer may use the Net Cash Proceeds thereof, within 12 months after such Asset Sale, to (i) permanently repay or prepay any then outstanding unsubordinated Indebtedness of the Issuer or Indebtedness of any Restricted Subsidiary or (ii) invest (or enter into a legally binding agreement to invest) in ATM Network Assets or in properties or assets to replace the properties and assets that were the subject of the Asset Sale. If any such legally binding agreement to invest such Net Cash Proceeds is terminated, then the Issuer may, within 90 days of such termination or within 12 months of such Asset Sale, whichever is later, apply or invest such Net Cash Proceeds as provided in clause (i) or (ii) (without regard to the parenthetical contained in such clause (ii)) above. The amount of such Net Cash Proceeds not so used as set forth above in this paragraph (b) constitutes "Excess Proceeds."

(c) When the aggregate amount of Excess Proceeds exceeds \$10.0 million (or, to the extent not denominated in U.S. dollars, the U.S. Dollar Equivalent thereof) the Issuer shall, within 15 business days, make an offer to purchase (an "Excess Proceeds Offer") from all holders of Notes, on a pro rata basis, in accordance with the procedures set forth below, the maximum Accreted Value of Notes (expressed as a multiple of DM1,000) that may be purchased with the Excess Proceeds. The offer price as to each Note shall be payable in cash in an amount equal to 100% of the Accreted Value of such Note as of the date of purchase plus, in each case, accrued interest, if any (the "Offered Price") to the date an Excess Proceeds Offer is consummated. To the extent that the aggregate Offered Price of Notes tendered pursuant to an Excess Proceeds Offer is less than the Excess Proceeds, the Issuer may use such deficiency for general corporate purposes. If the aggregate Offered Price of Notes validly tendered and not withdrawn by holders thereof exceeds the Excess Proceeds, Notes to be purchased will be selected on a pro rata basis. Upon completion of such offer to purchase, the amount of Excess Proceeds shall be reset to zero.

Limitation on Sale and Leaseback Transactions. The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into any Sale and Leaseback Transaction (other than a transaction that is solely between the Issuer and any Wholly Owned Restricted Subsidiary or solely between Wholly Owned Restricted Subsidiaries) after the Issue Date with respect to any property or assets (whether now owned or hereafter acquired), unless (i) the sale or transfer of such property or assets to be leased is treated as an Asset Sale and the Issuer complies with the "Limitation on Sale of Assets" covenant, (ii) the Issuer or such Restricted Subsidiary would be permitted to incur Indebtedness under the "Limitation on Additional Indebtedness" covenant (including Permitted Indebtedness) in the amount of the Attributable Value of such Sale and Leaseback Transaction and (iii) the Issuer or such Restricted Subsidiary would be permitted to grant a Lien under the "Limitation on Liens" covenant (including Permitted Liens) to secure the amount of the Attributable Value of such Sale and Leaseback Transaction.

Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries. The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction of any kind on the ability of any Restricted Subsidiary to (a) pay dividends, in cash or otherwise, or make any other distributions on or in respect of its Capital Stock, (b) pay any Indebtedness owed to the Issuer or any other Restricted Subsidiary, (c) make Investments in the Issuer or any other Restricted Subsidiary, (d) transfer any of its properties or assets to the Issuer or any other Restricted Subsidiary or (e) guarantee any Indebtedness of the Issuer or any other Restricted Subsidiary, except for such encumbrances or restrictions existing under or by reason of (i) any agreement in effect on the date of

the Indenture and listed on or of a type described in a schedule attached to the Indenture, (ii) applicable law, (iii) customary non-assignment provisions of any lease governing a leasehold interest of the Issuer or any Restricted Subsidiary, (iv) any agreement or other instrument of a Person acquired by the Issuer or any Restricted Subsidiary in existence at the time of such acquisition (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired, (v) the refinancing of Indebtedness incurred under the agreements listed on or of type described in a schedule attached to the Indenture, so long as such encumbrances or restrictions are no less favorable to the Issuer or any Restricted Subsidiary than those contained in the respective agreement as in effect on the date of the Indenture, (vi) pursuant to the Indenture or the Notes, (vii) any Bank Facility if such encumbrance or restriction applies only (x) to amounts which at any point in time (other than during such periods as are described in clause (y)) (1) exceed amounts due and payable (or which are to become due and payable within 30 days) in respect of the Notes or the Indenture for interest, premium and principal (after giving effect to any realization by the Issuer under any applicable Currency Agreement), or (2) if paid, would result in an event described in the following clause (y) of this sentence, or (y) during the pendency of any event that causes, permits or, after notice or lapse of time, would cause or permit the holder(s) of the Indebtedness governed by such agreement or instrument to declare any such Indebtedness to be immediately due and payable or require cash collateralization or cash cover for such Indebtedness for so long as such cash collateralization or cash cover has not been provided, or (viii) any arrangement arising or agreed to in the ordinary course of business, not relating to any Indebtedness that does not individually, or together with all such encumbrances or restrictions, detract from the value of property or assets of the Issuer or any Restricted Subsidiary in any manner material to the Issuer or any Restricted Subsidiary.

Limitation on Investments in Unrestricted Subsidiaries. The Issuer will not make, and will not permit any of its Restricted Subsidiaries to make, any Investments in Unrestricted Subsidiaries if, at the time thereof, the aggregate amount of such Investments would exceed the amount of Restricted Payments then permitted to be made pursuant to the "Limitation on Restricted Payments" covenant (calculated as if no prior Investments in Unrestricted Subsidiaries had been made by the Issuer or any Restricted Subsidiary). Any Investments in Unrestricted Subsidiaries permitted to be made pursuant to this covenant (i) will be treated as the making of a Restricted Payment in calculating the amount of Restricted Payments made by the Issuer or a Restricted Subsidiary, without duplication, under the provisions of clause (iv) of paragraph (a) of the "Limitations on Restricted Payments" covenant and (ii) may be made in cash or property (if made in property, the fair market value thereof as determined by the Board of Directors of the Issuer (whose determination shall be conclusive and evidenced by a Board Resolution) shall be deemed to be the amount of such Investment for the purpose of clause (i)).

Business of the Issuer. The Issuer will not, and will not permit any Restricted Subsidiary to, engage in any business other than an ATM Network Business.

Provision of Financial Statements and Reports. Whether or not the Issuer is required to file reports with the Commission, the Issuer will file on a timely basis with the Commission, the annual reports, quarterly reports and other documents that the Issuer would be required to file if it were subject to Section 13 or 15 of the Exchange Act. The Issuer will also be required (a) to file with the Trustee, and provide to each holder of Notes, without cost to such holder, copies of such reports and documents within 15 days after the date on which such reports and documents are filed with the Commission or the date on which the Issuer would be required to file such reports and documents if the Issuer were so required, and (b) if filing such reports and documents with the Commission is not accepted by the Commission or is prohibited under the Exchange Act, to supply at the Issuer's cost copies of such reports and documents to any prospective holder of Notes promptly upon written request.

CONSOLIDATION, MERGER AND SALE OF ASSETS

The Issuer will not in a single transaction or a series of related transactions consolidate with or merge with or into any other Person or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets substantially as an entirety to any other Person or Persons or permit any Restricted

Subsidiary to enter into any such transaction or series of related transactions, if such transaction or series of related transactions, in the aggregate, would result in the sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the properties and assets of the Issuer and its Restricted Subsidiaries on a consolidated basis substantially as an entirety to any Person or Persons, unless: (i) at the time and immediately after giving effect thereto either (a) the Issuer will be the surviving corporation or (b) the Person (if other than the Issuer) formed by such consolidation or into which the Issuer or such Restricted Subsidiary is merged or the Person which acquires by sale, conveyance, transfer, lease or other disposition, all or substantially all of the properties and assets of the Issuer and its Restricted Subsidiaries on a consolidated basis substantially as an entirety, as the case may be (the "Surviving Entity"), (1) will be a corporation organized and validly existing under the laws of the United States of America, any state thereof or the District of Columbia and (2) will expressly assume, by a supplemental indenture to the Indenture in form satisfactory to the Trustee, the Issuer's obligation's for the due and punctual payment of the principal of, premium, if any, on and interest on all the Notes and the performance and observance of every covenant of the Indenture on the part of the Issuer to be performed or observed; (ii) immediately before and after giving effect to such transaction or series of transactions on a pro forma basis (and treating any obligation of the Issuer or any Restricted Subsidiary incurred in connection with or as a result of such transaction or series of transactions as having been incurred of the time of such transaction), no Default or Event of Default shall have occurred and be continuing; (iii) immediately after giving effect to such transaction or series of transactions on a pro forma basis (on the assumption that the transaction or series of transactions occurred on the first day of the latest fiscal quarter for which consolidated financial statements of the Issuer are available immediately prior to the consummation of such transaction or series of transactions with the appropriate adjustments with respect to the transaction or series of transactions being included in such pro forma calculation), the Issuer (or the Surviving Entity if the Issuer is not the continuing obligor under the Indenture) could incur at least \$1.00 of additional Indebtedness (other than Permitted Indebtedness) under the provisions of the "Limitation on Additional Indebtedness" covenant; and (iv) if any of the property or assets of the Issuer or any of its Restricted Subsidiaries would thereupon become subject to any Lien, the provisions of the "Limitation on Liens" covenant are complied with.

In connection with any such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition, the Issuer or the Surviving Entity shall have delivered to the Trustee, in form and substance reasonably satisfactory to the Trustee, an officers' certificate and an opinion of counsel, each stating that such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition, and if a supplemental indenture is required in connection with such transaction, such supplemental indenture, comply with the requirements of the relevant Indenture and that all conditions precedent therein provided for relating to such transaction have been complied with.

Upon any consolidation or merger, or any sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Issuer in accordance with the immediately preceding paragraphs in which the Issuer is not the continuing obligor under the Indenture, the Surviving Entity shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Indenture with the same effect as if such successor had been named as the Issuer therein. When a successor assumes all the obligations of its predecessor under the Indenture, the predecessor shall be released from those obligations; provided that in the case of a transfer by lease, the predecessor shall not be released from the payment of principal and interest on the Notes.

EVENTS OF DEFAULT

The following will be "Events of Default" under the Indenture:

(i) default in the payment of any interest on any Note when it becomes due and payable and continuance of such default for a period of 30 days;

(ii) default in the payment of the principal of or premium, if any, on any Note at its Maturity;

(iii) (A) default in the performance, or breach, of any covenant or agreement of the Issuer contained in the Indenture (other than a default in the performance, or breach, of a covenant or agreement which is specifically dealt with in the immediately preceding clauses (i) and (ii) or in clauses (B), (C) or (D) of this clause (iii)) and continuance of such default or breach for a period of 30 days after written notice shall have been given to the Issuer by the Trustee or to the Issuer and the Trustee by the holders of at least 25% in aggregate principal amount at maturity of the Notes then outstanding; (B) default in the performance or breach of the provisions of the "Limitation on Sale of Assets" covenant; (C) default in the performance or breach of the provisions of "--Consolidation, Merger and Sale of Assets"; and (D) failure to make or consummate a Change of Control Offer in accordance with the provisions of the "Purchase of Notes upon a Change of Control" covenant;

(iv) (A) one or more defaults in the payment of principal of or premium, if any, or interest on Indebtedness of the Issuer or any Restricted Subsidiary aggregating \$10.0 million or more (or, to the extent not denominated in U.S. dollars, the U.S. Dollar Equivalent thereof), when the same becomes due and payable at the stated maturity thereof, and such default or defaults shall have continued after any applicable grace period and shall not have been cured or waived or (B) Indebtedness of the Issuer or any Restricted Subsidiary aggregating \$10.0 million or more (or, to the extent not denominated in U.S. dollars, the U.S. Dollar Equivalent thereof) shall have been accelerated or otherwise declared due and payable, or required to be prepaid or repurchased (other than by regularly scheduled required prepayment), prior to the stated maturity thereof);

(v) one or more final judgments, orders or decrees of any court or regulatory agency shall be rendered against the Issuer or any Significant Subsidiary or their respective properties for the payment of money, either individually or in an aggregate amount, in excess of \$10.0 million (or, to the extent not denominated in U.S. dollars, the U.S. Dollar Equivalent thereof) and either (A) an enforcement proceeding shall have been commenced by any creditor upon such judgment or order or (B) there shall have been a period of 30 days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, was not in effect;

(vi) the occurrence of certain events of bankruptcy, insolvency or reorganization with respect to the Issuer or any Significant Subsidiary;

If an Event of Default (other than an Event of Default specified in clause (vi) above) shall occur and be continuing, the Trustee or the holders of not less than 25% in aggregate principal amount at maturity of the Notes then outstanding, by written notice to the Issuer (and to the Trustee if such notice is given by the holders), may, and the Trustee upon the written request of such holders shall, declare the Accreted Value of, premium, if any, and accrued interest on all of such outstanding Notes immediately due and payable, and upon any such declaration all such amounts payable in respect of the Notes shall become immediately due and payable. If an Event of Default specified in clause (vi) above occurs and is continuing, then the Accreted Value of, premium, if any, and accrued interest on all of the outstanding Notes shall ipso facto become immediately due and payable without any declaration or other act on the part of the Trustee or any holder of Notes.

At any time after a declaration of acceleration under the Indenture, but before a judgment or decree for payment of the money due has been obtained by the Trustee, the holders of a majority in aggregate principal amount at maturity of the outstanding Notes by written notice to the Issuer and the Trustee, may rescind such declaration and its consequences if (a) the Issuer has paid or deposited with the Trustee a sum sufficient to pay (i) all overdue interest on all outstanding Notes, (ii) all unpaid Accreted Value and premium, if any, on any outstanding Notes that have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Notes, (iii) to the extent that payment of such interest is lawful, interest upon overdue interest and overdue principal at the rate borne by the Notes, (iv) all sums paid or advanced by the Trustee under the Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and (b) all Events of Default, other than the non-payment of amounts of Accreted Value of, premium, if any, or interest on the Notes that has become due solely by such declaration of acceleration, have been cured or waived. No such rescission shall affect any subsequent default or impair any right consequent thereon.

Notwithstanding the preceding paragraph, in the event of a declaration of acceleration in respect of the Notes because of an Event of Default specified in subparagraph (iv)(A) or (iv)(B) above has occurred and is continuing, such Event of Default and all consequences thereof (including, without limitation, any acceleration or resulting payment default) will be automatically annulled, waived and rescinded if the Indebtedness that is the subject of such Event of Default has been discharged or the holders thereof have rescinded their declaration of acceleration in respect of such Indebtedness or the default that is the basis for such Event of Default has been cured and no other Event of Default has occurred and has not been cured or waived.

The holders of not less than a majority in aggregate principal amount at maturity of the outstanding Notes may, on behalf of the holders of all the Notes, waive any past defaults under the Indenture, except a default in the payment of principal of, premium, if any, or interest on any Note or in respect of a covenant or provision which under the Indenture cannot be modified or amended without the consent of the holder of each Note outstanding.

If a Default or an Event of Default occurs and is continuing and is known to the Trustee, the Trustee will mail to each holder of the Notes, notice of the Default or Event of Default within 30 days after the occurrence thereof. Except in the case of a Default or an Event of Default in payment of principal of, or premium, if any, or interest on any Notes, the Trustee may withhold the notice to the holders of such Notes if a committee of its trust officers in good faith determines that withholding the notice is in the interests of the holders of such Notes.

The Issuer is required to furnish to Trustee annual and quarterly statements as to the performance by the Issuer of their obligations under the Indenture and as to any default in such performance. The Issuer is also required to notify the Trustee within five business days of the occurrence of any Default.

DEFEASANCE OR COVENANT DEFEASANCE OF THE INDENTURE

The Issuer may, at its option and at any time, elect to have the obligations of the Issuer and on the Notes, discharged with respect to the outstanding Notes ("defeasance"). Such defeasance means that the Issuer will be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes and to have satisfied all its other obligations under such Notes and the Indenture insofar as such Notes are concerned except for (i) the rights of holders of outstanding Notes to receive payments in respect of principal of, premium, if any, and interest on such Notes when such payments are due, (ii) the Issuer's obligations to issue temporary Notes, register the transfer or exchange of any such Notes, replace mutilated, destroyed, lost or stolen Notes, maintain an office or agency for payments in respect of the Notes and segregate and hold such payments in trust, (iii) the rights, powers, trusts, duties and immunities of the Trustee and (iv) the defeasance provisions of the applicable Indenture. In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer released with respect to certain covenants set forth in the Indenture, and any omission to comply with such obligations shall not constitute a Default or an Event of Default with respect to the Notes ("covenant defeasance").

In order to exercise either defeasance or covenant defeasance, (i) the Issuer must irrevocably deposit or cause to be deposited with the Trustee, as trust funds in trust, specifically pledged as security for, and dedicated solely to, the benefit of the holders of the Notes, cash in Deutsche Marks or U.S. dollars, or a combination thereof, in such amounts as will be sufficient, in the opinion of an internationally recognized firm of independent public accountants or an internationally recognized investment banking firm, to pay and discharge the principal of, premium, if any, and interest on the outstanding Notes on the Stated Maturity of such principal, premium, if any, or installment of interest; (ii) no Default or Event of Default with respect to the Notes will have occurred and be continuing on the date of such deposit or, insofar as an event of bankruptcy under clause (vi) of "--Events of Default" above is concerned, at any time during the period ending on the first day following the date that is six months after such deposit; (iii) such defeasance or covenant defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the Indenture) to which the Issuer is a party or by which it is bound; (iv) in the case of defeasance, the Issuer shall have delivered to the Trustee an Opinion of Counsel in the United States stating that the Issuer has received from, or there has

been published by, the Internal Revenue Service a ruling, or since the date of this Prospectus, there has been a change in applicable federal income tax law, in either case to the effect that, and based thereon such opinion shall confirm that, the holders of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred; (v) in the case of covenant defeasance, the Issuer shall have delivered to Trustee an Opinion of Counsel to the effect that the holders of the Notes outstanding will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such covenant defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred; (vi) in the case of defeasance or covenant defeasance, the Issuer shall have delivered to the Trustee an Opinion of Counsel in the United States to the effect that after the first day following six months after the date of such deposit or after the date such opinion is delivered, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally; (vii) the Issuer shall have delivered to the Trustee an officers' certificate stating that the deposit was not made by the Issuer with the intent of preferring the holders of the Notes over the other creditors of the Issuer with the intent of hindering, delaying or defrauding creditors of the Issuer; and (viii) the Issuer shall have delivered to the Trustee an officers' certificate and an Opinion of Counsel, each stating that all conditions precedent provided for relating to either the defeasance or the covenant defeasance, as the case may be, have been complied with.

SATISFACTION AND DISCHARGE

The Indenture will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the Notes as expressly provided for in the Indenture) and the Trustee, at the expense of the Issuer, will execute proper instruments acknowledging satisfaction and discharge of the Indenture when (i) either (a) all the Notes theretofore authenticated and delivered (other than destroyed, lost or stolen Notes which have been replaced or paid) have been delivered to the Trustee for cancellation or (b) all the Notes not theretofore delivered to the Trustee for cancellation (x) have become due and payable, (y) will become due and payable at Stated Maturity within one year or (z) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer, and the Issuer has irrevocably deposited or caused to be deposited with the Trustee trust funds in trust for such purpose an amount sufficient to pay and discharge the entire Indebtedness on such Notes not theretofore delivered to the Trustee for cancellation, for Accreted Value of, premium, if any, and interest on the Notes to the date of such deposit (in the case of Notes which have become due and payable) or to the Stated Maturity or redemption date, as the case may be; (ii) the Issuer has paid or caused to be paid all other sums payable under the Indenture by the Issuer; and (iii) the Issuer has delivered to the Trustee an officers' certificate and an Opinion of Counsel, each stating that all conditions precedent provided in the Indenture relating to the satisfaction and discharge of the Indenture have been complied with.

MODIFICATIONS AND AMENDMENTS

Modifications and amendments of the Indenture may be made by a supplemental indenture entered into by the Issuer and the Trustee with the consent of the holders of a majority in aggregate outstanding principal amount at maturity of the Notes; provided, however, that no such modification or amendment may, without the consent of the holder of each outstanding Note affected thereby, (i) change the Stated Maturity of the principal of, or any installment of interest on, any Note or reduce the principal amount or Accreted Value thereof or premium, if any, or the rate of interest thereon or change the coin or currency in which the principal of any such Note or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date); (ii) amend, change or modify the redemption provisions of the Indenture or the Notes or the obligation of the Issuer to make and consummate an Excess Proceeds Offer with respect to any Asset Sale in accordance with the "Limitation on Sale of Assets" covenant or the obligation of the Issuer to make and consummate a Change of

Control Offer in the event of a Change of Control in accordance with the "Purchase of Notes upon a Change of Control" covenant, including, in each case, amending, changing or modifying any definition relating thereto; (iii) reduce the percentage in principal amount at maturity of outstanding Notes, the consent of whose holders is required for any waiver of compliance with certain provisions of the Indenture; (iv) modify any of the provisions relating to supplemental indentures requiring the consent of holders or relating to the waiver of past defaults or relating to the waiver of certain covenants, except to increase the percentage of outstanding Notes required for such actions or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the holder of each Note affected thereby; (v) except as otherwise permitted under "--Consolidation, Merger and Sale of Assets," consent to the assignment or transfer by the Issuer of any of their rights or obligations under the Indenture; (vi) amend or modify any of the provisions of the Indenture relating to any guarantee of the Notes in any manner adverse to the holders of such Notes; or (vii) amend or modify the provisions described under "Additional Amounts" in any manner adverse to the Holders.

Notwithstanding the foregoing, without the consent of any holder of the Notes, the Issuer and the Trustee may modify or amend the Indenture: (a) to evidence the succession of another Person to the Issuer or any other obligor on the Notes, and the assumption by any such successor of the covenants of the Issuer or such obligor in the Indenture and in the Notes in accordance with "--Consolidation, Merger, Sale of Assets"; (b) to add to the covenants of the Issuer or any other obligor upon the Notes for the benefit of the holders of such Notes or to surrender any right or power conferred upon the Issuer or any other obligor upon such Notes, as applicable, in the Indenture or in such Notes; (c) to cure any ambiguity, or to correct or supplement any provision in the Indenture or the Notes or make any other provisions with respect to matters or questions arising under the Indenture or the Notes; provided that, in each case, such provisions shall not adversely affect the interest of the holders of such Notes; (d) to comply with the requirements of the Commission in order to effect or maintain the qualification, if any, of the Indenture under the Trust Indenture Act; (e) to add a guarantor of the Notes under the Indenture; (f) to evidence and provide the acceptance of the appointment of a successor Trustee under the Indenture; or (g) to mortgage, pledge, hypothecate or grant a security interest in favor of the Trustee for the benefit of the holders of the Notes as additional security for the payment and performance of the Issuer's and any guarantor's obligations under the Indenture, in any property, or assets, including any of which are required to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Trustee pursuant to the Indenture or otherwise.

The holders of a majority in aggregate principal amount at maturity of the Notes outstanding may waive compliance with certain restrictive covenants and provisions of the Indenture.

NO PERSONAL LIABILITY OF DIRECTORS, OFFICERS, EMPLOYEES AND STOCKHOLDERS

No director, officer, employee, agent, incorporator or stockholder of the Issuer, as such, shall have any liability for any obligations of the Issuer under the Notes or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of the Notes by accepting a Note irrevocably waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the Commission that such a waiver is against public policy.

THE TRUSTEE

The Indenture provides that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are specifically set forth in the Indenture. If an Event of Default has occurred and is continuing, the Trustee will exercise such rights and powers vested in it under the Indenture and use the same degree of care and skill in its exercise as a prudent Person would exercise under the circumstances in the conduct of such Person's own affairs.

The Indenture and provisions of the Trust Indenture Act, incorporated by reference therein, contain limitations on the rights of the Trustee thereunder should it become a creditor of the Issuer, to obtain payment of

claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. The Trustee is permitted to engage in other transactions; provided, however, that if it acquires any conflicting interest (as defined below) it must eliminate such conflict or resign.

GOVERNING LAW

The Indenture and the Notes will be governed by, and construed in accordance with, the laws of the State of New York.

CERTAIN DEFINITIONS

"Accreted Value" is defined to mean, for any Specified Date, the amount calculated pursuant to clause (i), (ii), (iii) or (iv) below for each DM1,000 principal amount at maturity of Notes:

(i) if the Specified Date occurs on one or more of the following dates (each a "Semi-Annual Accrual Date"), the Accreted Value will equal the amount set forth below for such Semi-Annual Accrual Date:

SEMI-ANNUAL ACCRUAL DATE -----	ACCRETED VALUE -----
, 1998.....	DM
, 1999.....	DM
, 1999.....	DM
, 2000.....	DM
, 2000.....	DM
, 2001.....	DM
, 2001.....	DM
, 2002.....	DM1,000

(ii) if the Specified Date occurs before the first Semi-Annual Accrual Date, the Accreted Value will equal the sum of (a) the original issue price and (b) an amount equal to the product of (i) the Accreted Value for the first Semi-Annual Accrual Date less the original issue price multiplied by (2) a fraction, the numerator of which is the number of days from the Issue Date to the Specified Date, using a 360-day year of twelve 30-day months, and the denominator of which is the number of days elapsed from the Issue Date to the first Semi-Annual Accrual Date, using a 360-day year of twelve 30-day months;

(iii) if the Specified Date occurs between two Semi-Annual Accrual Dates, the Accreted Value will equal the sum of (a) the Accreted Value for the Semi-Annual Accrual Date immediately preceding such Specified Date and (b) an amount equal to the product of (1) the Accreted Value for the immediately following Semi-Annual Accrual Date less the Accreted Value for the immediately preceding Semi-Annual Accrual Date multiplied by (2) a fraction the numerator of which is the number of days from the immediately preceding Semi-Annual Accrual Date to the Specified Date, using a 360-day year of twelve 30-day months, and the denominator of which is 180; or

(iv) if the Specified Date occurs after the last Semi-Annual Accrual Date, the Accreted Value will equal DM1,000.

"Acquired Indebtedness" means Indebtedness of a Person (a) existing at the time such Person becomes a Restricted Subsidiary or (b) assumed in connection with the acquisition of assets from such Person, in each case, other than Indebtedness incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary or such acquisition; provided that, notwithstanding the foregoing, for purposes of the "Limitation on Additional Indebtedness" covenant, such Indebtedness shall be deemed to be incurred on the date of the related acquisition of assets from any Person or the date the acquired Person becomes a Restricted Subsidiary.

"Affiliate" means, with respect to any specified Person, (i) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person or (ii) any other Person that owns, directly or indirectly, 10% or more of such specified Person's Voting Stock or any executive officer or director of any such specified Person or other Person or, with respect to any natural Person, any Person having a relationship with such Person by blood, marriage or adoption not more remote than first cousin. For the purposes of this definition, "control," when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Annualized Pro Forma Consolidated Operating Cash Flow" means Consolidated Operating Cash Flow for the latest fiscal quarter for which consolidated financial statements of the Issuer are available immediately preceding the date of the transaction giving rise to the need to calculate Annualized Pro Forma Consolidated Operating Cash Flow (the "Transaction Date") multiplied by four. For purposes of calculating "Consolidated Operating Cash Flow" for any fiscal quarter for purposes of this definition, (i) any Restricted Subsidiary that is a Restricted Subsidiary on the Transaction Date shall be deemed to have been a Restricted Subsidiary at all times during such fiscal quarter and (ii) any Restricted Subsidiary that is not a Restricted Subsidiary on the Transaction Date shall be deemed not to have been a Restricted Subsidiary at any time during such fiscal quarter.

"Asset Sale" means any sale, conveyance, transfer, lease or other disposition (including, without limitation, by way of merger, consolidation or sale and leaseback transaction) (collectively, a "transfer"), directly or indirectly, in one or a series of related transactions, of (i) any Capital Stock of any Restricted Subsidiary; (ii) all or substantially all of the properties and assets of the Issuer or its Restricted Subsidiaries; (iii) any material license or other authorization of the Issuer or any Restricted Subsidiary pertaining to an Electronics Fund Transfer Business or (iv) any other properties or assets of the Issuer or any Restricted Subsidiary, other than in the ordinary course of business. For the purposes of this definition, the term "Asset Sale" shall not include any transfer of properties or assets (A) that is governed by the provisions of the Indenture described under "-- Consolidation, Merger, Sale of Assets," (B) of the Issuer to any Restricted Subsidiary, or of any Restricted Subsidiary to the Issuer or any Restricted Subsidiary in accordance with the terms of the Indenture, (C) having a fair market value of less than \$250,000 (or, to the extent not denominated in U.S. dollars, the U.S. Dollar Equivalent thereof) in any given fiscal year or (D) any transfer by the Issuer or a Restricted Subsidiary of property or equipment to a Person who is not an Affiliate of the Issuer in exchange for property or equipment that has a fair market value at least equal to the fair market value of the property or equipment so transferred; provided that, in the event of a transfer described in this clause (D), the Issuer shall deliver to the Trustee an officers' certificate certifying that such exchange complies with this clause (D).

"ATM Network Assets" means all assets, rights (contractual or otherwise) and properties, whether tangible or intangible, used or useful in connection with an ATM Network Business.

"ATM Network Business" means, when used in reference to any Person, that such Person is engaged primarily in the business of (i) operating or managing ATMs or networks of ATMs, (ii) processing financial transactions on behalf of Persons issuing credit and debit cards and Persons operating ATMs or networks of ATMs, (iii) creating, developing, manufacturing, installing, operating, maintaining, leasing or servicing ATMs or point of sale authorization equipment or related equipment, software and other devices for use in an ATM Network Business, (iv) providing goods or services to any Person engaged in an ATM Network Business or (v) evaluating, participating in or pursuing any other activity, service or opportunity that is reasonably related to those identified in (i), (ii), (iii) or (iv) above including, but not limited to, activities reasonably related to the issuance of credit and debit cards.

"Attributable Value" means, with respect to any lease at the time of determination, the present value (discounted at the interest rate implicit in the lease or, if not known, at the Issuer's incremental borrowing rate) of the obligations of the lessee of the property subject to such lease for rental payments during the remaining term of the lease included in such transaction, including any period for which such lease has been extended or

may, at the option of the lessor, be extended, or until the earliest date on which the lessee may terminate such lease without penalty or upon payment of penalty (in which case the rental payments shall include such penalty), after excluding from such rental payments all amounts required to be paid on account of maintenance and repairs, insurance, taxes, assessments, water utilities and similar charges.

"Average Life" means, as of the date of determination with respect to any Indebtedness, the quotient obtained by dividing (a) the sum of the products of (i) the number of years from the date of determination to the date or dates of all successive scheduled principal payment (including, without limitation, any sinking fund requirements) of such Indebtedness multiplied by (ii) the amount of each such principal payment by (b) the sum of all such principal payments.

"Bank Facility" means Indebtedness of the Issuer or any Restricted Subsidiary under a senior bank facility with one or more banks or other commercial financial institutions.

"Bankruptcy Law" means Title 11 of the United States Code, as amended, or any similar United States federal or state law, or any similar law of any other jurisdiction, relating to bankruptcy, insolvency, receivership, winding-up, liquidation, reorganization or relief of debtors or any amendment to, succession to or change in any such law.

"Capital Stock" means, with respect to any Person, any and all shares, interests, partnership interests, participations, rights in or other equivalent equity interests (however designated) issued by such Person, and any rights (other than debt securities convertible into capital stock), warrants or options exchangeable for or convertible into such capital stock, whether now outstanding or issued after the date of the Indenture.

"Capitalized Lease Obligation" means, with respect to any Person, any obligation of such Person under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed) that is required to be classified and accounted for as a capital lease obligation under GAAP.

"Cash Equivalents" means (i) any evidence of Indebtedness with a maturity of 180 days or less issued or directly and fully guaranteed or insured by the government of the United States of America, the Federal Republic of Germany, the Republic of France or the United Kingdom or any agency or instrumentality thereof, (ii) deposits, certificates of deposit or acceptances with a maturity of 180 days or less of any financial institution that is a member of the Federal Reserve system, in each case having combined capital and surplus and undivided profits (or any similar capital concept) of not less than \$500 million (or, if not denominated in U.S. dollars, the U.S. Dollar Equivalent thereof); (iii) commercial paper, with a maturity of 180 days or less issued by a corporation (other than an Affiliate of the Issuer) organized under the laws of a member state of the European Union or the United States or any state thereof or the District of Columbia and rated at least "A-2" by Standard & Poor's Corporation or "P-2" by Moody's Investors Service; and (iv) repurchase agreements and reverse repurchase agreements relating to marketable direct obligations issued or unconditionally guaranteed by the United States government (in the case of any U.S. government obligations), in each case maturing within one year from the date of acquisition.

"Change of Control" means the occurrence of any of the following events: (a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a Person shall be deemed to have "beneficial ownership" of all securities that such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50% of the total outstanding Voting Stock of the Issuer; (b) the Issuer consolidates with, or merges with or into another Person or conveys, transfers, leases or otherwise disposes of all or substantially all of its assets to any Person, or any Person consolidates with or merges with or into the Issuer, in any such event pursuant to a transaction in which the outstanding Voting Stock of the Issuer is converted into or exchanged for cash, securities or other property, other than any such transaction where (i) the outstanding Voting Stock of the Issuer is not converted or exchanged at all (except to the extent necessary to reflect a change in the jurisdiction of incorporation of the Issuer) or is

converted into or exchanged for (A) Voting Stock (other than Redeemable Capital Stock) of the surviving or transferee corporation or (B) Voting Stock (other than Redeemable Capital Stock) of the surviving or transferee corporation and cash, securities and other property (other than Capital Stock of the Surviving Entity) in an amount that could be paid by the Issuer as a Restricted Payment as described under the "Limitation on Restricted Payments" covenant and (ii) immediately after such transaction, no "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than Permitted Holders, is the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a Person shall be deemed to have "beneficial ownership" of all securities that such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50% of the total outstanding Voting Stock of the surviving or transferee corporation; (c) during any consecutive two year period, individuals who at the beginning of such period constituted the Board of Directors of the Issuer (together with any new directors whose election to such Board of Directors, or whose nomination for election by the stockholders of the Issuer, was approved by a vote of 66 2/3% of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors of the Issuer then in office; or (d) the Issuer is liquidated or dissolved or a special resolution is passed by the shareholders of the Issuer approving the plan of liquidation or dissolution other than in a transaction which complies with the provisions described under "--Consolidation, Merger and Sales of Assets."

"Consolidated Adjusted Net Income" means, for any period, the consolidated net income (or loss) of the Issuer and all Restricted Subsidiaries for such period as determined in accordance with GAAP, adjusted by excluding, without duplication, (a) any net after-tax extraordinary gains or losses (less all fees and expenses relating thereto), (b) any net after-tax gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions other than in the ordinary course of business, (c) the portion of net income (or loss) of any Person (other than the Issuer or a Restricted Subsidiary), including Unrestricted Subsidiaries, in which the Issuer or any Restricted Subsidiary has an ownership interest, except to the extent of the amount of dividends or other distributions actually paid to the Issuer or any Restricted Subsidiary in cash dividends or distributions during such period, (d) net income (but not loss) of any Person combined with the Issuer or any Restricted Subsidiary on a "pooling of interests" basis attributable to any period prior to the date of combination, (e) the net income of any Restricted Subsidiary, to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary is not at the date of determination permitted, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary or its stockholders and (f) any gain or loss, net of taxes, realized upon the termination of any employee benefit plan.

"Consolidated Interest Expense" means, for any period, without duplication, the sum of (a) the interest expense of the Issuer and its Restricted Subsidiaries for such period, including, without limitation, (i) amortization of debt discount, (ii) the net cost of Interest Rate Agreements (including amortization of discounts), (iii) the interest portion of any deferred payment obligation, (iv) accrued interest, (v) the consolidated amount of any interest capitalized by the Issuer and (vi) amortization of debt issuance costs, plus (b) the interest component of Capitalized Lease Obligations of the Issuer and its Restricted Subsidiaries paid, accrued and/or scheduled to be paid or accrued during such period, plus (c) cash and non-cash dividends due (whether or not declared) on Redeemable Capital Stock or Preferred Stock by the Issuer and any Restricted Subsidiary (to any Person other than the Issuer and any Wholly Owned Subsidiary), plus (d) one third of operating lease rental payments paid, accrued and/or scheduled to be paid or accrued during such period, in each case as determined on a consolidated basis in accordance with GAAP; provided that the Consolidated Interest Expense attributable to interest on any Indebtedness computed on a pro forma basis and (A) bearing a floating interest rate shall be computed as if the rate in effect on the date of computation had been the applicable rate for the entire period and (B) which was not outstanding during the period for which the computation is being made but which bears, at the option of the Issuer, a fixed or floating rate of interest, shall be computed by applying, at the option of the Issuer, either the fixed or the floating rate.

"Consolidated Operating Cash Flow" means, with respect to any period, the Consolidated Adjusted Net Income for such period (a) increased by (to the extent included in computing Consolidated Adjusted Net Income) the sum of (i) the Consolidated Tax Expense for such period (other than taxes attributable to extraordinary, unusual or non-recurring gains or losses); (ii) Consolidated Interest Expense for such period; (iii) depreciation of the Issuer and the Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP; (iv) amortization of the Issuer and the Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP; and (v) any other non-cash charges that were deducted in computing Consolidated Adjusted Net Income (excluding any non-cash charge which requires an accrual or reserve for cash charges for any future period) of the Issuer and Restricted Subsidiaries for such period in accordance with GAAP and (b) decreased by any non-cash gains that were included in computing Consolidated Adjusted Net Income.

"Consolidated Tax Expense" means, for any period, the provision for federal, state, provincial, local and foreign income taxes of the Issuer and all Restricted Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP.

"Currency Agreements" means any spot or forward foreign exchange agreements and currency swap, currency option or other similar financial agreements or arrangements entered into by the Issuer or any of its Restricted Subsidiaries designed solely to protect against or manage exposure to fluctuations in currency exchange rates.

"Default" means any event that after notice or passage of time or both would be an Event of Default.

"Disinterested Director" means, with respect to any transaction or series of transactions in respect of which the Board of Directors is required to deliver a resolution of the Board of Directors under the Indenture, a member of the Board of Directors who does not have any material direct or indirect financial interest in or with respect to such transaction or series of transactions.

"Equity Offerings" is defined to mean any underwritten public offerings or flotations or placings of Common Stock of the Issuer for cash that has been registered under the Securities Act or admitted to listing on the Nasdaq National Market or New York Stock Exchange.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Existing Subsidiaries" means Euronet Holding N.V., Euronet-Bank Tech Rt. (Bank Tech), SatComNet Kft (SatComNet), Bankomat 24/Euronet Sp. z o.o., EFT-Usluge d o.o., Euronet Services GmbH, Euronet Services France SAS and Euronet Services spol. sro.

"Generally Accepted Accounting Principles" or "GAAP" means generally accepted accounting principles in effect in the United States on the date of the Indenture.

"guarantee" means, as applied to any obligation, (a) a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner, of any part or all of such obligation and (b) an agreement, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of non-performance) of all or any part of such obligation, including, without limiting the foregoing, the payment of amounts drawn down by letters of credit.

"Incur" or "incur" means, with respect to any Indebtedness, to create, issue, assume, guarantee or in any manner become directly or indirectly liable for the payment of, or otherwise incur such Indebtedness; provided that neither the accrual of interest nor the accretion of original issue discount shall be considered an Incurrence of Indebtedness. Incurrence, Incurred and Incurring shall have the meanings correlative to the foregoing.

"Indebtedness" means, with respect to any Person, without duplication, (a) all liabilities, contingent or otherwise, of such Person: (i) for borrowed money (including overdrafts), (ii) in connection with any letters of credit and acceptances issued under letter of credit facilities, acceptance facilities or other similar facilities, (iii) evidenced by bonds, notes, debentures or other similar instruments, (iv) for the deferred purchase price of property or services or created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person, or (v) for Capitalized Lease Obligations, (b) all obligations of such Person under or in respect of Interest Rate Agreements or Currency Agreements, (c) all indebtedness referred to in (but not excluded from) the preceding clauses of other Persons and all dividends of other Persons, the payment of which is secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or with respect to property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness (the amount of such obligation being deemed to be the lesser of the value of such property or asset or the amount of the obligation so secured), (d) all guarantees by such Person of Indebtedness referred to in this definition of any other Person and (e) all Redeemable Capital Stock of such Person valued at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued and unpaid dividends. For purposes hereof, the "maximum fixed repurchase price" of any Redeemable Capital Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Redeemable Capital Stock as if such Redeemable Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the fair market value of such Redeemable Capital Stock, such fair market value shall be determined in good faith by the board of directors of the Issuer of such Redeemable Capital Stock. Notwithstanding the foregoing, trade accounts, liabilities with respect to pre-paid goods and services, accrued liabilities arising in the ordinary course of business and any liability for Taxes owed by such Person will not be considered Indebtedness for purposes of this definition. For purposes of the "Limitation on Additional Indebtedness" and "Limitation on Restricted Payments" covenants and the definition of "Events of Default," in determining the principal amount of any Indebtedness to be incurred by the Issuer or a Restricted Subsidiary or which is outstanding at any date, (x) the principal amount of any Indebtedness which provides that an amount less than the principal amount at maturity thereof shall be due upon any declaration of acceleration thereof shall be the accreted value thereof at the date of determination and (y) effect shall be given to the impact of any Currency Agreement with respect to such Indebtedness.

"Interest Rate Agreements" means any interest rate protection agreements and other types of interest rate hedging agreements or arrangements (including, without limitation, interest rate swaps, caps, floors, collars and other similar agreements) designed solely to protect the Issuer or any Restricted Subsidiary against fluctuations in interest rates in respect of Indebtedness of the Issuer or any Restricted Subsidiary.

"Investment" means, with respect to any Person, any direct or indirect advance, loan or other extension of credit or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase, acquisition or ownership by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued or owned by, any other Person and all other items that would be classified as investments on a balance sheet prepared in accordance with GAAP. In addition, the fair market value of the net assets of any Subsidiary at the time that such Subsidiary is designated an Unrestricted Subsidiary shall be deemed to be an "Investment" made by the Issuer in such Unrestricted Subsidiary at such time. "Investments" shall exclude extensions of trade credit on commercially reasonable terms in accordance with normal trade practices.

"Issue Date" means the date of the Indenture.

"Lien" means any mortgage, charge, pledge, lien (statutory or otherwise), privilege, security interest, hypothecation, assignment for security, claim, or preference or priority or other encumbrance upon or with respect to any property of any kind, real or personal, movable or immovable, now owned or hereafter acquired. A Person shall be deemed to own subject to a Lien any property which such Person has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement.

"Maturity" means, with respect to any Note, the date on which any principal of such Note becomes due and payable as therein or herein provided, whether at the Stated Maturity with respect to such principal or by declaration of acceleration, call for redemption or purchase or otherwise.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Net Cash Proceeds" means (a) with respect to any Asset Sale, the proceeds thereof in the form of cash or Cash Equivalents including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the Issuer or any Restricted Subsidiary), net of (i) brokerage commissions and other fees and expenses (including fees and expenses of legal counsel, accountants, consultants and investment banks) related to such Asset Sale, (ii) provisions for all taxes payable as a result of such Asset Sale, (iii) payments made to retire Indebtedness where payment of such Indebtedness is secured by the assets or properties which are the subject of such Asset Sale, (iv) amounts required to be paid to any Person (other than the Issuer or any Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale and (v) appropriate amounts to be provided by the Issuer or any Restricted Subsidiary, as the case may be, as a reserve required in accordance with GAAP against any liabilities associated with such Asset Sale and retained by the Issuer or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, trade creditors, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as reflected in an officers' certificate delivered to the Trustee and (b) with respect to any issuance or sale of Capital Stock or options, warrants or rights to purchase Capital Stock, or debt securities or Redeemable Capital Stock that have been converted into or exchanged for Qualified Capital Stock, as referred to under the "Limitation on Restricted Payments" covenant, the proceeds of such issuance or sale in the form of cash or Cash Equivalents, including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the Issuer or any Subsidiary of the Issuer), net of attorney's fees, accountant's fees and brokerage, consultation, underwriting and other fees and expenses actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"Participant" is defined to mean, with respect to DTC, Persons who have accounts with DTC.

"Permitted Capital Stock Sales" is defined to mean the issuance, sale or grant by the Issuer or any Restricted Subsidiary of Capital Stock of the Issuer or any Existing Subsidiary; provided that such issuance, sale or grant is made to a financial institution, international credit or debit card issuer or other entity engaged in an ATM Network Business pursuant to an agreement between the Issuer or a Restricted Subsidiary, on the one hand, and a financial institution, international credit or debit card issuer or other entity engage in an ATM Network Business, on the other hand, to invest in, manage or establish an ATM Network Business; and, provided further, that such issuances, sales or grants of Capital Stock, in the aggregate, shall not exceed 5.0% of the outstanding Capital Stock of the Issuer or any Existing Subsidiary, as the case may be, and that no dividends, in cash or otherwise, or other distributions on or in respect of any Capital Stock issued, sold or granted in connection with a Permitted Capital Stock Sale shall be declared or paid during the term of the Indenture.

"Permitted Holder" means Michael Brown and Daniel Henry;

"Permitted Indebtedness" means any of the following:

(a) Indebtedness of the Issuer pursuant to the Notes;

(b) Indebtedness of the Issuer or any Restricted Subsidiary outstanding on the date of the Indenture, or undrawn amounts under agreements or facilities existing on the date of the Indenture, and listed on or of a type described in a schedule thereto;

(c) (i) Indebtedness of any Restricted Subsidiary owed to and held by the Issuer or another Restricted Subsidiary and (ii) Indebtedness of the Issuer owed to and held by any Wholly Owned Restricted Subsidiary

that is Subordinated Indebtedness; provided that an incurrence of Indebtedness shall be deemed to have occurred upon (x) any sale or other disposition (excluding assignments as security to financial institutions) of any Indebtedness of the Issuer or Restricted Subsidiary referred to in this clause (c) to a Person (other than the Issuer, a Restricted Subsidiary or a Wholly Owned Restricted Subsidiary, as the case may be) or (y) any sale or other disposition of Capital Stock of a Wholly Owned Restricted Subsidiary which holds Indebtedness of the Issuer or a Restricted Subsidiary that holds Indebtedness of another Restricted Subsidiary such that such Wholly Owned Subsidiary ceases to be Wholly Owned or such Restricted Subsidiary ceases to be a Restricted Subsidiary;

(d) Obligations under any Interest Rate Agreement of the Issuer or any Restricted Subsidiary to the extent relating to (i) Indebtedness of the Issuer or such Restricted Subsidiary, as the case may be (which Indebtedness (x) bears interest at fluctuating interest rates and (y) is otherwise permitted to be incurred under the "Limitation on Additional Indebtedness" covenant), or (ii) Indebtedness for which a lender has provided a commitment in an amount reasonably anticipated to be incurred by the Issuer or a Restricted Subsidiary in the following 12 months after such Interest Rate Agreement has been entered into, but only to the extent that the notional principal amount of such Interest Rate Agreement does not exceed the principal amount of the Indebtedness (or Indebtedness subject to commitments) to which such Interest Rate Agreement relates;

(e) Indebtedness of the Issuer or any Restricted Subsidiary under Currency Agreements to the extent relating to (i) Indebtedness of the Issuer or a Restricted Subsidiary (which Indebtedness is otherwise permitted to be incurred under the "Limitation on Additional Indebtedness" covenant) or (ii) obligations to purchase assets, properties or services incurred in the ordinary course of business of the Issuer or any Restricted Subsidiary, including any purchases of network or customer equipment; provided that such Currency Agreements do not increase the Indebtedness or other obligations of the Issuer and its Restricted Subsidiaries outstanding other than as a result of fluctuations in foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder;

(f) Indebtedness of the Issuer or any Restricted Subsidiary in respect of performance bonds of the Issuer or any Restricted Subsidiary or surety bonds provided by the Issuer or any Subsidiary incurred in the ordinary course of business in connection with an ATM Network Business;

(g) Indebtedness consisting of guarantees, indemnities or obligations in respect of purchase price adjustments in connection with the acquisition or disposition of assets, including, without limitation, shares of Capital Stock;

(h) Indebtedness of the Issuer or any Restricted Subsidiary to the extent it represents a replacement, renewal, refinancing or extension of outstanding Indebtedness of the Issuer or of any Restricted Subsidiary incurred or outstanding pursuant to clause (b) of this definition or the proviso of the covenant "Limitation on Additional Indebtedness"; provided that (i) Indebtedness of the Issuer may not be replaced, renewed, refinanced or extended to such extent under this clause (i) with Indebtedness of any Subsidiary and (ii) any such replacement, renewal, refinancing or extension (x) shall not result in a lower Average Life of such Indebtedness as compared with the Indebtedness being replaced, renewed, refinanced or extended, (y) shall not exceed the sum of the principal amount (or, if such Indebtedness provides for a lesser amount to be due and payable upon a declaration of acceleration thereof, an amount no greater than such lesser amount) of the Indebtedness being replaced, renewed, refinanced or extended plus the amount of accrued interest thereon and the amount of any reasonably determined prepayment premium necessary to accomplish such replacement, renewal, refinancing or extension and such reasonable fees and expenses incurred in connection therewith, and (z) in the case of any replacement, renewal, refinancing or extension by the Issuer of Subordinated Indebtedness, such new Indebtedness is made subordinate to the Notes at least to the same extent as the Indebtedness being replaced, renewed, refinanced or extended;

(i) Indebtedness of the Issuer Incurred (including Acquired Indebtedness) (i) in order to finance the acquisition of ATM Network Assets or an ATM Network Business, provided, that the aggregate principal amount of all such Indebtedness shall not exceed \$50.0 million (or, to the extent not denominated in U.S. dollars, the U.S. Dollar Equivalent thereof) at any time outstanding;

(j) Indebtedness of any Restricted Subsidiary to finance the day to day operations and working capital requirements of such Restricted Subsidiary, provided, that the aggregate principal amount of all such Indebtedness Incurred by all Restricted Subsidiaries shall not exceed \$5.0 million (or, to the extent not denominated in U.S. dollars, the U.S. Dollar Equivalent thereof) at any time outstanding;

(k) Indebtedness of the Issuer, to the extent the net proceeds thereof are promptly (A) used to purchase Notes tendered in a Change of Control Offer or Excess Proceeds Offer or (B) deposited to defease all of the Notes as described above in "Defeasance or Covenant Defeasance of the Notes";

(l) Indebtedness of the Issuer or any Restricted Subsidiary under Capitalized Lease Obligations relating to ATM Network Assets that is Incurred in the ordinary course of business and which is secured by the ATM Network Assets subject to such Capitalized Lease Obligations; and

(m) in addition to the items referred to in clauses (a) through (l) above, Indebtedness of the Issuer having an aggregate principal amount not to exceed \$200 million (or, to the extent not denominated in U.S. dollars, the U.S. Dollar Equivalent thereof) at any time outstanding.

"Permitted Investments" means any of the following:

(a) Investments in Cash Equivalents;

(b) Investments in the Issuer or any Restricted Subsidiary;

(c) Investments of the Issuer or any Restricted Subsidiary if as a result of such Investment a Person (i) becomes a Restricted Subsidiary or (ii) is merged or consolidated with or into, or transfers or conveys all or substantially all of its assets to, the Issuer or a Restricted Subsidiary as a result of such Investment; provided, in each case, such Restricted Subsidiary is engaged in an ATM Network Business;

(d) Investments in assets used in the ordinary course of business;

(e) Investments in prepaid expenses; or

(f) Investments by the Issuer or any Restricted Subsidiary in any entity the primary business of which is the conduct of the ATM Network Business, provided, that the sum of all such Investments does not exceed \$10.0 million at any time;

"Permitted Liens" means the following types of Liens:

(a) Liens existing as of the date of the Indenture;

(b) Liens securing Permitted Indebtedness;

(c) Liens on any property or assets of a Restricted Subsidiary granted in favor of the Issuer or any Restricted Subsidiary;

(d) Liens securing the Notes;

(e) any interest or title of a lessor under any Capitalized Lease Obligation so long as the Attributable Value secured by such Lien does not exceed \$10 million (or, to the extent not denominated in U.S. dollars, the U.S. Dollar Equivalent thereof);

(f) statutory Liens of landlords and carriers, warehouseman's, mechanics, suppliers, materialmen's, repairmen's or other like Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith by appropriate proceeding, if a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor;

(g) Liens for taxes, assessments, government charges or claims that are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and if a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor;

(h) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory obligations, surety and appeal bonds, government contracts, performance bonds and other obligations of a like nature incurred in the ordinary course of business (other than contracts for the payment of money);

(i) easements, rights-of-way, restrictions and other similar charges or encumbrances not interfering in any material respect with the business of the Issuer or any Restricted Subsidiary incurred in the ordinary course of business;

(j) Liens arising by reason of any judgment, decree or order of any court so long as such Lien is adequately bonded and any appropriate legal proceedings that may have been duly initiated for the review of such judgment, decree or order shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired;

(k) Liens securing Acquired Indebtedness created prior to (and not in connection with or in contemplation of) the incurrence of such Indebtedness by the Issuer or any Restricted Subsidiary; provided that such Lien does not extend to any property or assets of the Issuer or any Restricted Subsidiary other than the assets acquired in connection with the incurrence of such Acquired Indebtedness;

(l) Liens securing Interest Rate Agreements or Currency Agreements permitted to be incurred pursuant to clause (d) and (e), respectively, of the definition of "Permitted Indebtedness" or any collateral for the Indebtedness to which such Interest Rate Agreements or Currency Agreements relate;

(m) Liens arising from Purchase Money Indebtedness, so long as such Liens extend only to the assets constructed, expanded, installed, acquired or improved with such Purchase Money Indebtedness and do not secure any Indebtedness in an amount in excess of such Purchase Money Indebtedness;

(n) any extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (a) through (m); provided that any such extension, renewal or replacement shall be no more restrictive in any material respect than the Lien so extended, renewed or replaced and shall not extend to any additional property or assets;

(o) cash deposited by the Issuer or a Subsidiary of the Issuer with banks that participate in the Company's ATM network in the ordinary course of business to secure cash contributed by such banks for use in the Company's ATM Network; and

(p) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security.

"Person" means any individual, corporation, limited liability Issuer, partnership, joint venture, association, joint-stock Issuer, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Preferred Stock" means, with respect to any Person, any and all shares, interests, participation or other equivalents (however designated) of such Person's preferred or preference stock whether now outstanding, or issued after the Issue Date, and including, without limitation, all classes and series of preferred or preference stock of such Person.

"Purchase Money Indebtedness" means Indebtedness of the Issuer or any Restricted Subsidiary incurred at any time within 180 days of, and for the purpose of financing all or any part of the cost of, the construction, expansion, installation, acquisition, improvement by the Issuer or any Restricted Subsidiary of any ATM Network Asset; provided that the proceeds of such Indebtedness are expended for such purposes within such 180-day period; and provided, further, that the net cash proceeds from the issuance of such Indebtedness does not exceed, as of the date of incurrence of such Indebtedness, 100 percent of the lesser of cost and the fair market value of such ATM Network Asset.

"Qualified Capital Stock" of any person means any and all Capital Stock of such person other than Redeemable Capital Stock.

"Redeemable Capital Stock" means any class or series of Capital Stock that, either by its terms, by the terms of any security into which it is convertible or exchangeable or by contract or otherwise, is, or upon the happening of an event or passage of time would be, required to be redeemed prior to the final Stated Maturity of

the relevant Notes or is redeemable at the option of the holder thereof at any time prior to such final Stated Maturity, or is convertible into or exchangeable for debt securities at any time prior to such final Stated Maturity.

"Restricted Subsidiary" means the Existing Subsidiaries and any Subsidiary that is not designated an Unrestricted Subsidiary by the Board of Directors of the Issuer.

"S&P" means Standard and Poor's Ratings Services, a division of McGraw-Hill, Inc., and its successors.

"Sale and Leaseback Transaction" means any transaction or series of related transactions pursuant to which the Issuer or a Restricted Subsidiary sells or transfers any property or asset in connection with the leasing, or the resale against installment payments, of such property or asset to the seller or transferor.

"Significant Subsidiary" means, at any date of determination, any Restricted Subsidiary that, together with its subsidiaries, (i) for the most recent fiscal year of the Issuer accounted for more than 5% of the consolidated revenues of the Issuer and the Restricted Subsidiaries, (ii) as of the end of such fiscal year, was the owner of more than 5% of the consolidated assets of the Issuer and the Restricted Subsidiaries, in each case as set forth on the most recently available consolidated financial statements of the Issuer and the Restricted Subsidiaries for such fiscal year, or (iii) owns one or more material licenses or concessions related to the operation of ATM Network Business.

"Stated Maturity" means, when used with respect to any Note or any installment of interest thereon, the date specified in such Note as the fixed date on which the principal of such Note or such installment of interest is due and payable, and, when used with respect to any other Indebtedness, means the date specified in the instrument governing such Indebtedness as the fixed date on which the principal of such Indebtedness, or any installment of interest thereon, is due and payable.

"Subordinated Indebtedness" means Indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes.

"Subsidiary" means any Person a majority of the equity ownership or Voting Stock of which is at the time owned, directly or indirectly, by the Issuer or by one or more other Subsidiaries of the Issuer or by the Issuer and one or more other of its Subsidiaries.

"Tax" is defined to mean any tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and any other liabilities related thereto).

"Taxing Authority" is defined to mean any government or political subdivision or territory or possession of any government or any authority or agency therein or thereof having power to tax.

"Total Consolidated Indebtedness" means, at any date of determination, an amount equal to the aggregate amount of all Indebtedness of the Issuer and its Restricted Subsidiaries outstanding as of the date of determination determined on a consolidated basis in accordance with GAAP.

"Total Consolidated Indebtedness to Annualized Pro Forma Consolidated Operating Cash Flow Ratio" means, at any date of determination, the ratio of (i) Total Consolidated Indebtedness to (ii) Annualized Pro Forma Consolidated Operating Cash Flow for the latest full fiscal quarter for which consolidated financial statements of the Issuer are available preceding the date of the transaction giving rise to the need to calculate the Total Consolidated Indebtedness to Annualized Consolidated Operating Cash Flow Ratio.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended.

"U.S. Dollar Equivalent" means, with respect to any monetary amount in a currency other than the U.S. dollar, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the spot rate for the purchase of U.S. dollars with the

applicable foreign currency as quoted by Reuters at approximately 11:00 a.m. (New York time) on the date not more than two business days prior to such determination. For purposes of determining whether any Indebtedness can be incurred (including Permitted Indebtedness), any Investment can be made and any transaction described in the "Limitation on Transactions with Affiliates" covenant can be undertaken (a "Tested Transaction"), the U.S. Dollar Equivalent of such Indebtedness, Investment or transaction described in the "Limitation on Transaction with Affiliates" covenant shall be determined on the date incurred, made or undertaken and no subsequent change in the U.S. Dollar Equivalent shall cause such Tested Transaction to have been incurred, made or undertaken in violation of the Indenture.

"Unrestricted Subsidiary" means (a) any Subsidiary that at the time of determination shall be an Unrestricted Subsidiary (as designated by the Board of Directors of the Issuer, as provided below) and (b) any Subsidiary of an Unrestricted Subsidiary. The Board of Directors of the Issuer may designate any Subsidiary (including any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary so long as (i) neither the Issuer nor any other Subsidiary is directly or indirectly liable for or provides credit support for or guarantees any Indebtedness of such Subsidiary, (ii) no default with respect to any Indebtedness of such Subsidiary would permit (upon notice, lapse of time or otherwise) any holder of any other Indebtedness of the Issuer or any other Restricted Subsidiary to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity, (iii) any Investment in such Subsidiary made as result of designating such Subsidiary an Unrestricted Subsidiary will not violate the provisions of the "Limitation on Investments in Unrestricted Subsidiaries" covenant, (iv) neither the Issuer nor any other Restricted Subsidiary has a contract, agreement, arrangement, understanding or obligation of any kind, whether written or oral, with such Subsidiary other than those that might be obtained at the time from persons who are not Affiliates of the Issuer and (v) neither the Issuer nor any other Restricted Subsidiary has any obligation (1) to subscribe for additional shares of Capital Stock or other equity interest in such Subsidiary or (2) to maintain or preserve such Subsidiary's financial condition or to cause such Subsidiary to achieve certain levels of operating results. Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing a board resolution with the Trustee giving effect to such designation. The Board of Directors of the Issuer may designate any Unrestricted Subsidiary as a Restricted Subsidiary if immediately after giving effect to such designation, there would be no Default or Event of Default under the Indenture and the Issuer could incur \$1.00 of additional Indebtedness (other than Permitted Indebtedness) pursuant to the "Limitation on Additional Indebtedness" covenant. In no event shall the Existing Subsidiaries be designated as Unrestricted Subsidiaries.

"Voting Stock" means, with respect to any Person, any class or classes of Capital Stock pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of such Person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

"Wholly Owned" means, with respect to any Subsidiary, such Subsidiary if all the outstanding Capital Stock of such Subsidiary (other than any directors' qualifying shares, shares owned by foreign nationals to the extent mandated by applicable law and shares issued, sold or granted pursuant to a Permitted Capital Stock Sale) is owned directly by the Issuer or by the Issuer and one or more Wholly Owned Restricted Subsidiaries.

DESCRIPTION OF BOOK-ENTRY SYSTEM; PAYMENT; TRANSFERS

The Notes will be represented by two permanent global notes without interest coupons. One of the two permanent notes, the DBC Global Note will be kept in custody by DBC, will be issued in bearer form and will represent the Notes sold outside the United States to non-U.S. persons and held through financial institutions that are account holders in DBC ("DBC Accountholders"). The DBC Global Note will include the Notes which are held through Euroclear and Cedel, each of which has an account with DBC. The other permanent global note, the DTC Global Note, will be issued in registered form in the name of Cede & Co., as nominee of DTC, and will represent the Notes sold to investors and held through financial institutions that are participants in DTC. Together, the Notes represented by the DBC Global Note and the DTC Global Note will equal the aggregate principal amount of the Notes outstanding at any time. The amount of Notes represented by each of the DBC

Global Note and the DTC Global Note is evidenced by a register maintained for that purpose by the Registrar (as defined below). Definitive certificates representing individual Notes and interest coupons shall not be issued.

DTC

DTC has advised the Issuer and the Underwriters that it intends to follow the procedures as described below:

DTC will act as securities depository for the DTC Global Note which will be issued as a fully registered security registered in the name of Cede & Co. (DTC's nominee).

DTC is a limited-purpose trust Issuer organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its Participants deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations ("Direct Participants"). DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to DTC's system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Commission.

Purchase of registered Notes must be made by or through Direct Participants, which will receive a credit for such Notes on the Depository's records. The ownership interest of each actual purchaser of each registered Note ("Beneficial Owners") is in turn recorded on the Direct and Indirect Participants' records. Transfers of ownership interest in such Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes, except in the event that use of the book-entry system for such Notes is discontinued as described below.

Conveyance of registered Notes and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices for registered Global Notes shall be sent to Cede & Co. If less than all of the registered Notes of a class are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the registered Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the registered Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any), and interest payments on registered Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payment date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payment date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the U.S. Paying Agent or the Issuer,

subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium (if any) and interest to DTC is the responsibility of Issuer or the U.S. Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

So long as DTC or its nominee is the registered owner of the registered Global Note, DTC or its nominee, as the case may be, will be considered the sole owner or Holder of the Notes represented by the registered Global Note for all purposes under the Indenture. Owners of beneficial interests in such Global Note will not be entitled to have Notes represented by such Global Note registered in their names, will not receive or be entitled to receive physical delivery of Notes in definitive form and will not be considered the owners or Holders thereof under the Indentures. Accordingly, such person owning a beneficial interest in registered Global Note must rely on the procedures of DTC and, if such person is not a Participant, those of the Participant through which such person owns its interests in order to exercise any rights of a Holder under the Indentures or such Note.

The Indenture provides that DTC, as a Holder, may appoint agents and otherwise authorize Participants to give or take any request, demand, authorization, direction, notice, consent, waiver or other action which a Holder is entitled to give or take under the Indenture, including the right to sue for payment of principal or interest pursuant to Section 316(b) of the Trust Indenture Act. The Issuer understands that under existing industry practices, when the Issuer requests any action of Holders or when a Beneficial Owner desires to give or take any action which a Holder is entitled to give or take under the Indentures, DTC generally will give or take such action, or authorize the relevant Participants to give or take such action, and such Participants would authorize Beneficial Owners owning through such Participants to give or take such action or would otherwise act upon the instructions of Beneficial Owners owning through them.

The Issuer has been informed by DTC that DTC will assist its Participants and their customers (Beneficial Owners) in taking any action a Holder is entitled to take under the Indenture or exercise any rights available to Cede & Co., as the holder of record of the registered Notes, including the right to demand acceleration upon an Event of Default or to institute suit for the enforcement of payment or interest pursuant to Section 316(b) of the Trust Indenture Act. DTC has advised the Issuer that it will act with respect to such matters upon written instructions from a Participant to whose account with DTC the relevant beneficial ownership in the registered Notes is credited. The Issuer understands that a Participant will deliver such written instructions to DTC upon itself receiving similar written instructions from either Indirect Participants or Beneficial Owners, as the case may be. Under Rule 6 of the rules and procedures filed by DTC with the Commission pursuant to Section 17 of the Exchange Act, Participants are required to indemnify DTC against all liability DTC may sustain, without fault on the part of DTC or its nominee, as a result of any action they may take pursuant to the instructions of the Participant in exercising any such rights.

The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in the Global Notes.

Principal, premium, if any, and interest payments on Notes registered in the name of or held by DTC or its nominee will be made to DTC or its nominee, as the case may be, as the registered owner or the Holder of the registered Global Note representing such Notes.

Neither the Issuer nor Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the registered Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

If DTC is at any time unwilling, unable or ineligible to continue as depositary or ceases to be a clearing agency registered under the Exchange Act and, in either case a successor depositary is not appointed by the Issuer

within 60 days or if an Event of Default under the Indenture has occurred and is continuing, the Issuer will issue Notes under such Indenture in definitive registered form, without coupons, in denominations of DM1,000 principal amount at maturity and any integral multiple thereof, in exchange for the registered Global Note representing such Notes. In addition, the Issuer may at any time and in its sole discretion determine not to have any Notes in registered form represented by the registered Global Note and, in such event, will issue Notes in definitive registered form in exchange for the registered Global Note representing such Notes. In any such instance, an owner of a beneficial interest in a registered Global Note will be entitled to physical delivery in definitive form of registered Notes represented by such registered Global Note equal in principal amount at maturity to such beneficial interest and to have such Notes registered in its name. Upon the exchange of the registered Global Note for Notes in definitive form, the registered Global Note will be cancelled by the applicable Trustee.

Transfers and Registrar

Transfers of Notes will be limited to transfers of book-entry interests between and within DBC and DTC. Transfers of Notes between DBC Accountholders on the one hand and DTC Participants on the other hand shall be effected by an increase or a reduction in the aggregate amount of Notes represented by the DBC Global Note and a corresponding reduction or increase in the aggregate amount of Notes represented by the DTC Global Note.

Except as set forth above, owners of legal co-ownership interests in the DBC Global Note or of beneficial interests in the DTC Global Note will not be entitled to have Notes registered in their names, and will not receive or be entitled to receive physical delivery of definitive certificates representing individual Notes.

The Issuer has appointed . as registrar (the "Registrar") for all Notes and as paying agent in respect of the Notes represented by the DTC Global Note and . as paying agent for the Notes represented by the DBC Global Note (the DM Paying Agent and the U.S. Paying Agent are referred to as the "Paying Agents"). . , as the Registrar, provides the link between DTC and DBC. The Issuer shall ensure that for as long as any Notes shall be outstanding there shall always be a Registrar, a U.S. paying agent and a DM paying agent to perform the functions assigned to any of them in the Note Indenture.

Payment

Payment of principal of and interest on the Notes represented by the Global Notes will be made in Deutsche Marks through the DM Paying Agent to DBC and to Cede & Co., the nominee for DTC, as the registered Holder of the DTC Global Note.

Any person holding beneficial interests in the DTC Global Note (a "DTC Note Holder") shall receive payments of principal and interest in respect of the Notes in U.S. dollars, unless such DTC Note Holder elects to receive payment in Deutsche Marks in accordance with the procedures set forth below. To the extent that the DTC Note Holders have not made such election in respect of any payment of principal or interest, the aggregate amount designated for all such DTC Note Holders in respect of such payment (the "DM Conversion Amount") shall be credited to the U.S. Paying Agent's account with the Paying Agent and converted by the U.S. Paying Agent into U.S. dollars and paid by wire transfer of same-day funds to the registered holder of the DTC Global Note for payment through DTC's settlement system to the relevant DTC Participants. All costs of any such conversion and wire transfer shall be deducted from such payments. Any such conversion shall be based on . 's bid quotation, at or prior to 11:00 a.m. New York time, on the second New York Business Day (as defined below) preceding the relevant payment date, for the purchase by the U.S. Paying Agent of the DM Conversion Amount of U.S. dollars for settlement on such payment date. If such bid quotation is not available for any reason, the U.S. Paying Agent shall endeavor to obtain a bid quotation from a leading foreign exchange bank in New York City selected by the U.S. Paying Agent for such purpose. If no bid quotation from a leading foreign exchange bank is available, payment of the DM Conversion Amount will be made in Deutsche Marks to the account or accounts specified by DTC to the U.S. Paying Agent.

In addition to acting in its capacity as U.S. Paying Agent, . may act as a foreign exchange dealer for purposes of converting Deutsche Marks to U.S. dollars as described in the paragraph above and, when acting as a foreign exchange dealer, it will derive profits from such activities in addition to the fees earned by it for its services as Trustee, Registrar and U.S. Paying Agent. Each such conversion will be made on such terms, conditions, and charges not inconsistent with the terms of the Notes as . may from time to time establish in accordance with its regular foreign exchange practices, and subject to applicable U.S. law and regulations.

A DTC Note Holder may elect to receive payment of principal and interest with respect to the Notes in Deutsche Marks by causing DTC through the relevant DTC Participant to notify the U.S. Paying Agent by the time specified below of (i) such DTC Note Holder's election to receive all or a portion of such payment in Deutsche Marks and (ii) wire transfer instructions to a Deutsche Mark account in the Federal Republic of Germany. Such election in respect of any payment must be made by the DTC Note Holder at the time and in the manner required by the DTC procedures applicable from time to time and shall, in accordance with such procedures, be irrevocable and shall relate only to such payment. DTC notification of such election, wire transfer instructions and the amount payable in Deutsche Marks must be received by the U.S. Paying Agent prior to 5:00 p.m. New York time on the fifth New York Business Day following the relevant Record Date in the case of interest, and prior to the payment date for the payment of principal. Any payments in Deutsche Marks shall be made by wire transfer of same-day funds to Deutsche Mark accounts designated by DTC. The term "New York Business Day" shall mean any day other than a Saturday or Sunday or a day on which banking institutions in New York City are authorized or required by law or executive order to close.

Payments by DTC Participants and Indirect DTC Participants (as defined herein) to owners of beneficial interests in the DTC Global Note will be governed by standing instructions and customary practices as is now the case with securities held by the accounts of customers registered in "street name", and will be the responsibility of the DTC Participants or Indirect DTC Participants. Neither the Trustee nor any Paying Agent will have any responsibility or liability for any aspect of the records of DTC relating to or payments made by DTC on account of beneficial interests in the DTC Global Note or for maintaining, supervising or reviewing any records of DTC relating to such beneficial interests. Substantially similar principles will apply with regard to the DBC Global Note and payments to holders of interest therein.

DBC

DBC is incorporated under the laws of the Federal Republic of Germany and acts as a specialized depository and clearing organization. DBC is subject to regulations and supervision by the German Banking Supervisory Authority. DBC holds securities for DBC Accountholders and facilitates the clearance and settlement of securities transactions between its DBC Accountholders through electronic book-entry changes in securities accounts with simultaneous payment in Deutsche Marks in same-day funds. Thus, the need for physical delivery of certificates is eliminated. DBC provides to the DBC Accountholders, among other things, services for safekeeping, administration, clearance and settlement of domestic German and internationally traded securities and securities lending and borrowing. DBC Accountholders include banking institutions located in Germany, including German branches of non-German financial institutions, securities brokers or dealers admitted to a German Stock Exchange that meet certain additional requirements, certain foreign clearing institutions and, subject to certain requirements, other credit institutions within the European Union. Indirect access to DBC is available to others such as securities brokers and dealers, banks, trust companies, clearing corporations and others, including individuals, that clear through or maintain custodial relationships with DBC Accountholders either directly or indirectly.

CONSENT TO JURISDICTION AND SERVICE

The Indenture provides that the Issuer will irrevocably appoint CT Corporation System, 1633 Broadway, New York, New York 10019, as its agent for service of process in any suit, action or proceeding with respect to the Indenture or the Notes and for actions brought under federal or state securities laws brought in any federal or state court located in the Borough of Manhattan in the City of New York and submits to such jurisdiction.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a summary of the principal United States federal income tax considerations of acquiring, owning, and disposing of Notes that may be relevant to prospective investors. This summary is of a general nature and is not intended to be, nor should it be construed to be, legal or tax advice to any person purchasing and holding Notes pursuant to this Prospectus. The following discussion applies only to persons that hold the Notes as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "Code"). This discussion does not purport to deal with all aspects of United States federal income taxation that may be relevant to a prospective investor or to certain classes of persons who are subject to special treatment under the United States federal income tax law, including, but not limited to, dealers in securities or currencies, banks, insurance companies, tax-exempt organizations, persons that hold the Notes as a "hedge" against currency risks, as part of a "straddle" with other investments, or as part of a "conversion transaction," persons that have a "functional currency" other than the U.S. dollar, and persons who have ceased to be United States citizens or to be taxed as resident aliens. In addition, except as expressly indicated, the discussion generally is limited to the United States federal income tax consequences to initial holders of the Notes. It does not consider the tax treatment of holders of an interest in pass-through entities that hold the Notes nor does it include any description of the tax laws of any state, local, or foreign governments that may be applicable to the Notes or holders thereof.

This summary is based upon the United States federal tax laws as in effect on the date of this Prospectus, which are subject to change.

EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT WITH ITS OWN TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES TO SUCH INVESTOR OF ACQUIRING, OWNING, AND DISPOSING OF THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, OR FOREIGN INCOME TAX LAWS, AND OF CHANGES IN APPLICABLE TAX LAWS.

U.S. HOLDERS

The following discussion is limited to the United States federal income tax consequences relevant to a holder of a Note that is (i) a citizen or resident of the United States, (ii) a corporation organized under the laws of the United States or any political subdivision thereof or therein, (iii) an estate, the income of which is subject to United States federal income tax regardless of the source, or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust (a "U.S. Holder").

Special consideration relevant to the United States federal income taxation of payments on Notes denominated in a currency other than the U.S. dollar ("Foreign Currency") are discussed separately below under the heading FOREIGN CURRENCY NOTES.

PAYMENTS OF INTEREST

In general, interest on a Note (subject to the original issue discount rules described below) will be taxable to a beneficial owner who is a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with such U.S. Holder's method of accounting for United States federal income tax purposes.

Original Issue Discount

The Notes will be issued with original issue discount ("OID") for United States federal income tax purposes. The following summary is a general discussion of the United States federal income tax consequences to U.S. Holders of the purchase, ownership, and disposition of Notes issued with OID and that mature more than one year from the date of issuance.

For United States federal income tax purposes, OID is the excess of the stated redemption price at maturity of a Note over its issue price, if such excess equals or exceeds a de minimis amount (generally 1/4 of 1% of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity from its issue date). Generally, the issue price of a Note will equal the first price at which a substantial amount of such Notes has been sold (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). The stated redemption price at maturity of a Note is the sum of all payments provided by the Note other than qualified stated interest payments. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate. Because the Notes do not provide for the payment of qualified stated interest throughout their term, the stated redemption price at maturity will be the sum of the face amount of the Notes and the total amount of interest provided for under the terms of the Notes. Accordingly, the difference between the first price at which a substantial amount of the Notes are sold and the total amount payable under those Notes (principal and interest) will be OID that is includible in the gross income of a U.S. Holder of the Notes on an annual basis.

A U.S. Holder of a Note with a maturity date more than one year from the date of issue must include OID in income as ordinary interest for United States federal income tax purposes as it accrues under a constant yield method in advance of the cash payments attributable to such income, regardless of the U.S. Holder's regular method of tax accounting. In general, the amount of OID included in income by the initial U.S. Holder will be the sum of the daily portions of OID for each day during the taxable year (or portion of the taxable year) on which the U.S. Holder held the Note. The daily portion of OID is determined by allocating to each day in any accrual period (i.e., the interval between compounding dates) a ratable portion of the OID allocable to that accrual period. The amount of OID allocable to each accrual period generally is equal to the difference between the product of the Note's adjusted issue price at the beginning of the accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period). The adjusted issue price of a Note at the beginning of any accrual period is the sum of the issue price of the Note plus the amount of OID allocable to all prior accrual periods minus the amount of any prior payments on the Note that were not qualified stated interest payments. Under these rules, U.S. Holders of Notes generally will have to include in income increasingly greater amounts of OID over the life of the Notes.

A U.S. Holder who purchases a Note for an amount that is greater than its adjusted issue price but less than or equal to the sum of all amounts payable on the Note after the purchase date (other than payments of qualified stated interest), will be considered to have purchased the Note at an acquisition premium. Under the acquisition premium rules, the amount of original issue discount that such U.S. Holder must include in its gross income with respect to the Note for any taxable year (or portion thereof in which the U.S. Holder holds the Note) will be reduced (but not below zero) by the portion of the acquisition premium properly allocable to the period.

Market Discount

If a U.S. Holder purchases a Note for an amount that is less than its adjusted issue price as of the purchase date, the U.S. Holder will be treated as having purchased such Note at a market discount, unless such market discount is less than a specified de minimis amount. Under the market discount rules, a U.S. Holder will be required to treat any payment that does not constitute qualified stated interest on, or any gain realized on the sale, exchange, retirement, or other disposition of, a Note as ordinary income to the extent of the lesser of (i) the amount of such payment or realized gain, or (ii) the market discount which has not previously been included in income and is treated as having accrued on such Note at the time of such payment or disposition. Market discount will be considered to accrue ratably during the period from the date of acquisition to the maturity date of the Note, unless the U.S. Holder elects to accrue market discount on the basis of semiannual compounding.

A U.S. Holder may be required to defer the deduction of all or a portion of the interest paid or accrued on any indebtedness incurred or maintained to purchase or carry a Note with market discount until the maturity of the Note or certain earlier dispositions because a current deduction is only allowed to the extent the interest

expense exceeds an allocable portion of market discount. A U.S. Holder may elect to include market discount in income currently as it accrues (on either a ratable or semiannual compounding basis), in which case the rules described above regarding the treatment as ordinary income of gain upon the disposition of the Note and upon the receipt of certain cash payments and regarding the deferral of interest deductions will not apply. Generally, such currently included market discount is treated as ordinary interest for United States federal income tax purposes. Such an election will apply to all debt instruments acquired by the U.S. Holder on or after the first day of the taxable year to which such election applies and may be revoked only with the consent of the Internal Revenue Service (the "IRS").

Premium

If a U.S. Holder purchases a Note for an amount in excess of the sum of all amounts payable on the Note after the purchase date (other than payments of qualified stated interest), the Note will not be subject to the OID rules and the U.S. Holder may elect to treat such excess as amortizable bond premium, in which case the amount of qualified stated interest required to be included in the U.S. Holder's income each year with respect to interest on the Note will be reduced by the amount of amortizable bond premium allocable (based on the Note's yield to maturity) to such year. However, if such Note may be optionally redeemed after the U.S. Holder acquires the Note at a price in excess of its principal amount, special rules may apply. Any election to amortize bond premium applies to all taxable debt obligations then owned and thereafter acquired by the U.S. Holder and may be revoked only with the consent of the IRS. A U.S. Holder that does not elect to amortize bond premium generally will be entitled to treat the premium as capital loss when the Note matures.

Election to Treat All Interest as OID

U.S. Holders generally may, upon election, include in income all interest (including stated interest, acquisition discount, OID, de minimis OID, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) that accrues on a debt instrument by using the constant yield method applicable to OID, subject to certain limitations and exceptions.

SALE, EXCHANGE, REDEMPTION, REPAYMENT, OR OTHER DISPOSITION OF THE NOTES

Upon the disposition of a Note by sale, exchange, redemption, or repayment, a U.S. Holder generally will recognize gain or loss equal to the difference between (i) the amount realized on such disposition (other than amounts attributable to accrued interest), and (ii) the U.S. Holder's tax basis in the Note. A U.S. Holder's tax basis in a Note generally will equal the U.S. dollar cost of the Note (net of accrued interest) to the U.S. Holder (which in the case of Note purchased with a Foreign Currency will be the U.S. dollar value of the purchase price on the date of purchase), increased by amounts includible in income as OID or market discount (if the U.S. Holder elects to include market discount in income on a current basis), and reduced by any amortized bond premium and any payments (other than payments of qualified stated interest) made on such Note. The amount realized by a U.S. Holder on the disposition of a Note for an amount in Foreign Currency will be the U.S. dollar value of such amount on the date of the disposition. Because the Note is held as a capital asset, such gain or loss (except to the extent that the market discount rules otherwise provide) will constitute capital gain or loss. In the case of a U.S. Holder who is an individual, any capital gain generally will be subject to United States federal income tax at preferential rates if specified minimum holding periods are met.

FOREIGN CURRENCY NOTES

The following discussion applies to U.S. Holders of the Notes because the Notes are denominated in a Foreign Currency (i.e., German deutsche marks) (Foreign Currency Notes). This discussion assumes that the Foreign Currency Notes are not denominated in, or indexed to, a currency that is considered a hyperinflationary currency.

Payments of Interest and OID

In general, the amount of income recognized by a cash basis U.S. Holder of a Foreign Currency Note will be the U.S. dollar value of the interest payment, based on the spot rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. Accrual basis U.S. Holders may determine the amount of income recognized with respect to such interest payment in accordance with either of two methods. Under the first method, the amount of income recognized will be based on the average exchange rate in effect during the interest accrual period (or, with respect to an accrual period that spans two taxable years, the partial period within the taxable year). Under the second method, an accrual basis U.S. Holder may elect to translate interest income into U.S. dollars at the spot rate in effect on the last day of the accrual period or, in the case of an accrual period that spans two taxable years, at the exchange rate in effect on the last day of the taxable year. Additionally, if a payment of interest is actually received within 5 business days of the last day of the accrual period or taxable year, an accrual basis U.S. Holder applying the second method instead may translate such accrued interest into U.S. dollars at the spot rate in effect on the day of actual receipt (in which case no exchange gain or loss will result). Any election to apply the second method will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder and may not be revoked without the consent of the IRS. Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Foreign Currency Note) determined by reference to a Foreign Currency, an accrual basis U.S. Holder will recognize exchange gain or loss (which will be treated as ordinary income or loss) if the exchange rate in effect on the date of receipt differs from the rate applicable to the previous accrual of that interest income.

OID is determined in units of the Foreign Currency at the time of acquisition of the Foreign Currency Note and is translated into U.S. dollars in the same manner that an accrual basis U.S. Holder accrues stated interest. Exchange gain or loss will be determined when OID is considered paid to the extent the exchange rate on the date of payment differs from the exchange rate at which the OID was accrued.

Amortizable Bond Premium

Amortizable bond premium on a Foreign Currency Note will be computed in units of Foreign Currency and will reduce interest income in units of the Foreign Currency. At the time amortized bond premium offsets interest income, a U.S. Holder may realize ordinary income or loss, measured by the difference between exchange rates at that time and at the time of the acquisition of the Foreign Currency Note.

Market Discount

Market discount on a Foreign Currency Note is determined in units of the Foreign Currency. Accrued market discount that is required to be taken into account on the maturity or upon disposition of a Foreign Currency Note is translated into U.S. dollars at the exchange rate on the maturity or the disposition date, as the case may be (and no part is treated as exchange gain or loss). Accrued market discount currently includible in income by an electing U.S. Holder is translated into U.S. dollars at the average exchange rate for the accrual period (or the partial accrual period during which the U.S. Holder held the Foreign Currency Note), and exchange gain or loss is determined on maturity or disposition of the Foreign Currency Note (as the case may be) in the manner described above under Foreign Currency Notes-- Payments Of Interest And OID with respect to the computation of exchange gain or loss on the receipt of accrued interest by an accrual method holder.

Exchange Gain or Loss

Gain or loss recognized by a U.S. Holder on the sale, exchange, repayment, retirement, or other disposition of a Foreign Currency Note that is attributable to changes in exchange rates will be treated as ordinary income or loss. However, exchange gain or loss is taken into account only to the extent of total gain or loss realized on the transaction.

Exchange of Amounts in Other Than U.S. Dollars

The cost of a Foreign Currency Note to a U.S. Holder will be the U.S. dollar value of the Foreign Currency purchase price translated at the spot rate for the date of purchase (or, in some cases, the settlement date). Foreign Currency received as interest on a Note or on the sale, exchange, repayment, retirement, or other disposition of a Note will have a tax basis equal to its U.S. dollar value at the time such interest is received or at the time of such disposition, as the case may be. Foreign Currency that is purchased generally will have a tax basis equal to the U.S. dollar value of the Foreign Currency on the date of purchase. Any gain or loss recognized on a sale or other disposition of a Foreign Currency (including its use to purchase Foreign Currency Notes or upon exchange for U.S. dollars) will be ordinary income or loss.

NON-U.S. HOLDERS

The following is a brief summary of the United States federal income tax consequences that may be applicable to a holder of a Note other than a U.S. Holder (a "Non-U.S. Holder"). For purposes of the following discussion, interest (including OID) and gain on the sale, exchange, or other disposition of a Note will be considered "U.S. trade or business income" if such income or gain is (i) effectively connected with the conduct of a trade or business in the United States, or (ii) if a tax treaty applies, attributable to a permanent establishment in the United States. In addition, any Additional Amounts payable by the Company to a Non-U.S. Holder will be treated as interest for United States federal income tax purposes.

INTEREST AND OID

In general, any interest or OID paid to a Non-U.S. Holder of a Note will not be subject to United States federal income tax if (i) the interest or OID is not U.S. trade or business income, and (ii) as discussed below, either (A) with respect to such payment of interest or OID, the Company meets the 80% foreign business requirements of Section 861(c)(1) of the Code (the 80% foreign business requirements test), or (B) the interest or OID qualifies as "portfolio interest."

United States federal income tax will not be imposed on any interest or OID paid to a Non-U.S. Holder of a Note if the 80% foreign business requirements test is satisfied. The 80% foreign business requirements test will be met generally if it is shown to the satisfaction of the Secretary of the U.S. Treasury that at least 80% of the gross income from all sources of the Company for the relevant testing period is active foreign business income. For purposes of this test, (i) the testing period is the three-year period ending with the close of the Company's taxable year immediately preceding the payment of interest or OID (or the taxable year of the payment if the Company had no gross income for such three-year period), and (ii) active foreign business income is gross income that is derived from sources outside the United States and is attributable to the active conduct of a trade or business in a foreign country or possession of the United States by the Company (or a subsidiary). If interest or OID is received by a "related person" (as defined in Section 861(c)(2)(B) of the Code), a portion of the payment would not qualify for exemption from United States federal income tax under the 80% foreign business requirements test.

In addition, any interest or OID paid to a Non-U.S. Holder of a Note generally will not be subject to United States federal income tax if the interest or OID qualifies as portfolio interest. Interest or OID on the Notes generally will qualify as portfolio interest if (i) the Non-U.S. Holder does not actually or constructively own 10% or more of the total combined voting power of all classes of stock of the Company entitled to vote, (ii) the Non-U.S. Holder is not a controlled foreign corporation (as defined in the Code) with respect to which the Company is a "related person" within the meaning of the Code, and (iii) either (A) the Non-U.S. Holder certifies to the Company or its agent under penalties of perjury that it is not a United States person and such certificate provides such Non-U.S. Holder's name and address, or (B) in the case of a Note held by a securities clearing organization, bank, or other financial institution that holds customers' securities in the ordinary course of its trade or business (a "financial institution"), the financial institution certifies to the Company or its agent under penalties of perjury that such certificate has been received from the Non-U.S. Holder by it or by another financial institution and the financial institution furnishes the payor with a copy of the Non-U.S. Holder's certificate.

If the 80% foreign business requirement test is not met and the interest or OID neither qualifies as portfolio interest nor is treated as U.S. trade or business income, the gross amount of the payment generally will be subject to United States withholding tax at the rate of 30%, unless such rate is reduced or eliminated by an applicable income tax treaty. U.S. trade or business income generally will be subject to United States federal income tax at regular rates in the same manner as if the Non-U.S. Holder were a U.S. Holder (and, in the case of a Non-U.S. Holder that is a corporation, such income, under certain circumstances, may be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be applicable under an income tax treaty), but such income generally will not be subject to the 30% withholding tax. To claim the benefit of a lower or zero withholding rate under an income tax treaty or to claim exemption from withholding because the income is U.S. trade or business income, the Non-U.S. Holder must provide the payor with a properly executed IRS Form 1001 or 4224, respectively (or, in the case of payments made after December 31, 1998, IRS Form W-8) prior to the payment of interest or OID.

SALE, EXCHANGE, REPAYMENT, RETIREMENT, OR OTHER DISPOSITION OF THE NOTES

Any gain realized by a Non-U.S. Holder on the sale, exchange, repayment, retirement, or other disposition of a Note will not be subject to United States federal income or withholding taxes unless (i) such gain is U.S. trade or business income, or (ii) in the case of an individual, such Non-U.S. Holder is present in the United States for 183 days or more and certain other conditions are met.

UNITED STATES FEDERAL ESTATE TAX

Notes held by an individual who is neither a citizen nor a resident of the United States for United States federal estate tax purposes at the time of such individual's death will not be subject to United States federal estate tax unless (i) the Company would not meet the 80% foreign business requirements test (as described above under "Non-U.S. Holders--Interest And OID") with respect to any interest or OID on the Note were such interest or OID received by the Non-U.S. Holder at the time of death, and (ii) the income from such Notes would not qualify as portfolio interest (as described above under Non-U.S. Holders--Interest And OID), without regard to the certification requirements, if received by such individual at the time of his or her death.

INFORMATION REPORTING AND BACKUP WITHHOLDING

Payments made in respect of the Notes to a U.S. Holder must be reported by the Company to the IRS, unless the U.S. Holder is an exempt recipient or establishes an exemption. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. In addition, backup withholding of United States federal income tax at a rate of 31% may apply to payments made in respect of the Notes to U.S. Holders who are not exempt recipients and who fail to provide certain identifying information (such as the registered owner's taxpayer identification number) in the required manner.

The Company will be required to report annually to the IRS and to each Non-U.S. Holder the amount of interest or OID paid to, and the amount of tax withheld with respect to, each Non-U.S. Holder. This information also may be made available to tax authorities in the country in which the Non-U.S. Holder resides in accordance with the provisions of an applicable income tax treaty. Under current Treasury Regulations, information reporting and backup withholding will not apply to payments of principal on the Notes by the Company or any agent thereof (in its capacity as such) to a Non-U.S. Holder of a Note if the Non-U.S. Holder has provided the required certification that it is not a United States person or has otherwise established an exemption, provided that neither the Company nor its agent has actual knowledge that the holder is a United States person or that the conditions of any exemption are not in fact satisfied. Compliance with the certification procedures described in the discussion of portfolio interest (see "--Non-U.S. Holders--Interest And OID") would establish an exemption for those non-U.S. Holders who are not exempt recipients.

Payment of the proceeds from a sale of a Note to or through the U.S. office of a broker generally will be subject to information reporting and backup withholding unless the holder or beneficial owner certifies as to its

taxpayer identification number (or, in the case of a Non-U.S. Holder, certifies its non-U.S. status) or otherwise establishes an exemption from information reporting and backup withholding. Payment of the proceeds from the sale of a Note to or through a foreign office of a broker will not be subject to information reporting or backup withholding, except that if the broker is a United States person, a controlled foreign corporation for United States tax purposes, a foreign person 50% or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment was effectively connected with a U.S. trade or business, then information reporting may apply to such payments.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner's United States federal income tax provided the required information is furnished to the IRS.

In October 1997, final Treasury Regulations were issued that effect the information reporting and backup withholding requirements applicable to payments in respect of a Note made after December 31, 1998. Holders of the Notes should consult their own tax advisors with respect to the possible application of such final regulations to any payments made in respect of the Notes.

UNDERWRITING

Subject to the terms and conditions set forth in a purchase agreement (the "Purchase Agreement") among the Issuer, Merrill Lynch Capital Markets Bank Limited Frankfurt/Main Branch, as lead manager and Merrill Lynch, Pierce, Fenner & Smith Incorporated (together, the "Underwriters"), the Issuer has agreed to sell to the Underwriters, and the Underwriters have agreed to purchase from the Issuer, DM aggregate principal amount at maturity of the Notes. Each of the Underwriters has agreed to purchase the principal amount of the Notes set forth opposite its name below, if any Notes are purchased.

INITIAL PURCHASERS	PRINCIPAL AMOUNT
Merrill Lynch Capital Markets Bank Limited Frankfurt/Main Branch.....	DM
Merrill Lynch, Pierce, Fenner & Smith Incorporated.....	DM
Total.....	DM =====

The Purchase Agreement provides that the obligation of the Underwriters to pay for and accept delivery of the Notes is subject to, among other conditions, the delivery of certain legal opinions by its counsel.

The Underwriters have agreed to reimburse the Company for \$250,000 of the expenses incurred in connection with the Offering.

The Underwriters have advised the Issuer that they propose initially to offer the Notes to the public at the price to public set forth on the cover page of this Prospectus, and to certain dealers at such price less a concession not in excess of % per Note. The Underwriters may allow, and such dealers may reallow, a discount not in excess of % per Note to certain other dealers. After the Offering, the public offering price, concession and discount may be changed.

The Issuer has agreed that it will not for a period of 180 days from the date of this Prospectus, without the consent of the Underwriters, directly or indirectly offer, sell, grant any option to purchase, or otherwise dispose of, any debt securities of the Issuer or securities of the Issuer that are convertible into, or exchangeable for, the Notes or such other debt securities.

The Issuer has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the Underwriters may be required to make in respect thereof.

The Underwriters do not intend to confirm sales of Notes offered hereby to any accounts over which it exercises discretionary authority.

There is currently no public market for the Notes. Accordingly, there can be no assurance as to the liquidity of any market that may develop for the Notes, the ability of holders of the Notes to sell their Notes or at what price such holders would be able to sell their Notes. If such a market were to develop, the Notes could trade at prices that may be lower than the initial offering price thereof, depending on many factors, including prevailing interest rates, the Issuer's operating results and markets for similar debt securities. The Underwriters, have advised the Issuer that they currently intend to make a market in the Notes. However, they are not obligated to do so, and any market making with respect to the Notes may be discontinued at any time without notice at the sole discretion of the Underwriters. If an active public market does not develop, the market price and liquidity of the Notes may be adversely affected. The Issuer does not intend to apply for listing of the Notes on any national securities exchange or for quotation of the Notes through an automated quotation system.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. There can be no assurance that the market for the Notes will not be subject to similar disruptions.

Until the distribution of the Notes is completed, rules of the Commission may limit the ability of the Underwriter and certain selling group members to bid for and purchase the Notes. As an exception to these rules,

the Underwriters are permitted to engage in certain transactions that stabilize the price of the Notes. Such transactions consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the Notes.

If Underwriters create a short position in the Notes in connection with the Offering, i.e., if they sell more Notes than are set forth on the cover page of this Prospectus, the Underwriters may reduce that short position by purchasing Notes in the open market.

The Underwriters may also impose a penalty bid on selling group members. This means that if the Underwriters purchase Notes in the open market to reduce the short position or to stabilize the price of the Notes, they may reclaim the amount of the selling concession from selling group members who sold those Notes as part of the Offering.

In general, purchases of a security for the purpose of stabilization or to reduce a short position could cause the price of the security to be higher than it might be in the absence of such purchases. The imposition of a penalty bid might also have an effect on the price of a security to the extent that it were to discourage resales of the security.

Neither the Issuer nor the Underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, neither the Issuer nor the Underwriters make any representation that the Underwriters will engage in such transaction or that such transactions, once commenced, will not be discontinued without notice.

LEGAL MATTERS

Certain legal matters relating to the Notes will be passed upon for the Issuer by Arent Fox Kintner Plotkin & Kahn, PLLC and for the Underwriters by Shearman & Sterling.

EXPERTS

The Consolidated Financial Statements of the Company included in this Prospectus have been audited by KPMG Polska Sp. z o.o., independent public accountants, as indicated in their report with respect thereto, and are included herein in reliance upon the authority of said firm as experts in accounting and auditing.

EURONET SERVICES INC. AND SUBSIDIARIES
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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Euronet Services Inc.:

We have audited the accompanying consolidated balance sheets of Euronet Services Inc. and subsidiaries as of December 31, 1997 and 1996 and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 1997. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Euronet Services Inc. and subsidiaries at December 31, 1997 and 1996, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1997 in conformity with generally accepted accounting principles in the United States of America.

KPMG Polska Sp. z o.o.

Warsaw, Poland
March 17, 1998

EURONET SERVICES INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	DECEMBER 31,	
	1996	1997
	(IN THOUSANDS)	
ASSETS		
Current assets:		
Cash and cash equivalents.....	\$ 2,541	\$ 7,516
Restricted cash (note 4).....	152	847
Trade accounts receivable.....	172	647
Investment securities (notes 5 and 6).....	194	31,944
Prepaid expenses and other current assets.....	433	1,857
	-----	-----
Total current assets.....	3,492	42,811
Property, plant, and equipment, at cost:		
Equipment--Automatic teller machines.....	6,773	23,581
Vehicles and office equipment.....	471	1,808
Computers and software.....	662	1,050
	-----	-----
	7,906	26,439
Less accumulated depreciation and amortization.....	(622)	(2,351)
	-----	-----
Net property, plant and equipment.....	7,284	24,088
Loans receivable, excluding current portion.....	21	21
Deposits for ATM leases.....	666	2,542
Deferred income taxes (note 8).....	471	571
	-----	-----
Total assets.....	\$11,934	\$ 70,033
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable.....	\$ 1,670	4,420
Short term borrowings (note 6).....	194	158
Current installments of obligations under capital leases (note 7).....	637	3,140
Note payable--shareholder.....	262	--
Accrued expenses.....	98	1,597
	-----	-----
Total current liabilities.....	2,861	9,315
Obligations under capital leases, excluding current installments (note 7).....	3,834	11,330
Other long-term liabilities.....	103	169
	-----	-----
Total liabilities.....	6,798	20,814
	-----	-----
Stockholders' equity (note 1):		
Common stock, \$0.02 par value. Authorized 30,000,000 shares in 1997 and 2,100,000 in 1996; issued and outstanding 15,133,321 shares in 1997 and 499,100 shares in 1996.....	10	304
Preferred stock, \$0.02 par value. Authorized 10,000,000 shares in 1997, none issued and outstanding.....	--	--
Series A convertible preferred stock, \$0.02 par value. Authorized 7,700,000 shares in 1996, issued and outstanding 4,419,800 in 1996.....	88	--
Series B convertible preferred stock, \$0.02 par value. Authorized 7,700,000 shares in 1996, issued and outstanding 4,666,669 in 1996.....	93	--
Additional paid in capital.....	11,666	63,358
Treasury stock.....	--	(4)
Subscription receivable.....	(500)	(253)
Accumulated losses.....	(7,005)	(14,970)
Restricted reserve (note 3).....	784	784
	-----	-----
Total stockholders' equity.....	5,136	49,219
	-----	-----
Total liabilities and stockholders' equity.....	\$11,934	\$ 70,033
	=====	=====

See accompanying notes to consolidated financial statements.

EURONET SERVICES INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	YEARS ENDED DECEMBER 31,		
	1995	1996	1997
	(IN THOUSANDS, EXCEPT PER SHARE DATA)		
Revenues:			
Transaction fees.....	\$ 62	\$ 1,198	\$ 4,627
Other.....	--	63	663
Total revenues.....	62	1,261	5,290
Operating expenses:			
ATM operating costs.....	510	1,176	5,172
Professional fees.....	394	1,125	1,166
Salaries.....	452	989	3,796
Communication.....	20	263	818
Rent and utilities.....	112	290	783
Travel and related costs.....	71	254	701
Fees and charges.....	112	427	458
Share compensation expense (note 9).....	--	4,172	108
Foreign exchange loss/(gain).....	158	79	(8)
Other.....	341	232	818
Total operating expenses.....	2,170	9,007	13,812
Operating loss.....	(2,108)	(7,746)	(8,522)
Other income/expense:			
Interest income.....	126	225	1,609
Interest expense.....	(107)	(378)	(1,152)
	19	(153)	457
Loss before income tax benefit.....	(2,089)	(7,899)	(8,065)
Income tax benefit (note 8).....	148	323	100
Net loss.....	\$ (1,941)	(7,576)	(7,965)
Loss per share--basic and diluted (note 2(k)).....	\$ (0.19)	(0.73)	(0.56)

See accompanying notes to consolidated financial statements.

EURONET SERVICES INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	COMMON STOCK	PREFERRED STOCK SERIES A	PREFERRED STOCK SERIES B	ADDITIONAL PAID IN CAPITAL	TREASURY STOCK	SUBSCRIPTION RECEIVABLE	ACCUMULATED LOSSES	RESTRICTED RESERVE	TOTAL
BALANCE JANUARY 1, 1995....	\$2,650	--	--	--	--	--	(457)	229	\$ 2,422
Capital contributions (note 1).....	1,066	--	--	550	--	--	--	--	1,616
Net loss for 1995.....	--	--	--	--	--	--	(1,941)	--	(1,941)
Transfer to restricted reserve.....	--	--	--	--	--	--	(421)	421	--
BALANCE DECEMBER 31, 1995..	3,716	--	--	550	--	--	(2,819)	650	2,097
Net loss up to March 27, 1996.....	--	--	--	--	--	--	(657)	--	(657)
Transfer to restricted reserve.....	--	--	--	--	--	--	(48)	48	--
Formation of Euronet Services N.V. (note 1)....	(3,709)	63	--	122	--	--	3,524	--	--
Capital contribution (note 1).....	--	--	67	6,933	--	(500)	--	--	6,500
Reimbursement of capital... Change in par value of shares.....	--	--	--	(57)	--	--	--	--	(57)
Share compensation expense (note 9).....	3	25	26	(54)	--	--	--	--	--
Net loss from March 28, 1996 through December 31, 1996.....	--	--	--	4,172	--	--	--	--	4,172
Transfer to restricted reserve.....	--	--	--	--	--	--	(6,919)	--	(6,919)
BALANCE DECEMBER 31, 1996..	10	88	93	11,666	--	(500)	(7,005)	784	5,136
GE Capital share issue (note 1).....	--	--	11	2,989	--	--	--	--	3,000
Formation of Euronet Services Inc. (note 1)....	192	(88)	(104)	--	--	--	--	--	--
Net proceeds from public offering (note 1).....	77	--	--	47,780	--	--	--	--	47,857
Milestone awards and options exercised (note 9).....	25	--	--	815	--	(253)	--	--	587
Subscription paid (note 1).....	--	--	--	--	--	500	--	--	500
Treasury stock repurchase (note 1).....	--	--	--	--	(4)	--	--	--	(4)
Share compensation expense (note 9).....	--	--	--	108	--	--	--	--	108
Net loss for 1997.....	--	--	--	--	--	--	(7,965)	--	(7,965)
BALANCE DECEMBER 31, 1997..	\$ 304	--	--	63,358	(4)	(253)	(14,970)	784	\$49,219

See accompanying notes to consolidated financial statements.

EURONET SERVICES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31,		
	1995	1996	1997
(IN THOUSANDS)			
Cash flows from operating activities:			
Net loss.....	\$(1,941)	\$(7,576)	\$ (7,965)
Adjustments to reconcile net loss to net cash used in operating activities:			
Share compensation expense.....	--	4,172	108
Depreciation and amortization of property, plant and equipment.....	133	484	1,761
Loss on disposal of fixed assets.....	--	--	11
Deferred income taxes.....	(148)	(323)	(100)
(Increase)/decrease in restricted cash.....	(180)	28	(695)
Increase in trade accounts receivable.....	(33)	(139)	(475)
(Increase)/decrease in deposits for leases.....	(772)	106	(1,876)
Increase in trade accounts payable.....	288	1,306	2,750
Increase in prepaid expenses and other current assets.....	(293)	--	(1,424)
Increase/(decrease) in accrued expenses and other long-term liabilities.....	485	(313)	1,565
Net cash used in operating activities.....	(2,461)	(2,255)	(6,340)
Cash flows from investing activities:			
Fixed asset purchases.....	(394)	(1,061)	(7,612)
Proceeds from sale of fixed assets.....	--	--	42
Purchase of investment securities.....	--	(194)	(75,692)
Proceeds from maturity of investment securities..	--	--	43,942
Net (increase)/decrease in loan receivable.....	(24)	3	--
Net cash used in investing activities.....	(418)	(1,252)	(39,320)
Cash flows from financing activities:			
Proceeds from issuance of shares and other capital contributions.....	1,616	6,500	51,944
Reimbursement of capital.....	--	(57)	--
Repayment of obligations under capital leases....	(523)	(1,101)	(1,007)
Repurchase of treasury stock.....	--	--	(4)
Decrease/(increase) in bank borrowings.....	--	194	(36)
Proceeds from/(repayment of) loan from shareholder.....	161	101	(262)
Net cash provided by financing activities.....	1,254	5,637	50,635
Net (decrease)/increase in cash and cash equivalents.....	(1,625)	2,130	4,975
Cash and cash equivalents at beginning of period..	2,036	411	2,541
Cash and cash equivalents at end of period.....	\$ 411	\$ 2,541	\$ 7,516
Supplemental disclosures of cash flow information:			
Interest paid during year.....	\$ 107	\$ 325	\$ 877

Supplemental schedule of noncash investing and financing activities (in thousands):
Capital lease obligations of \$1,906, \$4,189 and \$11,006 during the years ended December 31, 1995, 1996 and 1997, respectively, were incurred when the Company entered into leases primarily for new automatic teller machines.

See accompanying notes to consolidated financial statements.

EURONET SERVICES INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) ORGANIZATION AND FORMATION OF HOLDING COMPANY

Euronet Services Inc. (the "Company") was established as a Delaware corporation on December 13, 1996 and capitalized on March 6, 1997. Euronet Services Inc. succeeded Euronet Holding N.V. as the group holding company.

Euronet Services Inc. and its subsidiaries (collectively "Euronet") is an independent shared automatic teller machine (ATM) network and service provider to banks and financial institutions. Euronet serves banks by providing ATMs that accept cards with international logos such as VISA, American Express and Mastercard and proprietary bank cards issued by member banks. The subsidiaries of Euronet, all of which are wholly owned, are:

- Euronet Holding N.V., incorporated in the Netherlands Antilles
- Euronet-Bank Tech Rt. (Bank Tech), incorporated in Hungary
- SatComNet Kft (SatComNet), incorporated in Hungary
- Bankomat 24/Euronet Sp. z o.o. (Bankomat), incorporated in Poland
- EFT-Usluge d o.o., incorporated in Croatia
- Euronet Services GmbH, incorporated in Germany
- Euronet Services France SAS, incorporated in France
- Euronet Services spol. sro, incorporated in the Czech Republic

The following is a description of the events leading up to the formation of the Company. Bank Tech was established on June 22, 1994 by Michael Brown (Chairman, President and Chief Executive Officer of Euronet) and Daniel Henry with an initial capital contribution of \$10,000. Pursuant to a joint venture agreement dated July 19, 1994, certain new shareholders and Michael Brown contributed \$2,640,000 in cash as additional capital to Bank Tech and Daniel Henry transferred his interest to Michael Brown for a purchase price equal to his original contribution. The additional capital raised by Bank Tech did not result in a new controlling group, accordingly the accounting bases of the assets and liabilities of Bank Tech remained unchanged. On February 20, 1995, the joint venture agreement was amended under which a new investor and a shareholder of Bank Tech acquired SatComNet for a purchase price of \$491,000 in cash. SatComNet was a shell entity with no substantive operations before such date. SatComNet is engaged in telecommunication services by facilitating satellite link up to Bank Tech. The acquisition was accounted for under the purchase method of accounting, accordingly, the results of operations of SatComNet are included in the consolidated statements of operations since the date of acquisition. The purchase price approximated the fair value of the net assets acquired, which mainly consisted of cash and equipment. Furthermore and pursuant to such amended joint venture agreement, the shareholders of SatComNet and a new shareholder agreed to contribute \$956,000 in cash as additional capital to Bank Tech and also agreed to exchange their interest held in such companies to create identical ownership of Bank Tech and SatComNet. The capital raised by Bank Tech and the exchange of shares did not result in a new controlling group, accordingly, the accounting bases of the assets and liabilities of Bank Tech and SatComNet remained unchanged. Michael Brown established Bankomat on August 8, 1995 with \$2,000 in capital. A further capital increase of \$61,000 was made by Michael Brown on December 7, 1995.

On February 15, 1996 the shareholders of Bank Tech and SatComNet terminated their amended joint venture agreement and entered into a shareholders' agreement reorganizing the ownership of Bank Tech, SatComNet and Bankomat. Under the shareholders' agreement, the investors contributed, on March 27, 1996, all of their shares and interest in Bank Tech, SatComNet and Bankomat in exchange for 499,100 common shares and 4,419,800 Series A convertible preferred shares of Euronet Holding N.V. The transaction has been accounted for as a combination of entities under common control at historical cost in a manner similar to pooling of interest accounting. Under this method, the Company recorded the assets and liabilities received at their historical cost, common shares (\$7,000) and Series A convertible preferred shares (\$63,000) were established for the par value

EURONET SERVICES INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

of the shares issued, accumulated losses were eliminated (\$3,524,000) and the resulting difference was recorded as additional paid in capital (\$122,000). In addition, new shareholders contributed \$5,500,000 in cash and a subscription receivable of \$500,000 to the capital of Euronet Holding N.V. in exchange for 4,200,000 Series B convertible preferred shares.

On November 26, 1996, Euronet Holding N.V. called on a \$1 million dollar standby commitment from certain existing investors (Poland Partners LP, Advent Partners LP, Advent Private Equity Fund-CELP, Poland Investment Fund LP, Hungarian Private Equity Fund and DST Systems Inc.) in return for 466,669 series B convertible preferred shares.

On February 3, 1997, Euronet Holding N.V. signed a Subscription Agreement with General Electric Capital Corporation ("GE Capital") under which GE Capital purchased 710,507 shares of Series B Convertible Preferred Shares of Euronet Holding N.V. for an aggregate purchase price of \$3 million. Pursuant to the "claw back" option of this agreement, on June 16, 1997, the Company repurchased 292,607 shares of Euronet Holding N.V. at the original par value.

The following table illustrates the issuance of equity securities by date, including the number of shares issued for cash or other consideration, the nature of the non-cash consideration received and the values assigned to each issuance up to the capitalization of the Company on March 6, 1997.

DATE	TYPE OF SHARES	NUMBER OF SHARES			EURONET HOLDING N.V.	VALUE (IN THOUSANDS)
		BANK TECH(/1/)	SATCOMNET	BANKOMAT		
June 22, 1994.....	Common	1,044	--	--	--	\$ 10
July 19, 1994.....	Common	275,522	--	--	--	\$2,640

February 20, 1995.....	Common	53,434	1(/2/)	--	--	\$2,650
August 8, 1995.....	Common	--	--	3,140	--	\$1,447
December 7, 1995.....	(/3/)	--	--	--	--	\$ 2

						\$ 167

						\$1,616
March 27, 1996.....	Common	--	--	--	499,100	--(/4/)
March 27, 1996.....	series A preferred	--	--	--	4,419,800	--(/4/)
March 27, 1996.....	series B preferred	--	--	--	4,200,000	\$5,500(/5/)
November 26, 1996.....	series B preferred	--	--	--	466,669	\$1,000

						\$6,500
February 3, 1997.....	series B preferred	--	--	--	710,507(/6/)	\$3,000

- (1) On March 28, 1995, Bank Tech changed its legal structure from a company limited by quotas ("Kft") to a company limited by shares ("RT"). Upon the transformation, the quotas were exchanged for 330,000 shares of common shares.
- (2) SatComNet's legal structure is a company limited by quotas.
- (3) No shares were issued at this date. Amount contributed was recorded as an increase to additional paid capital. The consideration includes \$61,000 of non-cash contribution (2 ATMs) which was valued at the transferors' historical cost basis.
- (4) On March 27, 1996, the common shares and series A preferred shares were issued in exchange for the shares of Bank Tech, SatComNet and Bankomat. Such shares were recorded on an historical cost basis.
- (5) The value excludes \$500,000 of subscription receivable.
- (6) On June 16, 1997, Euronet repurchased 292,607 shares at the original par value.

EURONET SERVICES INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

Effective March 5, 1997, Euronet Holding N.V. changed the stated par value of all common and preferred shares of the Company from \$0.10 to \$0.14. Euronet Holding N.V. then effected a seven-for-one stock split which became effective on March 5, 1997, thus reducing the par value of such shares to \$0.02. This change in par value and stock split was retroactively taken into account for common and preferred shares. Subsequently, effective March 6, 1997, the holders of all of the preferred shares of Euronet Holding N.V. converted all of such preferred shares into common shares of Euronet Holding N.V.

Pursuant to an Exchange Agreement which became effective on March 6, 1997, entered into between Euronet Services Inc. and the shareholders and option holders of Euronet Holding N.V., 10,296,076 shares of common stock in the Company were issued to the shareholders of Euronet Holding N.V. in exchange for all the common shares of Euronet Holding N.V. In addition, options to acquire 3,113,355 shares of common stock of the Company were issued to the holders of options to acquire 3,113,355 common shares of Euronet Holding N.V. and awards with respect to 800,520 shares of common stock of the Company were issued to the holders of awards with respect to 800,520 preferred shares of Euronet Holding N.V. in exchange for all such awards.

On March 7, 1997, the Company consummated an initial public offering of 6,095,000 shares of common stock at a price of \$13.50 per share. Of the 6,095,000 shares sold, 3,833,650 shares were sold by the Company and 2,261,350 shares by certain selling shareholders. Net proceeds to the Company were approximately \$47.9 million after deduction of the underwriting discount and other expenses of the offering.

The following table provides a summary of common stock issued since the establishment of Euronet Services Inc. in December 1996:

	DATE	NUMBER OF SHARES
	-----	-----
Exchange agreement with Euronet Holding N.V.	March 6, 1997	10,296,076
Exercise of awards in the initial public offering	March 7, 1997	800,520
Stock options exercised in the initial public offering	March 7, 1997	304,822
Shares issued in the initial public offering	March 7, 1997	3,038,650
Additional shares issued in the initial public offering to cover over-allotment	March 16, 1997	795,000
Repurchase of GE Capital shares	June 16, 1997	(292,607)
Stock options exercised	Various	190,860

		15,133,321
		=====

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

(a) Basis of presentation

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America.

The financial statements for the period from January 1, 1995 through March 27, 1996 have been presented as if the operating entities had been combined from their respective dates of incorporation/acquisition. For the period from March 27, 1996 to March 6, 1997 the consolidated financial statements include the accounts of Euronet Holding N.V. and its subsidiaries. Subsequent to March 6, 1997 the consolidated financial statements include the accounts of the Company and its subsidiaries.

All significant intercompany balances and transactions have been eliminated.

EURONET SERVICES INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

(b) Transfer of non monetary assets

The transfer of the share holdings held by the shareholders in Bank 24, SatComNet and Bankomat in exchange for shares in Euronet Holding N.V. have been recorded at the underlying net equity of the operating entities which is the historical cost. The formation of the Euronet Services Inc. has also been accounted for at historical cost. The transfer of assets by shareholders have been recorded at the transferors' historical cost basis.

(c) Foreign currencies

Foreign currency transactions are recorded at the exchange rate prevailing at the date of the transactions. Assets and liabilities denominated in foreign currencies are remeasured at rates of exchange at balance sheet date. Gains and losses on foreign currency transactions are included in the statement of operations.

The financial statements of foreign subsidiaries where the local currency is the functional currency are translated to U.S. dollars using (i) exchange rates in effect at period end for assets and liabilities, and (ii) average exchange rates during the period for results of operations. Adjustments resulting from translation of financial statements are reflected as a separate component of stockholders' equity.

The financial statements of foreign subsidiaries where the functional currency in the U.S. dollar are remeasured using historical exchange rates for non-monetary items while current exchange rates are used for monetary items. Foreign exchange gains and losses arising from the remeasurement are reported in the statement of operations.

(d) Property, plant and equipment

Property, plant, and equipment are stated at cost. Equipment under capital leases are stated at the lesser of fair value of the leased equipment and the present value of future minimum lease payments.

Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. Equipment held under capital leases and leasehold improvements are amortized straight line over their estimated useful lives.

Depreciation and amortization periods are as follows:

Automatic teller machines.....	7 years
Computers and software.....	3 years
Vehicles & office equipment.....	5 years
Cassettes.....	1 year
Leasehold improvements.....	Over the lease term

(e) Impairment of long-lived assets

Euronet assesses the recoverability of long-lived assets (mainly property, plant and equipment) by determining whether the carrying value of the fixed assets can be recovered over the remaining lives through projected undiscounted future operating cash flows expected to be generated by the assets. If an impairment in value is estimated to have occurred, the assets carrying value is reduced to its estimated fair value. The assessment of the recoverability of long-lived assets will be impacted if estimated future operating cash flows are not achieved.

(f) Income taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases and operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income in the period that includes the enactment date.

A valuation allowance for deferred tax assets has been established on the basis of the Company's estimate of taxable income for future periods.

(g) Risks and uncertainties

Euronet at this time, remains dependent on a limited group of customers and network services are limited to those areas where ATMs have been installed.

The Company has made a number of estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

(h) Revenue recognition

Euronet recognizes revenue at the point at which the service is performed.

(i) Cash equivalents

For the purposes of the statements of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

(j) Investment securities

The Company has classified all of its investment securities as held-to-maturity. Held-to-maturity securities are those securities in which the Company has the ability and intent to hold the security to maturity. Held-to-maturity securities are recorded at amortized cost, adjusted for the amortization or accretion of premium and discounts. A decline in the market value of any held-to-maturity security below cost that is deemed other than temporary results in a reduction in the carrying amount to fair value. The impairment is charged to earnings and a new cost basis for the security is established. Premium and discounts are amortized or accreted over the life or term of the related held-to-maturity security as an adjustment to yield using the effective interest method.

(k) Loss per share

The Company, effective for the year ended December 31, 1997, adopted Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings per Share." Pursuant to the provisions of the statement, basic loss per share has been computed by dividing net loss attributable to common shareholders by the weighted average number of common shares outstanding during the period. The effect of potential common shares (stock options outstanding) is antidilutive. Accordingly, dilutive loss per share does not assume the exercise of stock options outstanding.

EURONET SERVICES INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

The following table provides a reconciliation of the numerator and denominator in the loss per share calculation:

	YEAR ENDED DECEMBER 31,		
	1995	1996	1997
Net loss attributable to common shareholders (in thousands).....	(1,941)	(7,576)	(7,965)
Weighted average number of common shares outstanding.....	10,386,089	10,386,089	14,284,917
Loss per share--basic and diluted..	\$ (0.19)	\$ (0.73)	\$ (0.56)

The capital structure of the Company before March 7, 1997 (consummation of the initial public offering) is not indicative of the continuing capital structure. The loss per share amounts for prior years have been restated to conform with the provisions of SFAS No. 128. The weighted average number of shares outstanding for the years ended December 31, 1996 and 1995 represents the sum of (i) 9,585,569 shares of common stock outstanding at December 31, 1996 (adjusted to reflect the conversion of the preferred shares to common stock, reduction in par value and the seven-to-one stock split resulting from the initial public offering) and, (ii) 800,520 shares of common stock awarded to shareholders in connection with the initial public offering, which pursuant to the Securities and Exchange Commission's Staff Accounting Bulletin No. 98 are deemed to be nominal issuances for all periods presented.

(l) Stock-based compensation

SFAS No. 123 "Accounting for Stock-Based Compensation", encourages but does not require companies to record compensation cost for stock-based employee compensation plans at fair value. The Company has chosen to account for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" and related Interpretations. Accordingly, compensation cost for share options is measured as the excess, if any, of the fair market value of the Company's shares at the date of the grant over the exercise price. Such compensation cost is charged to expense on a straight-line basis over the vesting period of the respective options. If vesting is accelerated as a result of certain milestones, the unrecognized compensation would be recorded as expense on the date such milestones have or have been deemed to have been achieved. The Company has adopted the disclosure-only provisions of SFAS No. 123 (refer to note (9)).

(m) Reclassifications

Certain amounts have been reclassified in the prior year financial statements to conform to the 1997 financial statements presentation.

(3) RESTRICTED RESERVE

The restricted reserve arose from the provisions of Hungarian accounting law in relation to share capital contributed in foreign currency to Bank Tech and SatComNet. Under these rules, a foreign currency capital contribution is recorded in the local accounting records of the companies using the rate when the capital was contributed. The foreign currency gain (or loss) which arises upon usage of the foreign currency is recorded as a separate non distributable reserve.

The reserve has remained frozen during the year as the laws in Hungary have now changed and no longer require this accounting. However, the change in the law is not retroactive and the historical reserve remains undistributable.

EURONET SERVICES INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

(4) RESTRICTED CASH

The restricted cash balance as of December 31, 1996 and 1997 were as follows:

	DECEMBER 31,	
	1996	1997
ATM deposits.....	\$ 152	\$ 347
Other.....	--	500
	\$ 152	\$ 847
	=====	=====

The ATM deposit balances held are equivalent to the value of certain banks' cash held in Euronet's ATM network. The Company also has deposits with commercial banks to cover guarantees and deposits with customs officials to cover charges.

(5) INVESTMENT SECURITIES

The amortized cost for short-term held-to-maturity securities by class security type at December 31, 1996 and 1997, were as follows:

	DECEMBER 31,	
	1996	1997
	(IN THOUSANDS)	
U.S. State and Municipal obligations.....	\$ --	\$ 12,448
Corporate debentures.....	--	8,298
U.S. Federal Agency obligations.....	--	7,967
Foreign government obligations.....	194	3,231
Total.....	\$ 194	\$ 31,944
	=====	=====

The carrying value of these investment securities at December 31, 1996 and 1997 approximates fair market value.

(6) SHORT TERM BORROWINGS

Short term borrowings represent Hungarian forint denominated loans granted by a commercial bank in Hungary to permit such bank to supply cash to the ATM network. The loan outstanding at December 31, 1997 is due on June 16, 1998 together with interest accrued at 27%. Euronet has collateralized this loan by the pledge of certain investment securities with a value approximately the outstanding balance of the loan.

(7) LEASES

(a) Capital leases

The Company leases the majority of its ATMs under capital lease agreements that expire between 1999 and 2002 and bear interest at rates between 11% and 15%. Lease installments are paid on a monthly, quarterly or semi-annual basis. Euronet has the right to extend the term of certain leases at the conclusion of the lease period. In addition to the related equipment, one lease in Poland is secured by a pledge of certain accounts receivable and a letter of credit from a commercial bank.

A related entity, Windham Technologies Inc. has the option to purchase the ATMs under capital lease in Hungary at the end of the lease term at a bargain purchase price of \$1 plus incidental expenses (see note [11]).

EURONET SERVICES INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

Euronet also has two lease agreements for computers for use as its central processing and authorization center for ATM transactions. One lease has a term expiring in 1999 and the other in 2000 and they bear interest at a rate of 15% and 12%, respectively, and are payable quarterly.

The gross amount of the ATMs and IBM computer and related accumulated amortization recorded under capital leases were as follows:

	DECEMBER 31,	
	1996	1997
	(IN THOUSANDS)	
ATMs.....	\$5,870	\$15,940
Other.....	225	1,161
	6,095	17,101
Less accumulated amortization.....	(410)	(1,811)
Net book value.....	<u>\$5,685</u>	<u>\$15,290</u>

Amortization of assets held under capital leases, amounted to \$96,000, \$1,314,000 and \$1,401,000 for the years ended December 31, 1995, 1996 and 1997, respectively. These amounts are included with depreciation expense.

(b) Operating leases

The Company also has non-cancellable operating rental leases for office space which expire over the next 2 to 5 years. Rent expense under these leases amounted to \$158,000, \$270,000 and \$433,000 for the years ended December 31, 1995, 1996 and 1997, respectively.

(c) Future minimum lease payments

Future minimum lease payments under the capital leases and the non-cancellable operating lease (with initial or remaining lease terms in excess of one year) as of December 31, 1997 are:

	CAPITAL LEASES	OPERATING LEASES
	(IN THOUSANDS)	
Year ending December 31,		
1998.....	\$ 5,031	\$ 962
1999.....	5,536	1,007
2000.....	5,256	1,007
2001.....	1,103	1,007
2002.....	959	1,007
Total minimum lease payments.....	17,885	
Less amounts representing interest.....	(3,415)	
Present value of net minimum capital lease payments....	14,470	
Less current installments of obligations under capital leases.....	(3,140)	
Long term capital lease obligations.....	<u>\$11,330</u>	

EURONET SERVICES INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

(8) INCOME TAXES

The income tax benefit consisted of the following:

	YEAR ENDED DECEMBER 31,		
	1995	1996	1997
	(IN THOUSANDS)		
Current tax expense:			
U.S. Federal.....	--	--	--
Netherlands Antilles.....	--	--	--
Europe.....	--	--	--
Total current.....	--	--	--
Deferred tax benefit:			
U.S. Federal.....	--	--	--
Netherlands Antilles.....	--	--	--
Europe.....	\$ 148	\$ 323	\$ 100
Total deferred.....	148	323	100
Total income taxes.....	\$ 148	\$ 323	\$ 100
The sources of income/(loss) before income taxes are presented as follows:			
United States.....	--	--	(353)
Netherlands Antilles.....	(2,089)	(4,416)	425
Europe.....	(2,089)	(3,483)	(8,137)
Loss before income taxes.....	\$(2,089)	\$(7,899)	\$(8,065)

The income tax benefit has been calculated on the basis of the taxable losses of the combined entities for the year ended December 31, 1995 and the period January 1, 1996 through March 27, 1996. Upon formation of Euronet Holding N.V. on March 27, 1996 and through March 7, 1997, the income tax benefit was calculated solely on the basis of the taxable loss of Euronet Holding N.V. Subsequent to March 7, 1997, the income tax benefit was calculated solely on the basis of the taxable loss of the Company. The difference between the actual income tax benefit and the tax benefit computed by applying the statutory income tax rate (34% for United States, 3% for Netherlands Antilles, 18% for Hungary and 38% for Poland) to losses before taxes is attributable to the following:

	YEAR ENDED DECEMBER 31,		
	1995	1996	1997
	(IN THOUSANDS)		
Income tax benefit at statutory rates.....	\$ 427	\$ 267	\$ 2,742
Non-deductible expenses.....	(153)	(209)	(261)
Tax-exempt interest.....	--	--	265
Stock options exercised.....	--	--	1,006
Stock options granted in prior year.....	--	--	1,402
Foreign currency gains and losses.....	--	--	542
Tax holiday.....	(8)	(4)	--
Difference in foreign tax rates.....	--	806	44
Adjustment to deferred tax asset for enacted changes in tax rates.....	--	--	(113)
Utilization of tax loss carried forward.....	--	--	145
Change in valuation allowance.....	(118)	(537)	(5,672)
Actual income tax benefit.....	\$ 148	\$ 323	\$ 100

EURONET SERVICES INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

As a result of the formation of the Company a portion of the stock compensation cost recorded in 1996 became a temporary difference for which the Company recognized a gross deferred tax asset of \$1,402,404 in 1997. A valuation allowance for this deferred tax asset was established. During 1997, certain of the stock options were exercised resulting in a deduction of \$1,005,937 in the Company's tax return. Because of the tax loss position of the Company in the United States, this tax deduction has not been realized but recharacterized as a tax loss carryforward. The Company has also established a valuation allowance for the deferred tax asset resulting from the tax loss carryforward in the United States. Should this tax loss carryforward be utilized in the future, \$951,553 of the tax benefit would be recorded as an adjustment to additional paid in capital.

The tax effect of temporary differences and carryforwards which give rise to deferred tax assets and liabilities are as follows:

	DECEMBER 31,	
	1996	1997
	(IN THOUSANDS)	
Tax loss carryforwards.....	989	4,808
Leasing.....	5	167
Leasehold improvements.....	48	82
Stock compensation costs.....	--	1,402
Unrealised exchange rate differences.....	--	34
Accrued expenses.....	84	321
Other.....	--	84
Deferred tax asset.....	1,126	6,898
Valuation allowance.....	(655)	(6,327)
Net deferred tax assets.....	471	571
	=====	=====

The valuation allowance relates to deferred tax assets established under SFAS No. 109 for loss carryforwards at December 31, 1996 and 1997 of \$8,686,000 and \$19,989,000, respectively. The tax operating loss carryforwards will expire through 2000 for Bankomat and through 2002 for Bank Tech, SatComNet and Euronet Holding N.V. The tax operating losses for Euronet Services Inc. and Euronet Services GmbH can be carried forward indefinitely. Based on the Company's forecast of sufficient taxable income for future periods in which the tax losses are expected to be absorbed, the Company believes that it will realise the benefit of the deferred tax assets, net of the existing valuation allowance.

(9) STOCK PLANS

The Company has established a share compensation plan which provides certain employees options to purchase shares of its common stock. The options vest over a period of five years from the date of grant. Options are exercisable during the term of employment or consulting arrangements with the Company and its subsidiaries. The Company has the right to repurchase shares within 180 days from an employee who has exercised his options but has ceased to be employed by Euronet. At December 31, 1997, the Company has authorized options for the purchase of 1,299,550 shares of common stock, of which 1,289,447 have been awarded to employees and 1,061,316 remain unexercised.

In accordance with the shareholders' agreement dated February 15, 1996 and amended on October 14, 1996, the Company has reserved 2,850,925 shares of common stock for the purpose of awarding common stock ("milestone awards") to certain investors and options to acquire shares of common stock ("milestone options") to the founders, management and key employees. The Company granted 800,520 milestone awards at an exercise price of \$0.02 per share and 2,050,405 milestone options at an exercise price of \$2.14 per share.

EURONET SERVICES INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

Upon the initial public offering, all milestone awards and milestone options granted under the milestone arrangement (with the exception of 49,819 options to certain key employees which will vest equally over two years following the initial public offering) vested and all shares became immediately issuable to beneficiaries of milestone awards and options. Upon the initial public offering, 800,520 milestone awards and 232,078 milestone options were exercised. As at December 31, 1997, 1,736,890 milestone options remain unexercised.

Share option activity during the periods indicated is as follows:

	NUMBER OF SHARES	WEIGHTED- AVERAGE EXERCISE PRICE
	-----	-----
Balance at December 31, 1994 (none exercisable)..	440,440	0.71
Granted.....	110,110	0.71

Balance at December 31, 1995 (88,130 shares exercisable).....	550,550	0.76
Granted.....	2,562,805	2.02

Balance at December 31, 1996 (271,780 shares exercisable).....	3,113,335	1.80
Granted.....	226,497	12.65
Exercised.....	(495,682)	1.34
Forfeited.....	(45,964)	3.25

Balance at December 31, 1997 (1,984,365 shares exercisable).....	2,798,206	2.67
	=====	

At December 31, 1997, the range of exercise prices, weighted-average remaining contractual life and number exercisable of outstanding options was as follows:

EXERCISE PRICE	NUMBER OF SHARES	WEIGHTED- AVERAGE CONTRACTUAL REMAINING LIFE (YEARS)	NUMBER EXERCISABLE
-----	-----	-----	-----
0.71.....	326,396	6.6	150,220
0.95.....	66,150	7.3	11,018
1.43.....	378,700	7.8	116,900
2.14.....	1,806,890	8.2	1,706,227
10.75.....	51,191	9.8	--
11.50.....	28,260	9.6	--
11.77.....	27,804	9.8	--
13.94.....	112,815	9.3	--
	-----		-----
	2,798,206		1,984,365
	=====		=====

The Company applies APB Opinion No. 25 in accounting for its share option plans. The exercise price of the options is established based on the estimated fair value of the underlying shares at grant date. For options granted prior to the initial public offering, the fair value was determined by taking into consideration the per share price at which the most recent sale of equity securities was made by Euronet to investors. For options granted after the initial public offering, the fair value is determined by the market price of the share at the date of grant. However, in contemplation of the initial public offering in March 1997, compensation expense was recognized in 1996 relating to all options granted during the fourth quarter of 1996. Such compensation expense was calculated as the excess of the fair market value of the underlying shares (determined as \$4.22, which is the cash price per share at which GE Capital subscribed for preferred shares of Euronet Holding N.V. in February 1997) over the exercise price of \$2.14 per share. Compensation expense of \$4,172,000 has been recorded in the 1996 consolidated financial statements and an additional compensation expense of \$343,000 with respect to these options will be recognized over the remaining vesting period of such options. Of this amount, \$108,000 has been expensed in the year ended December 31, 1997.

EURONET SERVICES INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

The following table provides the fair value of options granted during 1997, 1996 and 1995 together with a description of the assumptions used to calculate the fair value:

PRICING MODEL/METHOD USED	YEAR ENDED DECEMBER 31,		
	1995	1996	1997
	MINIMUM VALUE METHOD	MINIMUM VALUE METHOD	BLACK-SCHOLES PRICING MODEL
Expected volatility.....	0%	0%	54%
Average risk-free rate.....	7.17%	7.17%	6.86%
Average expected lives.....	3 years	3 years	2.5 years
Expected dividend yield.....	0%	0%	0%
Weighted-average fair value (per share).....	\$ 0.71	\$ 1.14	\$ 4.90

Had the Company determined compensation cost based on the fair value at the grant date for its stock options under SFAS No. 123, consolidated net loss and net loss per share would have been increased to the pro forma amounts indicated below:

	YEAR ENDED DECEMBER 31,		
	1995	1996	1997
Net loss-as reported.....	\$(1,914)	\$(7,576)	\$(7,965)
Net loss-pro forma.....	\$(1,914)	\$(7,576)	\$(8,240)
Loss per share-as reported.....	\$ (0.19)	\$ (0.73)	\$ (0.56)
Loss per share-pro forma.....	\$ (0.19)	\$ (0.73)	\$ (0.58)

Pro forma impact reflects only options granted since December 31, 1994. Therefore, the full impact of calculating compensation cost for stock options under SFAS No. 123 is not reflected in the pro forma amounts presented above because compensation cost is reflected over the options' vesting periods and compensation cost for options granted prior to January 1, 1995 is not considered.

EURONET SERVICES INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

(10) BUSINESS SEGMENT INFORMATION

Euronet and its subsidiaries operate in one business segment, the service of providing an independent shared ATM network to the banks and financial institutions that it serves.

Total revenues for the years ended December 31, 1995, 1996 and 1997 and long lived assets at December 31, 1996 and 1997 for the Company analyzed by geographical location is as follows:

	TOTAL REVENUES			LONG-LIVED ASSETS	
	1995	1996	1997	1996	1997
(IN THOUSANDS)					
Hungary.....	\$62	\$1,246	\$4,562	\$4,709	\$10,212
Poland.....	--	15	663	2,575	9,204
Other.....	--	--	65	--	4,672
Total.....	\$62	\$1,261	\$5,290	\$7,284	\$24,088

Total revenues are attributed to countries based on location of customer. Long-lived assets consist of property, plant, and equipment.

(11) RELATED PARTIES

Windham Technologies Inc. (Windham) holds the option to purchase certain ATMs at the end of the lease term. Windham is jointly owned by two shareholders of the Company. Windham has signed an undertaking to contribute these assets to Euronet at the end of the lease at a bargain purchase price of \$1 plus incidental expenses.

In addition, payments of \$320,000, \$425,000 and \$94,000 have been made for the years ended December 31, 1995, 1996 and 1997, respectively, to Windham. These payments cover the services and related expenses of consultants seconded by Windham to the Company. These services include AS400 computer expertise, bank marketing and management support.

(12) FINANCIAL INSTRUMENTS

Euronet's financial instruments (cash, receivables, investment securities, accounts payable, short term borrowings, notes payable and accrued expenses) are principally short-term in nature. Accordingly, the carrying value of these investments approximates its fair value.

(13) CONCENTRATIONS OF BUSINESS AND CREDIT RISK

Euronet is subject to concentrations of business and credit risk. Euronet's financial instruments mainly include trade receivables, cash and short-term investments. Euronet's customer base, even though limited, includes the most significant international card organizations and certain banks in the markets in which it operates. Therefore, the Company is dependent on these entities and its operations are directly affected by the financial condition of those entities. The Company has two individually significant customers in Hungary which account for 51% and 18%, respectively, of total consolidated revenue for the year ended December 31, 1997. In January 1998, the Company's most significant customer which accounts for 51% of consolidated revenues for the year ended December 31, 1997, notified the Company that it was terminating its contract effective July 1998.

Cash and short-term investments are placed with high-credit quality financial institutions or in short-term duration, high-quality debt securities issued by the Hungarian government. Euronet does not require collateral or other security to support financial instruments subject to credit risk. Management believes that the credit risk associated with trade receivables, cash and short-term investments is minimal due to the control procedures which monitor credit worthiness of customers and financial institutions.

EURONET SERVICES INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

The Company has made an assessment of the impact of the advent of the year 2000 on its systems and operations. The Processing Center will require certain upgrades which have been ordered and are scheduled for installation by the fourth quarter of 1998. Most of the ATMs in the Company's network are not year 2000 compliant, and hardware and software upgrades will be installed under contract with the Company's ATM maintenance vendors. According to the Company's current estimates, the cost will be approximately \$1,000 per ATM, and the required installation will be finished by the end of 1998. The Company estimates that approximately 560 of its ATMs will require upgrades for year 2000 compliance.

The Company is currently planning a survey of its bank customers concerning the compliance of their back office systems with year 2000 requirements, and anticipates launching such survey in the third quarter of 1998. If the Company's bank customers do not bring their card authorization systems into compliance with year 2000 requirements, the Company may be unable to process transactions on cards issued by such banks and may lose revenues from such transactions. This could have a material adverse effect on the Company's revenues. Therefore, Euronet will monitor, and hopes to assist its bank clients in, implementation of its customers' year 2000 compliance programs, and may, if required to accelerate the compliance programs of its banks, create consulting capabilities in this respect.

(14) COMMITMENTS

The Company is committed to purchase ATMs from certain suppliers for approximately \$1.2 million.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the Registrant's estimated expenses in connection with the issuance and distribution of the securities being registered, other than underwriting discounts and commissions.

Securities and Exchange Commission registration fee.....	\$ 29,500
National Association of Securities Dealers, Inc. filing fee.....	10,500
Transfer agent fees and other expenses.....	60,000

Total.....	\$100,000
	=====

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Articles Eighth and Ninth of the Company's Certificate of Incorporation provide as follows:

"EIGHTH: The Corporation shall indemnify each of the individuals who may be indemnified to the fullest extent permitted by Section 145 of the General Corporation Law of the State of Delaware, as it may be amended from time to time ("Section 145"), (i) in each and every situation where the Corporation is obligated to make such indemnification pursuant to Section 145, and (ii) in each and every situation where, under Section 145, the Corporation is not obligated, but is permitted or empowered, to make such indemnification. The Corporation shall promptly make or cause to be made any determination which Section 145 requires.

NINTH: A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. This provision shall not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law of the State of Delaware, or (iv) for any transaction from which the director derived any improper personal benefit. If the General Corporation Law of the State of Delaware is subsequently amended to further eliminate or limit the liability of the director, then a director of the Corporation, in addition to the circumstances in which a director is not personally liable as set forth in the preceding sentence, shall not be liable to the fullest extent permitted by the amended General Corporation Law of the State of Delaware."

Article VII of the Company's By-laws provides as follows:

"Section 1 INDEMNIFICATION AND EXCULPATION. Reference is hereby made to Section 145 of the General Corporation Law of the State of Delaware (or any successor provision thereto). The Corporation shall indemnify each person who may be indemnified (the "Indemnitees") pursuant to such section to the full extent permitted thereby. In each and every situation where the Corporation may do so under such section, the Corporation hereby obligates itself to so indemnify the Indemnitees, and in each case, if any, where the Corporation must make certain investigations on a case-by-case basis prior to indemnification, the Corporation hereby obligates itself to pursue such investigation diligently, it being the specific intention of these Bylaws to obligate the Corporation to indemnify each person whom it may indemnify to the fullest extent permitted by law at any time and from time to time. To the extent not prohibited by Section 145 of the General Corporation Law of the State of Delaware (or any other provision of the General Corporation Law of the State of Delaware), the Indemnitees shall not be liable to the Corporation except for their own individual willful misconduct or actions taken in bad faith. Expenses incurred by an officer or director in defending any action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding to the fullest extent permitted by subsection (e) of Section 145."

Reference is also made to Section of the Underwriting Agreement filed as Exhibit 1.1 hereto.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

For information regarding the issuance by the Company of shares of its Common Stock during the three years ended on the date of this Registration Statement, see "Management--Certain Transactions" in the Prospectus. Except for the shares of Common Stock offered and sold by the Company in its March 1997 public offering, all of the shares of Common Stock were issued by the Company in reliance on the exemption from the registration requirements of Section 5 of the Securities Act of 1933 provided by Section 4(2) of such Act.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

The following exhibits are filed as part of this Registration Statement:

EXHIBIT NUMBER -----	DESCRIPTION -----
1.1***	Form of Underwriting Agreement.
3.1*	Certificate of Incorporation.
3.2(a)*	By-Laws of the Company.
3.2(b)**	Amended By-Law provision.
4.2	Form of Notes is attached as an exhibit to the form of Indenture (included as Exhibit 4.3)
4.3***	Form of Indenture between the Company and _____, as Trustee
5.1***	Opinion of Arent Fox Kintner Plotkin & Kahn, PLLC as to the legality of the Notes.
10.1*	Amended Agreement for Solution Delivery dated April 17, 1996 between Bank Access 24 Rt. and IBM World Trade Corporation.
10.2*	Frame Contract dated February 20, 1996 between Bankomat 24 Sp. z o.o. and AT&T Global Information Solutions Polska, Sp. z o.o.
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10.4*	The Euronet Long-Term Incentive Plan.
10.5*	Employment Agreement of Mr. Brown.
10.6*	Form of Employment Agreement for Executive Officers.
10.7****	Registration Rights Agreement dated as of March 13, 1996 between the Company and its principal stockholders.
10.8****	Master Lease Agreement dated as of September 29, 1997 and Operating Lease Agreement dated June 13, 1997, June 16, 1997, June 17, 1997, July 28, 1997 and September 17, 1997, between a subsidiary of the Company and ING Lease (Polska) Sp. z o.o.
10.9****	Master Rental Agreement dated as of March 10, 1995 between HFT Corporation and a subsidiary of the Company.
10.10****	Leasing, Servicing, Processing, Software License and Software Service Contract for Automatic Teller Machines dated January 10, 1997 between a subsidiary of the Company and Service Bank GmbH and Co. KG.
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12****	Statement re: computation of ratios.
21.1****	List of Registrant's Subsidiaries (included in the financial statements filed as part of the Prospectus).
23.1****	Consent of KPMG Polska Sp. z o.o.
23.2****	Consent of Arent Fox Kintner Plotkin & Kahn, PLLC.
24.1	Power of Attorney (included on signature page).
25****	Statement of Eligibility of Trustee.

- -----
- * Previously filed as an exhibit to the Registration Statement No. 333-18121 and incorporated by reference herein.
- ** Previously filed as an exhibit to the Form 10-Q for the quarter ended June 30, 1997 and incorporated by reference herein.
- *** To be filed by amendment.
- **** Filed herewith.

ITEM 17. UNDERTAKINGS.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described under "Item 14, Indemnification of Directors and Officers" above, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment to the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes:

(1) That for purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) That for the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THE REGISTRANT CERTIFIES THAT IT HAS REASONABLE GROUNDS TO BELIEVE THAT IT MEETS ALL OF THE REQUIREMENTS FOR FILING ON FORM S-1 AND HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN BUDAPEST, HUNGARY ON THE DAY OF MARCH, 1998.

Euronet Services Inc.

By: _____
DANIEL R. HENRY

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Daniel R. Henry his or her true and lawful attorney-in-fact and agent, each acting alone, with full power of substitution and resubstitution, for him or her in his or her name, place and stead, in any and all capacities, to sign any or all Amendments (including post-effective Amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing appropriate or necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

SIGNATURE -----	TITLE -----	DATE ----
----- MICHAEL J. BROWN	Chairman of the Board of Directors, Chief Executive Officer and President (principal executive officer)	March , 1998
----- DANIEL R. HENRY	Director and Chief Operating Officer	March , 1998
----- STEVEN J. BUCKLEY	Director	March , 1998
----- ERIBERTO R. SCOCIMARA	Director	March , 1998
----- ANDRZEJ OLECHOWSKI	Director	March , 1998
----- THOMAS A. MCDONNELL	Director	March , 1998
----- NICHOLAS B. CALLINAN	Director	March , 1998
----- BRUCE S. COLWILL	Chief Financial Officer and Chief Accounting Officer (principal financial officer and principal accounting officer)	March , 1998

EXHIBIT INDEX

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 - *** To be filed by amendment.
 - **** Filed herewith.

Registration Rights Agreement

THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement") is entered into as of March 13, 1996, by and among EuroNet Holding N.V., a Netherlands Antilles company (the "Company"), and the entities or individuals set forth on the signature pages attached hereto (each a "Holder").

AGREEMENT

1. Definitions.

a. "Commission" means the Securities and Exchange Commission

or any other Federal agency at the time administering the Securities Act.

b. "Common Stock" means any and all common stock of the

company, including without limitation (i) common stock of the Company issued or issuable upon conversion of the Series A Preferred Stock, upon conversion of the Series B Preferred Stock and all common stock of the Company now or hereafter held by the Holders (such common stock collectively referred to herein as the "Stock"); (ii) any common stock of the Company issued as a dividend or other distribution with respect to or in replacement of the Stock, and (iii) any common stock issued in any combination or subdivision of the Stock. In determining the amount of Common Stock held by any Person, the sum of (i), (ii) and (iii) shall be used.

c. "Exchange Act" means the Securities Exchange Act of 1934,

as amended.

d. "Initiating Holders" means any Holder or Holders of no

less than twelve percent (12%) of the shares of the Common Stock of the Company.

e. "Person" means any individual, company, trust,

partnership, association, or other entity.

f. "Registrable Securities" means the Common Stock.

g. "Securities Act" means the Securities Act of 1933, as

amended, or any similar Federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

2. Registration Rights.

a. Demand Registration. Upon the written request from any

Initiating Holder ("Requesting Initiating Holder") that the Company effect any registration with respect to all or any portion of the Registrable Securities (other than a registration on Form S-3 or any related form of Registration Statement), the Company will:

i. promptly give written notice of the proposed registration to all other Persons holding Registrable Securities; and

ii. as soon as practicable, use its diligent best efforts to effect such registration (including, without limitation, the execution of an undertaking to file post-effective amendments, appropriate qualifications under foreign, blue sky or other state securities laws and appropriate compliance with applicable regulations issued under the Securities Act), as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any Person or Persons joining in such request as are specified in a written request given within twenty (20) days after receipt of such written notice from the Company; provided that the Company shall not be obligated to take any action to effect any such registration, qualification or compliance pursuant to this Section 2.a:

A. In any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, qualification or compliance unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

B. Prior to the earlier of (i) an initial public offering ("IPO") by the Company or (ii) the fifth anniversary after the date hereof;

C. If the Initiating Holders propose to sell a number of shares of Registrable Securities at an aggregate offering price (after deduction for underwriter commissions and expenses) to the public of less than Four Million Dollars (\$4,000,000); or

D. After the Company has effected four (4) such registrations pursuant to this Section 2.a, and such registration has been declared or ordered effective.

Subject to the foregoing clauses (A) through (C) and to Section 2.a.v (below), the Company shall file a registration statement covering the Registrable Securities so requested to be registered as soon as practicable after receipt of the request from the Requesting Initiating Holders.

iii. Underwriting. If the Requesting Initiating

Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as part of their request made pursuant to Section 2.a and the Company shall include such information in the written notice referred to in Section 2.a.i. The right of any Person to registration pursuant to Section 2.a shall be conditioned upon such Person's participation in such underwriting and the inclusion of such Registrable Securities in the underwriting to the extent requested (unless otherwise mutually agreed by a majority in interest of the Requesting Initiating Holders and such Person to the extent provided herein).

iv. Cutbacks/Withdrawals. The Company shall (together

with all Persons proposing to distribute their securities through such underwriting) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by a majority in interest of the Registrable Securities held by those Persons participating in such registration ("Participating Persons") and approved by the Company (such approval not to be unreasonably withheld). Notwithstanding any other provision of this Section 2.a, if the underwriter(s) determine that marketing factors require a limitation of the number of shares to be underwritten and so advises the Requesting Initiating Holders in writing, then the Requesting Initiating Holders shall so advise all Persons holding Registrable Securities (except those Persons who have indicated to the Company their decision not to distribute any of their Registrable Securities through such underwriting) and the number of shares of Registrable Securities that may be included in the registration and underwriting shall be allocated among all such Participating Persons in proportion, as nearly as practicable, to the respective amounts of Registrable Securities held by such

Participating Persons at the time of filing the registration statement. No Registrable Securities excluded from the underwriting by reason of the underwriter's marketing limitation shall be included in such registration.

If any Person owning Registrable Securities disapproves of the terms of the underwriting, such Person may elect to withdraw therefrom by written notice to the Company, the underwriter and the Requesting Initiating Holders. The Registrable Securities and/or other securities so withdrawn from such underwriting shall also be withdrawn from such registration; provided, however, that, if by the withdrawal of such Registrable Securities a greater number of Registrable Securities held by other Persons may be included in such registration (up to the maximum of any limitation imposed by the underwriters), then the Company shall offer to all Participating Persons the right to include additional Registrable Securities in the same proportion used in determining the underwriter limitation in this Section.

v. Right to Delay a Demand Registration. If at the

time of any request to register Registrable Securities pursuant to this Section, the Company is preparing a registration statement for a public offering (other than a registration effected solely to implement an employee benefit plan or a transaction to which Rule 145 of the Commission is applicable) which in fact is filed and becomes effective within ninety (90) days after the request, then the Company may at its option direct that such request be delayed for a period not in excess of one hundred and twenty (120) days from the effective date of such registration, such right to delay a request to be exercised by the Company not more than once in any twelve (12) month period. Nothing in this Section shall preclude a holder of Registrable Securities from enjoying registration rights which it might otherwise possess under this Agreement.

b. Piggyback Registration.

i. The Company's Obligation to Register. If the

Company at any time proposes to initiate a registration of its securities under the Securities Act on its own or upon request of Persons other than Initiating Holders and thereafter registers any of its securities under the Securities Act (other than a registration effected solely to implement an employee benefit plan, a transaction to which Rule 145 of the Commission is applicable or any

other form or type of registration in which Registrable Securities cannot be included pursuant to Commission rule or practice), it will give written notice to all holders of the outstanding Registrable Securities of its intention to do so (stating the intended method and terms of disposition of such securities, including a list of the jurisdictions in which the Company intends to qualify such securities). If such registration is proposed to be on a form which permits inclusion of the Registrable Securities, upon the written request from any Initiating Holder within twenty (20) days after transmittal by the Company to the holders of such notice, the Company will, subject to the limits contained in this Section, use its best efforts to cause all such Registrable Securities of said Initiating Holders to be registered under the Securities Act and qualified for sale under any state blue sky law, all to the extent requisite to permit such sale or other disposition by such holders of the Registrable Securities so registered.

ii. Cutbacks. Notwithstanding any other provision

of this Section, if the underwriter managing such registration notifies the Initiating Holders in writing that market or economic conditions limit the amount of securities which may reasonably be expected to be sold, the holders of such Registrable Securities will be allowed to register their Registrable Securities pro rata based on the number of shares of Registrable Securities held by such holders, respectively. On the initial public offering of its securities initiated by the Company, said underwriter may exclude all Registrable Securities from the Company's registration statement, but on all subsequent registrations initiated by the Company, such underwriter may limit the amount of the Registrable Securities to be registered to not less than twenty-five percent (25%) of the aggregate number of Registrable Securities to be registered so long as any other shares of the Company are to be registered as well. Likewise, the Company shall to the extent possible require that the executive officers of the Company limit their registration of the Company's securities in substantially similar proportions in any registered public offering to which this Section applies upon the recommendation of the managing underwriter involved in such registration.

c. Form S-3.

i. Obligation to Register. In the event of an IPO

under the Securities Act, the Company shall use its best efforts to qualify for registration on Form S-3 (or

comparable form for a foreign issuer). After the Company has qualified for the use of Form S-3, the holders of Registrable Securities shall have the right to request registrations on Form S-3 thereafter, as the case may be (but the Holders, as a group, may not make more than two (2) such requests in any twelve (12) month period and no more than four (4) in the aggregate) under this Section (such requests shall be in writing and shall state the number of shares of Registrable Securities to be disposed of and the intended method of disposition of such shares by such Person or Persons), provided that the Company shall not be required to effect a registration pursuant to this Section unless (A) the Person or Persons requesting registration propose to dispose of shares of Registrable Securities which they reasonably anticipate will have an aggregate offering price (before deduction of underwriting discounts and expenses of sale) of at least Five Hundred Thousand Dollars (\$500,000), or (B) the Company has initiated a proposed registration as described in Section 2.a.

ii. Notice. The Company shall give written notice

to all holders of Registrable Securities of the receipt of a request for registration pursuant to this Section 2.c and shall permit such other holders to participate in the registration upon their request thereto given within fifteen (15) days after receipt of such notice. Subject to the foregoing, the Company will use its best efforts to effect promptly the registration of all shares of Registrable Securities on Form S-3, to the extent requested by the holders thereof for purposes of disposition. The Company need not register shares on Form S-3 (or comparable form) in any jurisdiction in which the Company does not qualify to do business. The Company need not register shares on Form S-3 (or comparable form) if the Company is preparing a registration statement for a public offering (other than a registration effected solely to implement an employee benefit plan or a transaction to which Rule 145 of the Commission is applicable) which, in fact, is filed and becomes effective within ninety (90) days after the request, then the Company may, at its option, direct that such request be delayed for a period not in excess of one hundred twenty (120) days from the effective date of such registration.

d. Registration Procedures. If and whenever the Company

is required by the provisions of this Article to use its best efforts to effect the registration of any of its

securities under the Securities Act, the Company will, as expeditiously as possible:

i. prepare and file with the Commission a registration statement with respect to such securities and use its best efforts to cause such registration statement to become and remain effective for the period provided in this Section;

ii. prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the sale or other disposition of all securities covered by such registration statement whenever the seller or sellers of such securities shall desire to sell or otherwise dispose of the same, but only to the extent provided in this Section;

iii. furnish to each seller such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents, as such seller may reasonably request in order to facilitate the public sale or other disposition of the securities owned by such seller;

iv. use every reasonable effort to register or qualify the securities covered by such registration statement under such other United States, foreign or state blue sky laws of such jurisdictions as each seller shall reasonably request, and do any and all other acts and things which may be necessary under such securities or blue sky laws to enable such seller to consummate the public sale or other disposition in such jurisdictions of the securities owned by such seller, except that the Company shall not for any such purpose be required to qualify to do business as a foreign company in any jurisdiction wherein it is not so qualified or intends to be so qualified prior to the effective date of the applicable registration statement;

v. before filing the registration statement or prospectus or amendments or supplements thereto, furnish to one counsel selected by a majority of the voting interests of the participating holders of Registrable Securities copies of such documents proposed to be filed which shall be subject to the reasonable approval of such counsel; and

vi. furnish to each prospective seller a signed counterpart, addressed to the prospective seller, of (A) an opinion of counsel for the Company, dated the effective date of the registration statement, and (B) a "comfort" letter signed by the independent public accountants who have certified the Company's financial statements included in the registration statement, covering substantially the same matters with respect to the registration statement (and the prospectus included therein) and (in the case of the accountants' letter) with respect to events subsequent to the date of the financial statements, as are customarily covered (at the time of such registration) in opinions of the Company's counsel and in accountants, letters delivered to the underwriters in underwritten public offerings of securities; provided, however, that notwithstanding any other provision of this Section, the Company shall not in any event be required to use its best efforts to maintain the effectiveness of any such registration statement for a period in excess of one hundred eighty (180) days.

e. Registration Expenses. As used herein, "Registration

Expenses" shall mean all expenses incurred by the Company in complying with Sections 2.a, 2.b, 2.c and 2.d hereof, including, without limitation, all registration and filing fees; printing expenses; fees and disbursements of counsel for the Company; fees and disbursements of one counsel for all the selling shareholders of the Registrable Securities; blue sky fees and expenses; foreign securities laws fees and expenses; and the expense of any special audits incident to or required by any such registration (but excluding the compensation of regular employees of the Company which shall be paid in any event by the Company); and "Selling Expenses" shall mean all underwriting discounts and selling commissions applicable to the sales thereunder. The Company will pay all Registration Expenses in connection with the registrations pursuant to Sections 2.a, 2.b and 2.c, regardless of which Initiating Holders have requested registration pursuant to Sections 2.a or 2.b. All Selling Expenses in connection with each registration pursuant to Sections 2.a, 2.b and 2.c shall be borne by the Company and the selling holders pro rata in proportion to the securities covered thereby being sold by them.

f. Indemnification.

1. Indemnification by the Company. In the event

of any registration of any of its securities under the

Securities Act pursuant to this Section, the Company shall indemnify and hold harmless each of the following parties: (A) the seller of such securities; (B) each underwriter (as defined in the Securities Act); (C) each other Person who is an officer, director or partner of such seller or who participates in the offering of such securities; and (D) each other Person, if any, who controls (within the meaning of the Securities Act) such seller, underwriter or participating Person against any losses, claims, damages or liabilities, as incurred (collectively the "liability"), joint or several, to which such seller, underwriter, participating Person or controlling Person may become subject under the Securities Act or any other statute or at common law, insofar as such liability (or action in respect thereof) arises out of or is based upon (A) any statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereto; (B) any alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (C) any violation by the Company of the Securities Act or any rule or regulation promulgated thereunder or any foreign securities rules or regulations applicable to the Company in connection with any such registration, qualification or compliance, except as otherwise provided in subparagraph 2.f.ii (below). Except as otherwise provided in subparagraph 2.f.iv (below), the Company shall reimburse each such seller, underwriter, participating Person or such controlling Person in connection with investigating or defending any such liability, as such expenses are incurred; provided, however, that the Company shall not be liable to any seller, underwriters, participating Persons, or controlling Persons in any such case to the extent that any such liability arises out of or is based upon any statement or alleged omission made in such registration statement, preliminary or final prospectus, or amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company by such Person to be specifically stated for use therein; the Company shall not be required to indemnify any Person against any liability arising from any untrue or misleading statement or omission contained in any preliminary prospectus if such deficiency is corrected in the final prospectus or for any liability which arises out of the failure of any Person to deliver a prospectus as required by the Securities Act. The indemnity provided for in this Section shall remain in full force and

effect regardless of any investigation made by or on behalf of such seller, underwriter, participating Person or controlling Person and shall survive transfer of such securities by such seller.

ii. Indemnification by Holders of Registrable

Securities. Each holder of any Registrable Securities shall, by

acceptance thereof, indemnify and hold harmless each other holder of any Registrable Securities, its officers, directors or partners, the Company, its directors and officers, each underwriter and each other Person, if any, who controls the Company or such underwriter, against any liability, joint or several, as incurred, to which any such other holder, the Company, underwriter or any such director or officer of any such Person may become subject under the Securities Act or any other statute or at common law, in so far as such liability (or actions in respect thereof) arises out of or is based upon (A) the disposition by such holder of such Registrable Securities in violation of the provisions of this Section 2, (B) any statement of any material fact contained in any registration statement under which securities were registered under the Securities Act at the request of such holder, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereto, or (C) any alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading.

Notwithstanding the above in this Section 2.f.ii, the indemnification set forth in this Section 2.f.ii shall be given in the case of clauses (B) and (C) to the extent, but only to the extent, that such statement or alleged omission was made in such registration statement, preliminary or final prospectus, amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company by such holder and expressly stated for use therein. Such holder shall reimburse the Company, such underwriter or such director, officer, other Person or other holder for any legal fees incurred in investigating or defending any such liability, as incurred; provided, however,

that no holder of Registrable Securities shall be required to indemnify any Person against any liability arising from any untrue or misleading statement or omission contained in any preliminary prospectus if such deficiency is corrected in the final prospectus or for any liability which arises out of the failure of any Person to deliver a prospectus as required by the Securities Act; and provided further, that the obligations of such holder of Registrable Securities

for the

indemnity hereunder shall be limited to an amount equal to the net proceeds received by such holder of Registrable Securities upon disposition thereof, and shall not extend to any settlement of claims related thereto without the express written consent of such holder of Registrable Securities.

iii. Further Indemnity. Indemnification

similar to that specified in Sections 2.f.i and 2.f.ii shall be given by the Company and each holder of any Registrable Securities (with such modifications as may be appropriate) with respect to any required registration or other qualification of the Common Stock under any federal, foreign or state law or regulation of governmental authority other than the Securities Act.

iv. Procedures; Rights to Separate Counsel.

Each party entitled to indemnification under this Section 2.f (the "Indemnified Party") shall give notice to the party required to provide indemnification (the "Indemnifying Party") promptly after such Indemnified Party has received written notice of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom, unless there shall be a conflict of interest, provided that

counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld), and the Indemnified Party may participate in such defense at such Indemnified Party's expense, and provided further that the

failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 2.f unless such failure to give notice shall materially adversely affect the Indemnifying Party in the defense of any such claim or any such litigation. The Indemnified Party shall also have the right to employ separate counsel in any such action and to participate in the defense thereof but the fees and expenses of such counsel shall not be at the expense of the Indemnifying Party unless either (i) in the reasonable opinion of counsel to the Indemnified Party, there are defenses available to the Indemnified Party that are not available to the Indemnifying Party or representation of the Indemnified Party by counsel for the Indemnifying Party would present a conflict of interest for such counsel, or (ii) the Indemnifying Party fails to promptly defend, in which case the fees and expenses of such counsel for the Indemnified Party shall be borne by the Indemnifying Party. No

Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party a release from all liability in respect to such claim or litigation.

g. Termination of Registration Rights. Notwithstanding the

foregoing provisions of this Section, the rights to registration and the designation of Common Stock as Registrable Securities shall terminate as to any particular securities when such securities shall have been lawfully sold by the holder thereof to the public pursuant to a registration statement or after a sale thereof pursuant to Rule 144.

h. Compliance with Rule 144. If the Company: (i) registers a

class of securities under Section 12 of the Exchange Act, or (ii) shall commence to file reports under Section 13 or 15(d) of the Exchange Act, thereafter, at the request of any holder of the Registrable Securities who proposes to sell the Registrable Securities in compliance with Rule 144 of the Commission, the Company shall forthwith furnish to such holder or holders a written statement of compliance with the filing requirements of the Commission as set forth in such Rule (at any time from and after 90 days following the effective date of the first registration of the Company for an offering of its securities to the general public), as such Rule may be amended from time to time, and make available to the public and such holders such information as will enable the holders to make sales of Registrable Securities pursuant to Rule 144.

i. Consent to be Bound. Each subsequent holder of Registrable

Securities must consent in writing to be bound by the terms and conditions of this Section 2 in order to acquire the rights granted pursuant to Section 2.

j. Assignability of Registration Rights. Subject to Section

2.i hereof, the registration rights set forth in this Section 2 are assignable to each assignee of at least fifty percent (50%) of the Registrable Securities conveyed in accordance herewith (appropriately adjusted for recapitalizations) who agrees in writing to be bound by the terms and conditions of this Agreement within ten (10) days of such assignment. The term "seller" as used herein refers

to a holder of the Registrable Securities selling such shares.

k. Rights Which May Not Be Granted to Subsequent Investors.

The Company shall not grant registration rights or enter into any registration rights agreement or similar agreement with any Person after the date hereof which are superior to the rights granted hereunder.

l. Information by Holder. The holder or holders of Registrable

Securities included in any registration shall furnish to the Company such information regarding such holder or holders, the Registrable Securities held by them, and the distribution proposed by such holder or holders, as the Company may reasonably request in writing and as shall be required in connection with any registration, qualification or compliance referred to in this Section.

m. Standoff Agreement. In connection with the first

registration of the Company's securities, each Holder (a "Standoff Holder") agrees, upon the request of the Company and the underwriters managing such underwritten offering of the Company's securities, not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any Registrable Securities (other than those included in the registration) without the prior written consent of the Company and such underwriters, as the case may be, for such period of time, not to exceed one hundred eighty (180) days, from the effective date of such registration as the underwriters may specify, provided that all officers and directors of the Company and each Standoff Holder enter into similar agreements. Such agreement shall be in writing in the form reasonably satisfactory to the Company and such underwriter. The Company may impose stop-transfer instructions with respect to the shares subject to the foregoing restrictions until the end of said one hundred eighty (180) day period.

3. Miscellaneous.

a. Consent to Amendments. Except as otherwise expressly

provided herein, the provisions of this Agreement may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by them, only if it has obtained the written consent of each of the Holders. No course of dealing between the Company and any Holder or any delay in exercising any rights hereunder or under the Company's

Articles of Incorporation will operate as a waiver of any rights of any such Holders.

b. Successors and Assigns. Except as otherwise expressly

provided herein, all covenants and agreements contained in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not.

c. Severability. Each provision of this Agreement shall be

interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

d. Counterparts. This Agreement may be executed in two or more

counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts when taken together shall constitute one and the same Agreement.

e. Descriptive Headings. The descriptive headings of this

Agreement are inserted for convenience only and do not constitute a part of this Agreement.

f. Notices. All notices, demands, consents or other

communications required or permitted hereunder shall be in writing and shall be deemed to have been given when personally delivered or three (3) business days (including Saturday) if sent by first class certified mail, return receipt requested or the next business day if sent by facsimile, Express Mail, Federal Express or similar service, addressed as follows:

If to Holders: To the Addresses on the
Company`s Shareholders
List

If to the Company: ABN Trust Company (Curacao) B.V.
Pietermaai 15, P.O. Box 4905
Curacao, Netherlands Antilles
Telephone: 599 9 335000
Telecopy: 599 9 613395

With a Copy to: Arent Fox
Rakoczi ut 42
H-1072 Budapest, Hungary
Attention: Jeffrey B. Newman
Telephone: (36)1 269-0596
Telecopy: (36)1 269-0599

g. Governing Law; Consent to Service of Process. The validity,

meaning and effect of this Agreement shall be determined in accordance with the laws of Delaware, applicable to contracts made and to be performed entirely within the State of Delaware.

h. Schedules and Exhibits. All schedules and exhibits are an

integral part of this Agreement.

i. Litigation Costs. Subject to Section 2.f, if any legal

action or any arbitration or other proceeding is brought for the enforcement of this Agreement, or because of a dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

j. Specific Performance. Each party's obligation under this

Agreement is unique. If any party should default in its obligations under this Agreement, the parties each acknowledge that it would be extremely impracticable to measure the resulting damages; accordingly, the non-defaulting party, in addition to any other available rights or remedies, may sue in equity for specific performance and the parties each expressly waive the defense that a remedy in damages will be adequate.

k. Final Agreement. This Agreement constitutes the entire

agreement between the parties pertaining to the subject matter hereof and supersedes and terminates all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Company:

EURONET HOLDING N.V.
Managing Director
ABN AMRO Trust Company (Curacao) N.V.

By: /s/ R-J. Schol/U.M. Daelman Geerdink

Name: R-J. Schol/U.M. Daelman Geerdink
Title: Asst. Managing Director/Proxyholder A

Holders:

ADVENT PRIVATE EQUITY FUND - CENTRAL EUROPE LIMITED PARTNERSHIP

By:

Name:
Title:

THE POLAND INVESTMENT FUND L. P.

By:

Name:
Title:

THE HUNGARIAN PRIVATE EQUITY FUND L.P.

By:

Name:
Title:

POLAND PARTNERS, L.P.

By: /s/ Steven J. Buckley

Name:
Title:

MICHAEL J. BROWN

LARRY MADDOX

MARK CALLEGARI

LAWRENCE SCHWARTZ

DST SYSTEMS, INC.

By:

Name:
Title:

EUROVENTURES HUNGARY B.V.

By:

Name:
Title:

THE HUNGARIAN-AMERICAN ENTERPRISE FUND

By: [SIGNATURE APPEARS HERE]

Name:

Title: President

[LOGO OF ING LEASE APPEARS HERE]

ING LEASE POLSKA

MASTER LEASE AGREEMENT

This MASTER LEASE AGREEMENT, has been executed in Warsaw on September 29, 1997 by and between:

- (1) ING LEASE (POLSKA) SP. Z O.O, having its registered seat in Warsaw, ul. Emilii Plater 28, 00-688 Warsaw (the "Lessor"), represented by Martin M. Kok, General Manager, Del R. Chandler, Sales Director Corporate Market; and
- (2) BANKOMAT 24 / EURONET SP. Z O.O., having its registered seat in Warsaw, al. Jerozolimskie 65 / 79, 00-697 Warsaw (the "Lessee"), represented by Dennis H. Depenbusch, Managing Director.

RECITALS

WHEREAS, the Lessor is engaged in the leasing of bankomats (ATMs); and

WHEREAS, the Lessee wishes to lease such equipment from the Lessor; and

WHEREAS, the Lessor and the Lessee wish to enter into a relationship whereby the Lessee would lease the equipment from the Lessor;

NOW THEREFORE, the parties to this Master Lease Agreement have agreed as follows:

ARTICLE I

GENERAL PROVISIONS

- 1.1. Subject to the terms and conditions set forth in this Agreement, the Lessor hereby agrees to purchase and make available on lease to the Lessee the lease objects selected by the Lessee in accordance with provisions of the Article II below and the Lessee hereby agrees to accept from the Lessor such lease objects on lease.
- 1.2 The Lessee hereby confirms that it has read and is in full agreement with all the provisions of the General Conditions of Operating Lease of ING Lease (Polska) Sp. z o.o. (the "General Conditions of Operating Lease"), being annexed to this Agreement and hereby agrees that the General Conditions of Operating Lease apply to and form a part of this Agreement. The parties agree to the following exceptions and revisions in the General Conditions:

Clause 1 -The parties agree that the term "Lease Documents" shall also include the Master Lease Agreement"

Clauses

3.5(a)

3.5(b)

3.5(d) - not applicable

[LOGO OF ING LEASE APPEARS HERE]

ING LEASE POLSKA

- Clause 6.1 - the parties agree that the ATMs will be affixed to real estate where site agreements confirm that the landowner has no title to ATM's.
- Clause 6.3 - the parties agree that only the registration number to be provided to the Lessor.
- Clause 8.1 - the parties agree that the leased objects will be used exclusively by the Lessee except for the use by third parties in the normal usage of the machine.
- Clause 8.2 - the parties agreed to the Territory of Poland, as long as the Lessor is notified of exact location.
- Clause 8.3 - at the end the following phrase shall be added: "except as it relates to it intended use".
- Clauses 9.2 and 9.3 - added: "the Lessee will provide the Lessor with the name and address of a maintenance company.
- Clause 9.3, 9.4, & 9.5 - the parties agree that the Lessee has the right to choose the insurer, with the approval of the Lessor.
- Clause 9.5(d) - the parties agree that Lessee may renew it's insurance contracts on an annual basis.
- Clause 9.5 (e) - added: "the Lessor will be the sole beneficiary with respect to the lease objects in question".
- Clause 9.6 - the parties agree that since notice of cancellation from the Lessee's insurance company is required notification of every insurance payment is not required.
- Clause 9.7 - the parties agree that minor repairs of card readers will be deemed normal maintenance.
- Clause 9.9 (b) - replaced with: "the aggregate of all principal portions of the remaining part of the entire lease period and the estimated market value.
- Clause 10 - excluded.
- Clause 11 - the parties agree this clause will be in force only after 7 (seven) working days after the occurrence of any of the events referred therein.
- Clause 13.1 - added: "Unless in the reasonable opinion of the lessor an immediate inspection is necessary. Such inspection will not interfere with the normal operation of the lease object.

[LOGO OF ING LEASE APPEARS HERE]

ING LEASE POLSKA

- Clause 14 - the parties agree that the amounts of the offered lease payments should not exceed current market rates.
- Clause 16 - the parties agree that the Lessor may require additional security upon the occurrence of any of the events listed in Clause 11.1 of the General Conditions.
- Clause 16 (I) and (J) - removed.

1.3 In this Master Lease Agreement:

- (a) unless the context otherwise requires, words denoting the singular include the plural and vice-versa;
- (b) references to a specified Article, Section or Exhibit shall be construed as a reference to that specified Article, Section or Exhibit of this Master Lease Agreement;
- (c) the headings are inserted for convenience of reference only and shall not affect the interpretation of this Master Lease Agreement.
- (d) unless this Master Lease Agreement provides expressly otherwise, all terms used herein shall have the meaning defined in the Lease Agreements (as defined in Section 2.1 below) and the General Conditions of Operating Lease of ING Lease (Polska) Sp. z o.o..

ARTICLE II

LEASE AGREEMENTS, LEASE OBJECT AND INITIAL VALUE

- 2.1 Subject to the terms and conditions of this Master Lease Agreement, in order to lease assets the parties to this Master Lease Agreement shall conclude Operating Lease Agreements in the substance and form annexed to this Master Lease Agreement as Exhibit 1 ("Lease Agreements"). Such Lease Agreements can be concluded only if a total value of assets to be leased by the Lessee under a single Lease Agreement is not lower than a countervalue of USD 200,000.00 (two hundred thousand US Dollars) (app. PLN 700,000.00 presently) (exclusive VAT) and provided that the value of a single asset to be leased is not lower than a countervalue of USD 15.000 (fifteen thousand US Dollars) (app. PLN 52.500.00 presently) (exclusive VAT). The USD/PLN exchange rate (sell) of ING Bank Warsaw Branch will be applicable for the purpose of above mentioned calculation. The total net price of assets to be leased under this Master Lease Agreement should not exceed a PLN equivalent of DEM 3,615,000.00 (three million six hundred fifteen DEM) ("Lease Facility Amount").
- 2.2. The Lease Agreement will be concluded every time according to the substance and form annexed to this Agreement as Exhibit No 1, unless both parties agree and sign a Lease Agreement in a different substance and/or form. Then, in the event of a conflict between the provisions of such a Lease Agreement and the provisions of this Master Lease Agreement, the provisions of the Lease Agreement shall prevail.

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- 2.3. Only Bankomats (ATMs) will be purchased by the Lessor under this Master Lease Agreement and will be the object of any Lease Agreement.
- 2.4. Lessor will pay the purchase price to the Supplier after the Record of Delivery is signed by the Lessee.
- 2.5. Non performance under any of the Lease Agreements will be understood as non performance under all Lease Agreements.
- 2.6. During the period of this Master Lease Agreement and any Lease Agreement, the Lessee shall submit the following documents to the Lessor
 - (a) every six months a copy of its monthly income tax reports and, if applicable, its annual statistical (F-02) and income tax reports - by April 30 of each calendar year, and
 - (b) every six months a certificate from the appropriate tax office and social security administration confirming that the Lessee is not in delay of payment of any tax obligations or social security charges, and
 - (c) in respect of each fiscal year, the annual balance sheet and profit and loss account with an auditor's opinion and report, if audit is required, and relevant resolutions approving these documents - within 2 (two) weeks from their approval, but not later than 9 (nine) months from the end of such a fiscal year.

ARTICLE III

INITIAL LEASE VALUE

Subject to Section 2.1 and 2.4 above, the purchase price for the equipment selected by the Lessee under this Master Lease Agreement will be paid to the suppliers by the Lessor directly against VAT invoices issued by the respective suppliers, until the Minimal Lease Value is reached, but no event later than 2 (two) months from the payment of the purchase price to a supplier ("Initial Lease Period") each time the Minimal Lease Value is reached, the Lessee shall enter forthwith into a Lease Agreement with the Lessor-however the Lessee will be separately invoiced for using of the equipment in accordance with Section 6.1 (b) and the provisions of the General Conditions shall apply mutatis mutandis to such a use.

ARTICLE IV

LEASE PERIOD

Each Lease Agreements concluded under this Master Lease Agreement shall be for a fixed period of 60 (sixty) months, which is the period of depreciation of the assets being the objects of such Lease Agreement unless the parties agree upon otherwise in writing.

ARTICLE V

EXTENSION OF THE LEASE

Provided that the Lessee for the basic lease period meets all its obligations under the Lease Documents, the Lessor shall, at the Lessee's written request for extension of the lease, delivered to the Lessor not later than two months prior to the date of expiration of the basic lease period, an offer to the Lessee to extend the term of the extension period and the amounts of the lease payments to be made by the Lessee during such extension period, determined by the Lessor in its absolute discretion,

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taking into account inter alia the estimated market value. The Lease Agreement so extended may be subject to further extension in accordance with the Lessors offer and on the basis of a new estimated market value. The provisions of the General Conditions shall apply to each Lease Agreement as extended pursuant to this Article V.

ARTICLE VI

PAYMENTS

6.1. The Lessee hereby agrees to make the following payments to the Lessor with respect to each Lease Agreement concluded under this Master Lease Agreement:

- (a) An expense payment of 1% (one percent) of the Lease Facility Amount, that is PLN 69,664,67 (sixty nine thousand six sixty four and 67/100 PLN) payable to the Lessor directly upon signing of the offer letter arranging the lease facility with the Term Sheet subject to Credit Approval.
- (b) An initial payment; which is a payment for using the lease objects between the delivery of the relevant lease object and signing of a Lease Agreements equal to interest accrued in that time at a rate applied by the Lessor for calculation of lease payments, the initial payment will be applied in case the purchase of a single lease object will not cause the execution of a single Lease Agreement according to Section 2.1 and Article III.
- (c) The following monthly lease payments:
for the first 3 months DEM 0.00,
for the next 9 months DEM 17.97 for each DEM 1,000.00,
for the next 12 months DEM 20.06 for each DEM 1,000.00,
for the next 36 months DEM 22.99 for each DEM 1,000.00

of the initial value expressed in DEM in the relevant Lease Agreement and as stated in each Lease Agreement

The lease payments shall be made in arrears.

The lease payments are calculated on the basis of then DEM interbank interest rates as at March 19, 1997. Should the interbank interest rate change on a drawdown date, the lease payments will be changed accordingly.

The Lessor estimates that the estimated market value should amount to 2.00% of the initial value of the Bankomats (ATMs) upon expiration of the basic lease period.

- (d) The cost of financing of a VAT amount on value, at the rate equal to WIBOR plus 2% payable for the period it takes the Lessor to reclaim the VAT from the tax authorities. The Lessee will be invoiced separately within 14 days after the Lessor received VAT amount.

The Lessor has agreed that if the tax authorities pay the Lessor at half the statutory rate, the Lessee would then pay the difference between the WIBOR plus 2% and that paid by the tax authorities. Should it be subsequently determined that the delay in receiving the VAT was the result of negligence on the part of Lessor, the interest paid by the Lessee for such delay period would be refunded.

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- 6.2. All payment under this Master Lease Agreement and each Lease Agreement shall be made in PLN according to the exchange rate (sell) of ING Bank N.V. Warsaw Branch.
- 6.3. To each payment VAT should be added at the rate applicable at the time when the payments become due and shall be paid by the Lessee.

ARTICLE VII

INSURANCE

- 7.1. The Lessee will insure the lease object as long as any Lease Agreement entered under this Agreement is in force. The equipment leased under such a Lease Agreement is insured for the benefit of the Lessor in the insurance company provided by the Lessee and approved by the Lessor.

ARTICLE VIII

SECURITIES

- 8.1. As security for the timely and complete satisfaction of the lessee's obligations under this Master Lease Agreement, the Lease Agreements, the Lessee shall establish the following forms of security in favor of the Lessor:
- The guarantee from EURONET SERVICES Inc., a Delaware corporation, traded on the USA Nasdaq under the symbol "EEFT", ("Euronet"), in favor of the Lessor, in the substance and form attached as Exhibit 2 ("Guarantee").
 - The guarantee will be secured by a grant of a security interest in an account of Euronet with UBM Bank, Kansas City, Missouri, ("UBM Bank") in favour of the Lessor, by blocked deposit account agreement in substance and form attached hereto as Exhibit 2 ("Blocked Deposit Account Agreement"). The Lessee will provide the Lessor with all documents pertaining to such account and what deposit services and costs are offered.

On the later of September 29, 1997 or the signing of this Master Lease Agreement the Guarantor will deposit the amount of DEM 2,530,500.00 (two million five hundred thirty thousand and five hundred German mark) ("Blocked Funds") on the account mentioned above pursuant to the Blocked Deposit Account Agreement signed by Euronet, the Lessor and UBM Bank, subject to the provisions set forth below [condition (1)]. As a requirement of UMB Bank Euronet Services Inc. may deposit the equivalent of DEM 2,530,500.00 in USD.

- (i) The Lessor agrees to release all or part of the blocked funds upon fulfillment of the conditions of release set forth below, as follows:

The dates of the releases and corresponding amounts mentioned here under are respectively set and calculated based on the assumption, that the total facility is drawn in full. In case the total facility is not drawn within two months of commencement of this agreement, the lessor may adjust the repayment schedule pro rata parte.

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-automatic release upon fulfillment of the Conditions of Release (b) and (g) mentioned here under on:

01-Dec-1998	DEM 361,500.00
01-May-1999	DEM 234,975.00
01-Nov-1999	DEM 90,375.00
01-May-2000	DEM 506,100.00
01-Nov-2000	DEM 144,600.00
01-May-2001	DEM 108,450.00

-additional budget release upon fulfillment of the Conditions of Release (b), (c), (d), (f) and (g):

01-May-2000	DEM 361,500.00
01-Nov-2000	DEM 361,500.00

-release of the remaining part of the Blocked Funds upon fulfillment of conditions (b), (c), (d), (e), (f) and (g):

01-May-2001	DEM 361,500.00
-------------	----------------

(ii) The Conditions of Release are:

(a) The guarantee of Euronet Services Inc. in favour of ING shall have been provided in a form satisfactory to ING, and shall be valid, binding and enforceable against Euronet Services Inc.; such guarantee to be in place until the expiry of the last existing lease granted by the Lessor pursuant to the Master Lease Agreement and/or any Operating Lease Agreement made pursuant thereto;

(b) All payments of principal shall have been made by the Lessee to the Lessor under the Master Lease Agreement, and under all Operating Lease Agreements in place pursuant thereto;

(c) Additional budget releases, from May 1, 2000, contingent upon Lessee achieving within 10% of projected P&L (Exhibit 3). Before the above mentioned date the releases are automatic. For the years 2000, 2001 and 2002 lessee will provide lessor with new projection.

(d) Actual year-end releases on the basis of annual audited reports; actual half-year releases on the basis of management reports.

(e) Actual total release of remaining deposit on May 31, 2001, if a P&L projection of the Lessee, in form or content to be agreed as between Lessor and Lessee, and to be submitted by Lessee and Lessor not later than 15 months prior to May 31, 2001, is met within an allowance of 10%. For the avoidance of doubt, if P&L projection cannot be so agreed, is not submitted within such timeframe, or such P&L projection is not met within permitted allowance, there should be no total release of remaining deposit on May 31, 2001.

(f) Budget release will only be permitted on condition that there will be no dividend payment to the Guarantor (Euronet Services Inc.), and on condition that the budgeted projections of the Lessee are met within an allowance of 10% of the projected P&L, as at the point in time of the intended release; and

(g) There shall have been no default under the Master Lease Agreement, under any Operating Lease Agreement, under the Guarantee of Euronet Services Inc., or under the Blocked Deposit Account Agreement, by either the Lessee or the Guarantor, which such default has not been cured to the satisfaction of the Lessor.

ARTICLE IX

TERMINATION

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- 9.1 This Master Lease Agreement may be terminated:
- (a) at any time by both parties upon mutual written agreement; or
 - (b) by either party hereto upon three months' notice or.
 - (c) by the Lessor, after 7 working days, upon the occurrence of any of the event referred to in Clause 11.1 of the General Conditions (as stipulated in Article 1.2.11.

9.2. Notwithstanding any other provisions of this Master Lease Agreement, termination of this Master Lease Agreement shall not constitute the termination of any of the Lease Agreements nor shall affect in any way such Lease Agreements, which shall remain in force and effect.

ARTICLE X

GOVERNING LAW: ARBITRATION

- 10.1 This Master Lease Agreement shall be governed by and construed in accordance with the laws of the Republic of Poland. To all matters not regulated by this Agreement, the relevant provisions of the Polish Civil Code shall apply.
- 10.2 Any dispute arising out or in connection with this Master Lease Agreement shall be submitted to and resolved by the Arbitration Court at the National Chamber of Commerce (Krajowa Izba Gospodarcza) in Warsaw in accordance with its Rules.

ARTICLE XI

EXHIBITS

- 11.1 The following Exhibits hereto are an integral part of this Master Lease Agreement:
- (a) Exhibit 1 Form of Operating Lease Agreement
 - (b) Exhibit.2 Form of the Guarantee with appended Blocked Deposit Account Agreement
 - (c) Exhibit 3 Projected P&L

ARTICLE XII

MISCELLANEOUS

- 12.1 Entire Agreement

This Master Lease Agreement constitutes the entire agreement and understanding between the parties of this Master Lease Agreement with respect to the subject matter contained herein and cancels and supersedes any and all prior representations, communications, negotiations, expressions of intentions, agreements and understandings with respect thereto.

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12.2 Severability - Waiver

If any provision of this Master Lease Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, it shall not affect or impair the legality, validity or enforceability in such jurisdictions of any other provisions of this Master Lease Agreement nor shall it affect or impair the legality, validity or enforceability in other jurisdictions of such provision or any other provisions of this Master Lease Agreement.

The failure of any party of this Master Lease Agreement to insist upon the strict performance of any of the terms and conditions of this Master Lease Agreement or to exercise any of its rights under this Master Lease Agreement or law shall not be construed as a waiver of any such term or condition or right and shall not in any way effect the right of such party to enforce such term, condition or right.

12.3 Assignment

The Lessor has the right to assign, without the consent of the Lessee, all its rights and obligations under this Master Lease Agreement or any Lease Agreement to any third party, however the assignment of all rights and obligations under this Master Lease Agreements shall be construed as assignment of all rights and obligations under all Lease Agreements.

12.4 Notices

Each notice, waiver and other communication or document made or delivered by one party to the other party or parties pursuant to this Master Lease Agreement shall be in the English language and Polish language.

Any notice, waiver or other communication required to be given hereunder shall be in writing and shall be effected by registered letter, by delivery by hand or courier, accompanied by facsimile transmission to the facsimile number, as the case may be, of the party to be served therewith set out below (or to such other address or facsimile number as the person to be served shall have specified for such purpose in writing to the person who is to serve such notice or other communication), and shall be deemed to have been served when left at the address of the addressee:

Notices to ING Lease:

ING Lease (Polska) Sp. z o.o.
ul. Emilii Plater 28
00-688 Warsaw, Poland

Fax: 630 38 59
Attention: Martin M. Kok

Notices to BANKOMAT 24/EURONET Sp. z o.o.:

BANKOMAT 24/EURONET Sp.z o.o.
al. Jerozolimskie 65/79

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ING LEASE POLSKA

00-697 Warsaw, Poland

Fax: 630 68 72
Attention: Dennis H. Depenbusch

Notices to Euronet Services Inc.

Euronet Services Inc.
c/o Al. Jerozolimskie 65/79
00-697 Warsaw, Poland

Fax: 630 68 72
Attention: Bruce S. Colwill

12.5 Filings

Each party hereto agrees with the other party and undertakes to make such filings, recordings and registrations which are required to perfect or protect the rights and interest of such party hereunder and to execute, deliver, furnish, acknowledge to do and perform and to procure the doing of any act, conveyance and assurance which in the reasonable discretion of the Lessor is or may be appropriate or necessary under any applicable law to complete and consummate the transactions contemplated by this Master Lease Agreement.

12.6 Language - Counterparts

This Master Lease Agreement has been prepared in Polish and English version. In the event of a dispute the English version shall prevail. This Master Lease Agreement hereto have been executed in four originals: two in Polish and two in English, one language version for each party.

For and on behalf of [SIGNATURE APPEARS HERE]
ING Lease (Polska) Sp. z o.o.

For and on behalf of
BANKOMAT 24/ EURONET Sp. z o.o.

/s/ Martin M. Kok

Martin M. Kok
General Manager

Dennis H. Depenbusch
Managing Director

/s/ Del R. Chandler

Del R. Chandler
Sales Director Corporate Market

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ING LEASE POLSKA

[LOGO OF ING LEASE APPEARS HERE]

ING LEASE POLSKA

Dated June 13, 1997

OPERATING LEASE AGREEMENT

No 300034/LD/0

[LOGO OF ING LEASE APPEARS HERE]

ING LEASE POLSKA

OPERATING LEASE AGREEMENT

No.: 300034/LD/0

("Agreement") executed in Warsaw on June 13, 1997 by and between:

ING Lease (Polska) Spolka z ograniczona odpowiedzialnoscia having its seat in Warsaw, ul. Emilii Plater 28, hereinafter referred to as the "lessor", represented by:

Mertin M. Kok, General Manager; and

Krzysztof Bielecki, Sales and Marketing Director.

and

Bankomat 24 / Euronet Spolka z ograniczona odpowiedzialnoscia having its seat in Warsaw, al. Jerolimskie 65/79, hereinafter referred to as the "lessee", represented by:

Dennis H. Depenbusch, Managing Director.

WHEREAS, on June 10, 1997, the parties entered into a Master Lease Agreement

("Master Lease Agreement")

THE PARTIES DECLARE TO HAVE AGREED AS FOLLOWS:

1. General provisions

- 1.1. Subject to the terms and conditions set forth in this Agreement, the Master Lease Agreement and other Lease Documents, the lessor hereby agrees to purchase and make available on lease to the lessee the lease object selected by the lessee and described in Clause 2 below and the lessee hereby agrees to accept from the lessor such lease object on lease.
- 1.2 The lessee hereby acknowledges that it has read and is in full agreement with all the provisions of the General Conditions of the Operating Lease of ING Lease (Polska) Sp. z o.o. annexed to this Agreement ("General Conditions") and hereby agrees that the General Conditions apply to and form part of this Agreement as if the same were set out in extenso herein subject to the exceptions and revisions stipulated in Clause 8.2 below. The parties agree that in the event of a conflict between the provisions of the General Conditions and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 1.3 The term "zloty equivalent" as used in this Agreement shall be construed as the zloty (PLN) equivalent of the German mark (DEM) according to the exchange rate of ING Bank N.V. Warsaw Branch for the sale of German mark. In the event that the German mark ceases to be the lawful currency (legal tender) of Germany and is replaced by the EURO, then the "zloty equivalent"

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shall be the zloty equivalent of the EURO (according to the above mentioned rate of exchange) and the German mark amounts set out in this Agreement shall be converted from the German mark to the EURO according to the officially binding conversion rate; such replacement of the German mark by the EURO shall not be a reason for the termination, annulment, renouncement or other cancellation of this Agreement or of any revision of this Agreement or any prepayment of any amount due under this Agreement unless explicitly agreed in writing by the Parties.

- 1.4. The lessee hereby declares that the lease object and the supplier of the lease object, described in Clause 2 below, have been selected and assessed by it and the lease object fully corresponds to its intended use at the lessee's business.
- 1.5 This Agreement shall come into effect subject to the collective fulfillment of all the following conditions:
- (ii) the lessee has properly created the security required in Clause 5 below; and
 - (ii) the sale contract of the lease object has been concluded.

This Agreement shall come into effect on the day when the final of all the conditions listed in the preceding sentence is satisfied,

2. Lease object

2.1. Description of the lease object:
35 Bankomats (ATMs):

-5 pieces IBM banking machines
Type: 4783 F 04 serial numbers: 4783 4112782
4783 4112783
4783 4112784
4783 4112785
4783 4112786

-5 pieces IBM banking machines
Type: 4788 00B serial numbers: 4788 4107020
4788 4107021
4788 4107022
4788 4107023
4788 4107024

-25 pieces IBM banking machines
Type: 4789 004 serial numbers: 4789 4112253 4789 4112266
4789 4112254 4789 4112267
4789 4112255 4789 4112268
4789 4112256 4789 4112269
4789 4112257 4789 4112270
4789 4112258 4789 4112271

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4789 4112259	4789 4112272
4789 4112260	4789 4112273
4789 4112261	4789 4112274
4789 4112262	4789 4112275
4789 4112263	4789 4112276
4789 4112264	4789 4112277
4789 4112265	

2.2 Supplier of the lease object:

IBM World Trade Corp.
Old Orchard Road, Armonk,
New York 10504, USA

2.3 The lessee hereby agrees to take delivery of the lease object from the supplier described above in accordance with the conditions agreed separately by the lessee and the supplier.

2.4 The initial value:

The amount of PLN 2,333,735.36 (two million three hundred thirty three thousand seven hundred thirty five and 36/100 Polish Zlotys), which is an equivalent of DEM 1,251,668.20 (one million two hundred fifty one six hundred sixty eight and 20/100 German marks) according to exchange rate (buy) of ING Bank Warsaw of 13/06/1997.

2.5 The estimated market value:

The zloty equivalent of DEM 25,033.36 (twenty five thousand thirty three and 36/100 German mark) calculated on the date of elapse of the basic lease period, or on the date of expiration or termination of this Agreement as the case may be exclusive of VAT.

2.6 The lease object shall be initially located at:
to be specified by Lessee.

3. Basic lease period

The lease under this Agreement is entered into for a fixed period of 60 (sixty) months, commencing on the date of signing of the Record of Delivery and Acceptance (as defined in the General Conditions) by the lessee and the supplier.

4. Lessee's Payments

4.1 Subject to Clause 4.4 below, the lessee hereby agrees to make to the lessor the following payments in accordance with the relevant provisions of the General Conditions and the Master Lease Agreement:

- (a) The following monthly lease payments:
for the first 3 months DEM 0.00
for the next 9 months DEM 22,561.24,
for the next 12 months DEM 25,046.25,
for the next 36 months DEM 28,773.76

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The lease payments shall be made in arrears.

The lease payments are calculated on the basis of then DEM interbank interest rates as at March 19, 1997. Should the interbank interest rate change on a drawdown date, the lease payments will be changed accordingly.

Each of the payment is to be made in PLN being an equivalent of the relevant amount in DEM, calculated on the date of issuing of an invoice.

- 4.2 The first lease payment is due and payable within 3 (three) month commencing as of the date of signing of the Record of Delivery and Acceptance.

Each consecutive lease payment is due and payable each month on the day which corresponds in date to the day on which the Record of Delivery and Acceptance was signed.

- 4.3 The lessee shall make all payments required under this Agreement to the lessor's bank account at ING Bank N.V.. Warsaw Branch, No. 18000005-27901, or any other bank account designated by the lessor to the lessee in writing.

- 4.4 Value added tax shall be added to each of the expense payment, the initial payment and the lease payment (except for the guarantee deposit). The lessee declares that it is a registered payer of value added tax and its Tax Identification Number (NIP) is: 526-10-30-333 and that it irrevocably authorizes the lessor to issue during the entire lease period VAT invoices without the signature of an authorized representative of the lessee and, if for any reason any new authorization is required or needed in this respect, it agrees to promptly deliver such new authorization to the lessor.

5. Security

The timely and complete satisfaction of the lessee's obligations under this Agreement, the General Conditions and other Lease Documents shall be secured

(a) as stipulated in Article VII of the Master Lease Agreement and

(b) by a blanc promissory note issued by the Lessee in favor of Lessor together with a promissory note declaration in the form and substance of Appendix No. 3 to this Agreement

6. Insurance

The lessee shall insure the lease object pursuant to Clause 9.5 of the General Conditions. The equipment is insured for the benefit of the Lessor in the insurance company provided by the Lessee and approved by the Lessor

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7. Reporting obligations of the Lessee

The Lessee shall submit the financial documents to the Lessor as stipulated in the Master Lease Agreement.

8. Final provisions

8.1 The following Appendices hereto are an integral part of this Agreement:

- (a) Appendix No. 1 General Conditions of Operating Lease of ING Lease (Polska) Sp. z o.o.;
- (b) Appendix No.2 A blanc promissory note declaration issued by BANKOMAT 24 / EURONET SP. Z O.O.
- (c) Appendix No.3 Guarantee issued by EURONET SERVICES Inc., A Delaware corporation, traded on the USA Nasdaq under the symbol "EEFT" with annexed Blocked Deposit Account Agreement.

8.2 This Agreement, together with the General Conditions and the other Lease Documents, constitutes the entire agreement and understanding between the parties as to the subject matter hereof. For the avoidance of doubt, the parties hereby confirm that at the date of this Agreement they are not in agreement with each other as to the sale or other transfer of title to the lease object to the lessee during or after the lease period. To any matter not regulated by this Agreement the provisions of the General Conditions shall apply. The parties agree to the exceptions and revisions in the General Conditions:

Clause 1 -The parties agree that the term "Lease Documents" shall also include the "Master Lease Agreement"

Clauses

3.5 (a)

3.5 (b)

3.5 (d) - not applicable

Clause 6.1 - the parties agree that the ATMs will be affixed to real estate where site agreements confirm that the landowner has no title to ATM's.

Clause 6.3 - the parties agree that only the registration number to be provided to the Lessor.

Clause 8.1 - the parties agree that the leased objects will be used exclusively by the Lessee except for the use by third parties in the normal usage of the machine.

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- Clause 8.2 - the parties agreed to the Territory of Poland, as long as the Lessor is notified of exact location.
- Clause 8.3 - at the end the following phrase shall be added: "except as it relates to it intended use".
- Clauses 9.2 and 9.3 - added: "the Lessee will provide the Lessor with the name and address of a maintenance company.
- Clause 9.3, 9.4, & 9.5 - the parties agree that the Lessee has the right to choose the insurer, with the approval of the Lessor.
- Clause 9.5(d) - the parties agree that Lessee may renew it's insurance contracts on an annual basis.
- Clause 9.5 (e) - added: "the Lessor will be the sole beneficiary with respect to the lease objects in question".
- Clause 9.6 - the parties agree that since notice of cancellation from the Lessee's insurance company is required notification of every insurance payment is not required.
- Clause 9.7 - the parties agree that minor repairs of card readers will be deemed normal maintenance.
- Clause 9.9 (b) - replaced with: "the aggregate of all principal portions of the remaining part of the entire lease period and the estimated market value.
- Clause 10 - excluded.
- Clause 11 - the parties agree this clause will be in force only after 7 (seven) working days after the occurrence of any of the events referred therein.
- Clause 13.1 - added: "Unless in the reasonable opinion of the lessor an immediate inspection is necessary. Such inspection will not interfere with the normal operation of the lease object.
- Clause 14 - the parties agree that the amounts of the offered lease payments should not excess current market rates.
- Clause 16 - the parties agree that the Lessor may require additional security upon the occurrence of any of the events listed in Clause 11.1 of the General Conditions.
- Clause 16 (I) and (J) - removed.

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- 8.3 Any amendments to this Agreement shall not be valid unless made in written form.
- 8.4 This Agreement and the Appendices hereto have been executed in four originals: two in Polish and two in English, one of each language version for each party. In the event of any discrepancy between the Polish and English version, the English version shall prevail. The lessee hereby acknowledges that it has read and fully understands the English version of this Agreement and of all Appendices, including the General Conditions.

For the lessor:

/s/ Martin M. Kok

Martin M. Kok
General Manager

/s/ Krzysztof Bielecki

Krzysztof Bielecki
Sales and Marketing Director

For the lessee:

[SIGNATURE APPEARS HERE]

Dennis H. Depenbush
Managing Director

BANKOMAT 24/ EURONET

Sp.z o.o

00-697 W-wa, Al. Jerozolimskie 65/79

tel: 630-68-70, fax: 630-68-72

NIP: 526-10-30-333

[LOGO OF ING LEASE APPEARS HERE]

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ANNEX NO. 1
TO THE OPERATING LEASE AGREEMENT
NO 300034/LD/0 dated 13/06/1997

executed in Warsaw on June 16, 1997 by and between:

ING Lease (Polska) Sp. z o.o.
address: 00-688 Warsaw, ul. Emilii Plater 28, represented by:
Martin M. Kok - General Manager
Wim Steenkamer - Director Finance and Administration
hereinafter referred to as the Lessor
and
Bankomat 24/Euronet Sp. z o.o.
address: 00-697 Warsaw, Al. Jerozolimskie 65/79, represented by:
Dennis H. Depenbusch - Managing Director
hereinafter referred to as the Lessee

1. Due to the increase of the value of the lease object, the contract is changed as follows:
 - a) Starting from July 1997 monthly lease payments have been increased and there are as follows:
 - for the first 3 months DEM 0.00
 - for the next 9 months DEM 24.395,32
 - for the next 12 months DEM 27.231,98
 - for the next 36 months DEM 31.203,31(exclusive of VAT) payable on 15th day of each consecutive month (60 payments).
 - b) Estimated Market Value of lease object is changed and is: DEM 27.150,05 (say: twenty seven thousand one hundred fifty and 05/100 German Mark) - exclusive of VAT.

All above mentioned amounts payable in PLN according to the lease contract.

2. All other conditions of the Operating Lease Agreement No 300034/LD/0 have not been changed and remain in force.

For Lessor

/s/ Martin M. Kok

Martin M. Kok
General Manager

[SIGNATURE APPEARS HERE]

Wim Steenkamer
Director Finance and Administration

For Lessee

[SIGNATURE APPEARS HERE]

Dennis H. Depenbusch
Managing Director

BANKOMAT 24/EURONET Sp. z o.o.

DIREKTOR - POLSKA
Dennis Depenbusch

[LOGO OF ING LEASE APPEARS HERE]

ING LEASE POLSKA

ANEKS No. 1
do UMOWY LEASINGU OPERACYJNEGO
Nr 300034/LD/0 z dnia 13/06/1997

sporządzony w Warszawie dnia 16 czerwca 1997 przez i pomiędzy:

ING Lease (Polska) Sp. z o.o.
adres: 00-688 Warszawa, ul. Emilii Plater 28, reprezentowana przez:
Martina M. Koka - Dyrektora Generalnego
Wima Steenkamera - Dyrektora Finansowego i Administracyjnego
zwana dalej Leasingodawca.

a
Bankomat 24/Euronet Sp. z o.o.
adres: 00-697 Warszawa, Al. Jerozolimskie 65/79, reprezentowana przez:
Dennis H. Depenbusch - Dyrektor Zarządzający
zwana dalej Leasingobiorca

1. Na skutek wzrostu wartości przedmiotu leasingu, umowa zostaje zmieniona jak następuje:
 - a) Począwszy od lipca 1997 miesięczne opłaty leasingowe zostają podwyższone i są następujące:
dla pierwszych 3 miesięcy DEM 0.00;
dla następnych 9 miesięcy DEM 24.395,32;
dla następnych 12 miesięcy DEM 27.231,98;
dla następnych 36 miesięcy DEM 31.203,31
- (bez podatku VAT) płatne 15-ego dnia każdego kolejnego miesiąca (60 płatności).
- b) Szacunkowa wartość rynkowa zostaje zmieniona i wynosi DEM 27.150,05 (słownie: dwadzieścia siedem tysięcy sto pięćdziesiąt i 05/100 marek niemieckich) - netto.

Wszystkie wyżej wymienione kwoty płatne w złotych zgodnie z Umową.

2. Wszystkie pozostałe warunki Umowy Leasingu Operacyjnego nr 300034/LD/0 zostają nie zmienione i pozostają w mocy.

Za Leasingodawcę

/s/ Martin M. Kok

Martin M. Kok
Dyrektor Generalny

[SIGNATURE APPEARS HERE]

Wim Steenkamer
Dyrektor Finansowy i Administracyjny

Za Leasingobiorcę

[SIGNATURE APPEARS HERE]

Dennis H. Depenbusch
Dyrektor Zarządzający

BANKOMAT 24/EURONET Sp. z o.o.

DIREKTOR - POLSKA
Dennis Depenbusch

[LOGO OF ING LEASE APPEARS HERE]

ING LEASE POLSKA

Dated 16th of June, 1997

SALE AND OPERATING LEASEBACK AGREEMENT

No 300029/LB/0

[LOGO OF ING LEASE APPEARS HERE]

ING LEASE POLSKA

SALE AND OPERATING LEASEBACK AGREEMENT

No: 300029/LD/0

("Agreement") executed in Warsaw on June 16, 1997 by and between:

ING Lease (Polska) Spółka z ograniczoną odpowiedzialnością having its seat in Warsaw, ul. Emilii Plater 28, hereinafter referred to as the "lessor", represented by:

Martin M. Kok, General Manager; and

Wim Steenkamert, Director Finance and Administration;

and

Bankomat 24 / Euronet Spółka z ograniczoną odpowiedzialnością, having its seat in Warsaw, at Al. Jerozolimskie 65/79, hereinafter referred to as the "lessee", represented by:

Dennis H. Depenbusch, Managing Director.

WHEREAS, on June 10, 1997, the parties entered into a Master Lease Agreement

("Master Lease Agreement"):

THE PARTIES DECLARE TO HAVE AGREED AS FOLLOWS:

1. General provisions

- 1.1. Subject to the terms and conditions set forth in this Agreement, the Master Lease Agreement and other Lease Documents the lessor hereby agrees to purchase from the lessee and make available on lease to the lessee the lease object selected by the lessee and described in Clause 2 below and the lessee hereby agrees to sell to the lessor the lease object and accept from the lessor such lease object on lease.
- 1.2. The lessee hereby acknowledges that it has read and is in full agreement with all the provisions of the General Conditions of Sale and Operating Leaseback of ING Lease (Polska) Sp. z o.o. annexed to this Agreement ("General Conditions") and hereby agrees that the General Conditions apply to and form part of this Agreement as if the same were set out in extenso herein, subject to the exceptions and revisions stipulated in Clause 8.2 below. The parties agree that in the event of a conflict between the provisions of the General Conditions and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 1.3. The term "zloty equivalent" as used in this Agreement shall be construed as the zloty (PLN) equivalent of the German mark (DEM) according to the exchange rate of ING Bank N.V. Warsaw Branch for the sale of German marks. In the event that the German mark ceases to be the lawful currency (legal tender) of Germany and is replaced by the EURO, then the "zloty equivalent" shall be the zloty equivalent of the EURO (according to the above

ING LEASE POLSKA

mentioned rate of exchange) and the German mark amounts set out in this Agreement shall be converted from the German marks to the EURO according to the officially binding conversion rate; such replacement of the German mark by the EURO shall not be a reason for the early termination, annulment, renouncement or other cancellation of this Agreement or of any revision of this Agreement or any prepayment of any amount due under this Agreement unless explicitly agreed in writing by the Parties.

1.4. The lessee hereby declares that the lease object and the supplier of the lease object, described in Clause 2 below, have been selected and assessed by it and the lease object fully corresponds to its intended use at the lessee's business.

1.5 This Agreement shall come into effect subject to the collective fulfilment of all of the following conditions:

- (i) the lessee has property created the security required in Clause 5 below, and
- (ii) the sale contract of the lease object has been concluded.

This Agreement shall enter into force on the day when the last of all the conditions listed in the preceding sentence is satisfied.

2. Lease object

2.1. Description of the lease object:

Bankomats (ATMs)(see attached invoice Appendix 4)

2.2 Supplier (to the lessee) of the lease object:
IBM World Trade Corp.
Old Orchard Road, Armonak, New York 10504, USA

or
NCR Central and Eastern Europe GmbH
Ulmer Strasse 160
86156 Augsburg, Germany.

2.3 Purchase Price:
PLN 3,201,482.36 (three million two hundred one thousand four hundred eighty two and 36/100 zlotys) [the zloty equivalent of DEM 1,722,152.96 (one million seven hundred twenty two thousand one hundred fifty two and 96/100 German Mark) calculated on the date of signing of this agreement] - exclusive of VAT.

2.4 The estimated market value.

The zloty equivalent of DEM 34,443.06 (thirty four thousand four hundred forty three and 06/100 German Mark) calculated on the date of elapse of the basic lease period, or on the date of expiration or termination of this Agreement as the case may be -- exclusive of VAT

2.5. The lease object shall be used at: to be specified by the Lessee.

[LOGO OF ING LEASE APPEARS HERE]

ING LEASE POLSKA

3. Lease period

The lease under this Agreement is entered into for a fixed period of 60 (sixty) months, commencing on the date of the entering of this Agreement into force.

4. Lessee's payments

4.1 Subject to section 4.4 below, the lessee hereby agrees to make to the lessor the following payments in accordance with the relevant provisions of the General Conditions and the Master Lease Agreement:

- (a) The following monthly lease payments:
for the first 3 months DEM 0.00,
for the next 9 months DEM 31,041.70,
for the next 12 months DEM 34,460.79,
for the next 36 months DEM 39,589.42.

The lease payments shall be made in arrears.

The lease payments are calculated on the basis of than DEM interbank interest rates as at March 19, 1997. Should the interbank interest rate change on a drawdown date, the lease payments will be changed accordingly.

Each of the payments is to be made in PLN being an equivalent of the relevant amount in DEM, calculated on the date of issuing of an invoice.

4.2. The first lease payment is due and payable on 15 July 1997

Each consecutive lease payment is due and payable on the 15 day of each month.

4.3 The lessee shall make all payments required under this Agreement to the lessor's bank account at ING Bank N.V. Warsaw Branch, No. 18000005-27901, or any other bank account designated by the lessor to the lessee in writing.

4.4 Value added tax shall be added to each of the purchase price, the initial payment and the lease payment. The lessee declares that it is a registered payer of value added tax and its Tax Identification Number (NIP): 526-10-30-333 and that it irrevocably authorizes the lessor to issue during the entire lease period VAT invoices without the signature of an authorized representative of the lessee and, if for any reason any new authorization is required or needed in this respect, it agrees to promptly deliver such new authorization to the lessor.

5. Security

The timely and complete satisfaction of the lessee's obligations under this Agreement, the General Conditions and other Lease Documents shall be secured

- (a) as stipulated in Article VII of the Master Lease Agreement and

[LOGO OF ING LEASE APPEARS HERE]

ING LEASE POLSKA

- (b) by a blank promissory note issued by the Lessee in favour of Lessor together with a promissory note declaration in the form and substance of Appendix No. 3 to this Agreement.

6. Insurance

The lessee shall insure the lease object pursuant to Clause 9.5 of the General Conditions.

7. Reporting obligations of the Lessee

The Lessee shall submit the financial documents to the Lessor as stipulated in the Master Lease Agreement.

8. Final provisions

8.1 The following Appendices hereto are an integral part of this Agreement:

- (a) Appendix No. 1 General Conditions of Sale and Operating Leaseback of ING Lease (Polska) Sp. z o.o.;
- (b) Appendix No. 2 A blank promissory note declaration issued by BANKOMAT 24 / EURONET SP. Z O.O.
- (c) Appendix No. 3 Guarantee issued by EURONET SERVICES Inc., a Delaware Corporation, traded on the USA Nasdaq under symbol "EEFT" with annexed Blocked Deposit Account Agreement;
- (d) Appendix No. 4 Invoice No. 700064 - description of the Lease Object

8.2 This Agreement, together with the provisions of the General Conditions and the other Lease Documents, constitutes the entire agreement and understanding between the parties as to the subject matter thereof. For the avoidance of doubt, the parties hereby confirm that at the date of this Agreement they are not in agreement with each other as to the sale or other transfer of title to the lease object to the lessee during or after the lease period. To any matter not regulated by this Agreement the provisions of the General Conditions shall apply. The parties agree to the exceptions and revisions in the General Conditions:

Clause 1 -The parties agree that the term "Lease Documents" shall also include the Master Lease Agreement"

Clauses

- 3.5(a)
- 3.5(b)
- 3.5(c) - not applicable

Clause 6.1 - the parties agree that the ATMs will be affixed to real estate where site agreements confirm that the landowner has no title to ATM's

ING LEASE POLSKA

- Clause 6.3 - the parties agree that only the registration number to be provided to the Lessor.
- Clause 8.1 - the parties agree that the leased objects will be used exclusively by the Lessee except for the use by third parties in the normal usage of the machine.
- Clause 8.2 - the parties agreed to the Territory of Poland, as long as the Lessor is notified of exact location.
- Clause 8.3 - at the end the following phrase shall be added: "except as it relates to it intended use".
- Clauses 9.2 and 9.3 - added: "the Lessee will provide the Lessor with the name and address of a maintenance company.
- Clause 9.3, 9.4, & 9.5 - the parties agree that the Lessee has the right to choose the insurer, with the approval of the Lessor.
- Clause 9.5 (d) - the parties agree that Lessee may renew it's insurance contracts on an annual basis.
- Clause 9.5 (e) - added: "the Lessor will be the sole beneficiary with respect to the lease objects in question".
- Clause 9.6 - the parties agree that since notice of cancellation from the Lessee's insurance company is required notification of every insurance payment is not required.
- Clause 9.7 - the parties agree that minor repairs of card readers will be deemed normal maintenance.
- Clause 9.9 (b) - replaced with: "the aggregate of all principal portions of the remaining part of the entire lease period and the estimated market value.
- Clause 10 - excluded.
- Clause 11 - the parties agree this clause will be in force only after 7 (seven) working days after the occurrence of any of the events referred therein.
- Clause 13.1 - added: "Unless in the reasonable opinion of the lessor an immediate inspection is necessary. Such inspection will not interfere with the normal operation of the lease object.
- Clause 14 - the parties agree that the amounts of the offered lease payments should not excess current market rates.

[LOGO OF ING LEASE APPEARS HERE]

ING LEASE POLSKA

Clause 16 - the parties agree that the Lessor may require additional security upon the occurrence of any of the events listed in Clause 11.1 of the General Conditions.

Clause 16 (I) and (J) - removed.

8.3 Any amendments to this Agreement shall not be valid unless made in writing.

8.4 This Agreement and the Appendices hereto have been executed in four originals: two in Polish and two in English, one of each language version for each party. In the event of any discrepancy between the Polish and English version, the English version shall prevail. The lessee hereby acknowledges that it has read and fully understands the English version of this Agreement and of all Appendices, including the General Conditions.

For the Lessor:

For the lessee:

/s/ Martin M. Kok

/s/ Dennis H. Depenbush

Martin M. Kok
General Manager

Dennis H. Depenbush
Managing Director

/s/ Wim Steenkamer

Wim Steenkamer
Director Finance and Administration

[COMPANY STAMP APPEARS HERE]

[company stamp]

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ING LEASE POLSKA

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ING LEASE POLSKA

Dated 17th of June, 1997

OPERATING LEASE AGREEMENT

No 300065/LD/0

[LOGO OF ING LEASE POLSKA APPEARS HERE]

ING LEASE POLSKA

OPERATING LEASE AGREEMENT

No.: 300065/LD/0

("Agreement") executed in Warsaw on June 17, 1997 by and between:

ING Lease (Polska) Spolka z ograniczona odpowiedzialnoscia having its seat in Warsaw, ul. Emilii Plater 28, hereinafter referred to as the "lessor", represented by:

Wim Steenkamer, Director Finance and Administration; and

Krzysztof Bielecki, Sales and Marketing Director.

and

Bankomat 24 / Euronet Spolka z ograniczona odpowiedzialnoscia having its seat in Warsaw, al. Jerozolimskie 65/79, hereinafter referred to as the "lessee", represented by:

Dennis H. Depenbusch, Managing Director.

WHEREAS, on June 10, 1997, the parties entered into a Master Lease Agreement

("Master Lease Agreement")

THE PARTIES DECLARE TO HAVE AGREED AS FOLLOWS:

1. General provisions

- 1.1. Subject to the terms and conditions set forth in this Agreement, the Master Lease Agreement and other Lease Documents, the lessor hereby agrees to purchase and make available on lease to the lessee the lease object selected by the lessee and described in Clause 2 below and the lessee hereby agrees to accept from the lessor such lease object on lease.
- 1.2. The lessee hereby acknowledges that it has read and is in full agreement with all the provisions of the General Conditions of the Operating Lease of ING Lease (Polska) Sp. Z o.o. annexed to this Agreement ("General Conditions") and hereby agrees that the General Conditions apply to and form part of this Agreement as if the same were set out in extenso herein subject to the exceptions and revisions stipulated in Clause 8.2 below. The parties agree that in the event of a conflict between the provisions of the General Conditions and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 1.3. The term "zloty equivalent" as used in this Agreement shall be construed as the zloty (PLN) equivalent of the German mark (DEM) according to the exchange rate of ING Bank N.V. Warsaw Branch for the sale of German mark. In the event that the German mark ceases to be the lawful currency (legal tender) of Germany and is replaced by the EURO, then the "zloty equivalent"

[LOGO OF ING LEASE APPEARS HERE]

ING LEASE POLSKA

shall be the zloty equivalent of the EURO (according to the above mentioned rate of exchange) and the German mark amounts set out in this Agreement shall be converted from the German mark to the EURO according to the officially binding conversion rate; such replacement of the German mark by the EURO shall not be a reason for the termination, annulment, renouncement or other cancellation of this Agreement or of any revision of this Agreement or any prepayment of any amount due under this Agreement unless explicitly agreed in writing by the Parties.

- 1.4. The lessee hereby declares that the lease object and the supplier of the lease object, described in Clause 2 below, have been selected and assessed by it and the lease object fully corresponds to its intended use at the lessee's business.
- 1.5. This Agreement shall come into effect subject to the collective fulfillment of all the following conditions:
 - (i) the lessee has properly created the security required in Clause 5 below; and
 - (ii) the sale contract of the lease object has been concluded.

This Agreement shall come into effect on the day when the final of all the conditions listed in the preceding sentence is satisfied,

2. Lease object

- 2.1. Description of the lease object:
30 Bankomats (ATMs):

- 10 pieces NCR banking machines
Type: 5684-0101-7490, serial numbers: 32476805
32476823
32476824
32476825
32476828
32476850
32476873
32476874
32476875
32476876

- 10 pieces NCR banking machines
Type: 5670-0101-7490 GAA, serial numbers: 32480308
32480364
32480365
32480366
32480367
32480368
32480369
32480370

[LOGO OF ING LEASE APPEARS HERE]

ING LEASE POLSKA

32480371
32480372

-10 pieces NCR banking machines

Type: 5670-0101-7490, serial numbers:

32480408
32480447
32480448
32480449
32480450
32480451
32480452
32480453
32480454
32480455

2.2 Supplier of the lease object:
NCR Central and Eastern Europe GmbH
Ulmer Strasse 160
86156 Augsburg
Germany

2.3 The lessee hereby agrees to take delivery of the lease object from the supplier described above in accordance with the conditions agreed separately by the lessee and the supplier.

2.4 The initial value:
The amount of PLN 1,887,806.82 (one million eight hundred eighty seven thousand eight hundred and six and 82/100 Polish Zlotys), which is an equivalent of DEM 1,015,495.87 (one million fifteen thousand four hundred ninety five and 87/100 German marks) according to exchange rate (buy) of ING Bank Warsaw of 16/06/1997.

2.5 The estimated market value:
The zloty equivalent of DEM 20,309.92 (twenty thousand three hundred nine and 92/100 German mark) calculated on the date of elapse of the basic lease period, or on the date of expiration or termination of this Agreement as the case may be exclusive of VAT.

2.6 The lease object shall be initially located at:
to be specified by Lessee.

3. Basic lease period

The lease under this Agreement is entered into for a fixed period of 60 (sixty) months, commencing on the date of signing of the Record of Delivery and Acceptance (as defined in the General Conditions) by the lessee and the supplier.

[LOGO OF ING LEASE APPEARS HERE]

ING LEASE POLSKA

4. Lessee's Payments

4.1 Subject to Clause 4.4 below, the lessee hereby agrees to make to the lessor the following payments in accordance with the relevant provisions of the General Conditions and the Master Lease Agreement:

- (a) The following monthly lease payments:
 - for the first 3 months DEM 0.00
 - for the next 9 months DEM 18,304.25
 - for the next 12 months DEM 20,320.37
 - for the next 36 months DEM 23,344.55

The lease payments shall be made in arrears.

The lease payments are calculated on the basis of then DEM interbank interest rates as at March 19, 1997. Should the interbank interest rate change on a drawdown date, the lease payments will be changed accordingly.

Each of the payment is to be made in PLN being an equivalent of the relevant amount in DEM, calculated on the date of issuing of an invoice.

4.2 The first lease payment is due and payable within 3 (three) month commencing as of the date of signing of the Record of Delivery and Acceptance.

Each consecutive lease payment is due and payable each month on the day which corresponds in date to the day on which the Record of Delivery and Acceptance was signed.

4.3 The lessee shall make all payments required under this Agreement to the lessor's bank account at ING Bank N.V. Warsaw Branch, No. 18000005-27901, or any other bank account designated by the lessor to the lessee in writing.

4.4 Value added tax shall be added to each of the expense payment, the initial payment and the lease payment (except for the guarantee deposit). The lessee declares that it is a registered payer of value added tax and its Tax Identification Number (NIP) is: 526-10-30-333 and that it irrevocably authorizes the lessor to issue during the entire lease period VAT invoices without the signature of an authorized representative of the lessee and, if for any reason any new authorization is required or needed in this respect, it agrees to promptly deliver such new authorization to the lessor.

5. Security

The timely and complete satisfaction of the lessee's obligations under this Agreement, the General Conditions and other Lease Documents shall be secured

(a) as stipulated in Article VII of the Master Lease Agreement and

[LOGO OF ING LEASE APPEARS HERE]

ING LEASE POLSKA

(b) by a blanc promissory note issued by the Lessee in favor of Lessor together with a promissory note declaration in the form and substance of Appendix No. 3 to this Agreement

6. Insurance

The lessee shall insure the lease object pursuant to Clause 9.5 of the General Conditions. The equipment is insured for the benefit of the Lessor in the insurance company provided by the Lessee and approved by the Lessor

7. Reporting obligations of the Lessee

The Lessee shall submit the financial documents to the Lessor as stipulated in the Master Lease Agreement.

8. Final provisions

8.1 The following Appendices hereto are an integral part of this Agreement:

- (a) Appendix No. 1 General Conditions of Operating Lease of ING Lease (Polska) Sp. z o.o.;
- (b) Appendix No.2 A blanc promissory note declaration issued by BANKOMAT 24/EURONET SP. Z 0.0.
- (c) Appendix No.3 Guarantee issued by EURONET SERVICES Inc., A Delaware corporation, traded on the USA Nasdaq under the symbol "EEFT" with annexed Blocked Deposit Account Agreement.

8.2 This Agreement, together with the General Conditions and the other Lease Documents, constitutes the entire agreement and understanding between the parties as to the subject matter hereof. For the avoidance of doubt, the parties hereby confirm that at the date of this Agreement they are not in agreement with each other as to the sale or other transfer of title to the lease object to the lessee during or after the lease period. To any matter not regulated by this Agreement the provisions of the General Conditions shall apply. The parties agree to the exceptions and revisions in the General Conditions:

Clause 1 -The parties agree that the term "Lease Documents" shall also include the Master Lease Agreement"

Clauses
3.5(a)
3.5(b)
3.5(d) - not applicable

[LOGO OF ING LEASE APPEARS HERE]

ING LEASE POLSKA

- Clause 6.1 -the parties agree that the ATMs will be affixed to real estate where site agreements confirm that the landowner has no title to ATM's.
- Clause 6.3 -the parties agree that only the registration number to be provided to the Lessor.
- Clause 8.1 -the parties agree that the leased objects will be used exclusively by the Lessee except for the use by third parties in the normal usage of the machine.
- Clause 8.2 -the parties agreed to the Territory of Poland, as long as the Lessor is notified of exact location.
- Clause 8.3 -at the end the following phrase shall be added: "except as it relates to its intended use".
- Clauses 9.2 and 9.3 -added: "the Lessee will provide the Lessor with the name and address of a maintenance company.
- Clause 9.3, 9.4, & 9.5 - the parties agree that the Lessee has the right to choose the insurer, with the approval of the Lessor.
- Clause 9.5(d) -the parties agree that Lessee may renew its insurance contracts on an annual basis.
- Clause 9.5 (e) -added: "the Lessor will be the sole beneficiary with respect to the lease objects in question".
- Clause 9.6 -the parties agree that since notice of cancellation from the Lessee's insurance company is required notification of every insurance payment is not required.
- Clause 9.7 -the parties agree that minor repairs of card readers will be deemed normal maintenance.
- Clause 9.9 (b) -replaced with: "the aggregate of all principal portions of the remaining part of the entire lease period and the estimated market value.
- Clause 10 -excluded.
- Clause 11 -the parties agree this clause will be in force only after 7 (seven) working days after the occurrence of any of the events referred therein.
- Clause 13.1 -added: "Unless in the reasonable opinion of the lessor an immediate inspection is necessary. Such inspection will not interfere with the normal operation of the lease object.

[LOGO OF ING LEASE APPEARS HERE]

ING LEASE POLSKA

- Clause 14 -the parties agree that the amounts of the offered lease payments should not excess current market rates.
- Clause 16 -the parties agree that the Lessor may require additional security upon the accurence of any of the events listed in Clause 11.1 of the General Conditions.
- Clause 16 (I) and (J) -removed.

8.3 Any amendments to this Agreement shall not be valid unless made in written form.

8.4 This Agreement and the Appendices hereto have been executed in four originals: two in Polish and two in English, one of each language version for each party. In the event of any discrepancy between the Polish and English version, the English version shall prevail. The lessee hereby acknowledges that it has read and fully understands the English version of this Agreement and of all Appendices, including the General Conditions.

For the lessor:

For the lessee:

/s/ Wim Steenkamer

Wim Steenkamer
Director Finance
and Administration

/s/ Dennis H. Depenbush

Dennis H. Depenbush
Managing Director

/s/ Krzysztof Bielecki

Krzysztof Bielecki
Sales and Marketing Director

[COMPANY STAMP
APPEARS HERE]

[company stamp]

[LOGO OF ING LEASE APPEARS HERE]

ING LEASE POLSKA

OPERATING LEASE AGREEMENT

No.: 300079/LD/0

("Agreement") executed in Warsaw on July 28, 1997 by and between:

ING Lease (Polska) Spolka z ograniczona odpowiedzialnoscia having its seat in Warsaw, ul. Emilii Plater 28, hereinafter referred to as the "lessor", represented by:

Martin M. Kok, General Manager; and

Del R. Chandler, Sales and Marketing Director.

and

Bankomat 24 / Euronet Spolka z ograniczona odpowiedzialnoscia having its seat in Warsaw, al. Jerzolimskie 65/79, hereinafter referred to as the "lessee", represented by:

Dennis H. Depenbusch, Managing Director.

WHEREAS, on June 10, 1997, the parties entered into a Master Lease Agreement

("Master Lease Agreement")

THE PARTIES DECLARE TO HAVE AGREED AS FOLLOWS:

1. General provisions

- 1.1. Subject to the terms and conditions set forth in this Agreement, the Master Lease Agreement and other Lease Documents, the lessor hereby agrees to purchase and make available on lease to the lessee the lease object selected by the lessee and described in Clause 2 below and the lessee hereby agrees to accept from the lessor such lease object on lease.
- 1.2 The lessee hereby acknowledges that it has read and is in full agreement with all the provisions of the General Conditions of the Operating Lease of ING Lease (Polska) Sp. z o.o. annexed to this Agreement ("General Conditions") and hereby agrees that the General Conditions apply to and form part of this Agreement as if the same were set out in extenso herein subject to the exceptions and revisions stipulated in Clause 8.2 below. The parties agree that in the event of a conflict between the provisions of the General Conditions and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 1.3 The term "zloty equivalent" as used in this Agreement shall be construed as the zloty (PLN) equivalent of the German mark (DEM) according to the exchange rate of ING Bank N.V. Warsaw Branch for the sale of German mark. In the event that the German mark ceases to be the lawful currency (legal tender) of Germany and is replaced by the EURO, then the "zloty equivalent" shall be the zloty equivalent of the EURO (according to the above mentioned rate of exchange) and the German mark amounts set out in this Agreement shall be converted from the German mark to the EURO according to the

ING LEASE POLSKA

officially binding conversion rate; such replacement of the German mark by the EURO shall not be a reason for the termination, annulment, renouncement or other cancellation of this Agreement or of any revision of this Agreement or any prepayment of any amount due under this Agreement unless explicitly agreed in writing by the Parties.

1.4. The lessee hereby declares that the lease object and the supplier of the lease object, described in Clause 2 below, have been selected and assessed by it and the lease object fully corresponds to its intended use at the lessee's business.

1.5 This Agreement shall come into effect subject to the collective fulfillment of all the following conditions:

(ii) the lessee has properly created the security required in Clause 5 below; and

(ii) the sale contract of the lease object has been concluded.

This Agreement shall come into effect on the day when the final of all the conditions listed in the preceding sentence is satisfied.

2. Lease object

2.1. Description of the lease object:

10 Bankomats (ATMs):
- 10 pieces of NCR bankomats
Type: 5684-0101-7490 serial number: 32483122-131

2.2 Supplier of the lease object:

NCR
Ulmerstrasse 160
D-86155 Augsburg
Germany

2.3 The lessee hereby agrees to take delivery of the lease object from the supplier described above in accordance with the conditions agreed separately by the lessee and the supplier.

2.4 The initial value:

The amount of PLN 731,703.96 (seven hundred thirty one thousand seven hundred three 96/100 Polish Zlotys), which is an equivalent of DEM 387.472.97 (three hundred eighty seven thousand four hundred seventy two German marks 97/100) according to exchange rate (buy) of I ING Bank Warsaw of 28/07/1997.

2.5 The estimated market value:

The zloty equivalent of DEM 7,749.46 (seven thousand seven hundred forty nine German mark 46/100) calculated on the date of elapse of the basic lease

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ING LEASE POLSKA

period, or on the date of expiration or termination of this Agreement as the case may be exclusive of VAT.

2.6 The lease object shall be initially located at:
to be specified by Lessee.

3. Basic lease period

The lease under this Agreement is entered into for a fixed period of 60 (sixty) months, commencing on the date of signing of the Record of Delivery and Acceptance (as defined in the General Conditions) by the lessee and the supplier.

4. Lessee's Payments

4.1 Subject to Clause 4.4 below, the lessee hereby agrees to make to the lessor the following payments in accordance with the relevant provisions of the General Conditions and the Master Lease Agreement:

(a) The following monthly lease payments:
for the first 3 months DEM 0.00
for the next 9 months DEM 7,020.24
for the next 12 months DEM 7,836.55
for the next 36 months DEM 8,979.38

The lease payments shall be made in arrears.

The lease payments are calculated on the basis of then DEM interbank interest rates as at March 19, 1997. Should the interbank interest rate change on a drawdown date, the lease payments will be changed accordingly.

Each of the payment is to be made in PLN being an equivalent of the relevant amount in DEM, calculated on the date of issuing of an invoice.

4.2 The first lease payment is due and payable within 3 (three) month commencing as of the date of signing of the Record of Delivery and Acceptance.

Each consecutive lease payment is due and payable each month on the day which corresponds in date to the day on which the Record of Delivery and Acceptance was signed.

4.3 The lessee shall make all payments required under this Agreement to the lessor's bank account at ING Bank N.V. Warsaw Branch, No. 18000005-27901, or any other bank account designated by the lessor to the lessee in writing.

4.4 Value added tax shall be added to each of the expense payment, the initial payment and the lease payment (except for the guarantee deposit). The lessee declares that it is a registered payer of value added tax and its Tax Identification Number (NIP) is: 526-10-30-333 and that it irrevocably authorizes the lessor to issue during the entire lease period VAT invoices without the signature of an authorized representative of the lessee and, if for any reason

ING LEASE POLSKA

any new authorization is required or needed in this respect, it agrees to promptly deliver such new authorization to the lessor.

5. Security

The timely and complete satisfaction of the lessee's obligations under this Agreement, the General Conditions and other Lease Documents shall be secured

- (a) as stipulated in Article VII of the Master Lease Agreement and
- (b) by a blanc promissory note issued by the Lessee in favor of Lessor together with a promissory note declaration in the form and substance of Appendix No. 3 to this Agreement.

6. Insurance

The lessee shall insure the lease object pursuant to Clause 9.5 of the General Conditions. The equipment is insured for the benefit of the Lessor in the insurance company provided by the Lessee and approved by the Lessor.

7. Reporting obligations of the Lessee

The Lessee shall submit the financial documents to the Lessor as stipulated in the Master Lease Agreement.

8. Final provisions

8.1 The following Appendices hereto are an integral part of this Agreement:

- (a) Appendix No. 1 General Conditions of Operating Lease of ING Lease (Polska) Sp. z o.o.;
- (b) Appendix No. 2 A blanc promissory note declaration issued by BANKOMAT 24/EURONET SP. Z O.O.
- (c) Appendix No. 3 Guarantee issued by EURONET SERVICES Inc., A Delaware corporation, traded on the USA Nasdaq under the symbol "EEFT" with annexed Blocked Deposit Account Agreement.

8.2 This Agreement, together with the General Conditions and the other Lease Documents, constitutes the entire agreement and understanding between the parties as to the subject matter hereof. For the avoidance of doubt, the parties hereby confirm that at the date of this Agreement they are not in agreement with each other as to the sale or other transfer of title to the lease object to the lessee during or after the lease period. To any matter not regulated by this Agreement the provisions of the General Conditions shall apply. The parties agree to the exceptions and revisions in the General Conditions:

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ING LEASE POLSKA

- Clause I - The parties agree that the term "Lease Documents" shall also include the Master Lease Agreement"
- Clauses
3.5(a)
3.5(b)
3.5(d) - not applicable
- Clause 6.1 - the parties agree that the ATMs will be affixed to real estate where site agreements confirm that the landowner has no title to ATM's.
- Clause 6.3 - the parties agree that only the registration number to be provided to the Lessor.
- Clause 8.1 - the parties agree that the leased objects will be used exclusively by the Lessee except for the use by third parties in the normal usage of the machine.
in
- Clause 8.2 - the parties agreed to the Territory of Poland, as long as the Lessor is notified of exact location.
- Clause 8.3 - at the end the following phrase shall be added: "except as it relates to it intended use".
- Clauses 9.2 and 9.3 - added: "the Lessee will provide the Lessor with the name and address of a maintenance company.
- Clause 9.3, 9.4, & 9.5 - the parties agree that the Lessee has the right to choose the insurer, with the approval of the Lessor.
- Clause 9.5 (d) - the parties agree that Lessee may renew it's insurance contracts on an annual basis.
- Clause 9.5 (e) - added: "the Lessor will be the sole beneficiary with respect to the lease objects in question".
- Clause 9.6 - the parties agree that since notice of cancellation from the Lessee's insurance company is required notification of every insurance payment is not required.
- Clause 9.7 - the parties agree that minor repairs of card readers will be deemed normal maintenance.
- Clause 9.9 (b) - replaced with: "the aggregate of all principal portions of the remaining part of the entire lease period and the estimated market value.
- Clause 10 - excluded.

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ING LEASE POLSKA

- Clause 11 - the parties agree this clause will be in force only after 7 (seven) working days after the occurrence of any of the events referred therein,
- Clause 13.1 - added: "Unless in the reasonable opinion of the lessor an immediate inspection is necessary. Such inspection will not interfere with the normal operation of the lease object.
- Clause 14 - the parties agree that the amounts of the offered lease payments should not exceed current market rates.
- Clause 16 - the parties agree that the Lessor may require additional security upon the occurrence of any of the events listed in Clause 11.1 of the General Conditions,
- Clause 16 (I) and (J) - removed.

- 8.3 Any amendments to this Agreement shall not be valid unless made in written form.
- 8.4 This Agreement and the Appendices hereto have been executed in four originals: two in Polish and two in English, one of each language version for each party. In the event of any discrepancy between the Polish and English version, the English version shall prevail. The lessee hereby acknowledges that it has read and fully understands the English version of this Agreement and of all Appendices, including the General Conditions.

For the lessor:

/s/ Martin M. Kok

Martin M. Kok
General Manager

For the lessee:

Dennis H. Depenbush
Managing Director

/s/ Del R. Chandler

Del R. Chandler
Sales and Marketing Director

[company stamp]

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ING LEASE POLSKA

OPERATING LEASE AGREEMENT

No.: 300092/LD/0

("Agreement") executed in Warsaw on September 17, 1997 by and between:

ING Lease (Polska) Spolka z ograniczona odpowiedzialnoscia having its seat in Warsaw, ul. Emilii Plater 28, hereinafter referred to as the "lessor", represented by:

Martin M. Kok, General Manager; and

Del R. Chandler, Sales Director Corporate Market;

and

Bankomat 24 / Euronet Spolka z ograniczona odpowiedzialnoscia having its seat in Warsaw, al. Jerzolimskie 65/79, hereinafter referred to as the "lessee", represented by:

Dennis H. Depenbusch, Managing Director.

WHEREAS, on June 10, 1997, the parties entered into a Master Lease Agreement

("Master Lease Agreement")

THE PARTIES DECLARE TO HAVE AGREED AS FOLLOWS:

1. General provisions

- 1.1. Subject to the terms and conditions set forth in this Agreement, the Master Lease Agreement and other Lease Documents, the lessor hereby agrees to purchase and make available on lease to the lessee the lease object selected by the lessee and described in Clause 2 below and the lessee hereby agrees to accept from the lessor such lease object on lease.
- 1.2 The lessee hereby acknowledges that it has read and is in full agreement with all the provisions of the General Conditions of the Operating Lease of ING Lease (Polska) Sp. z o.o. annexed to this Agreement ("General Conditions") and hereby agrees that the General Conditions apply to and form part of this Agreement as if the same were set out in extenso herein subject to the exceptions and revisions stipulated in Clause 8.2 below. The parties agree that in the event of a conflict between the provisions of the General Conditions and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 1.3 The term "zloty equivalent" as used in this Agreement shall be construed as the zloty (PLN) equivalent of the German mark (DEM) according to the exchange rate of ING Bank N.V. Warsaw Branch for the sale of German mark. In the event that the German mark ceases to be the lawful currency (legal

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ING LEASE POLSKA

tender) of Germany and is replaced by the EURO, then the "zloty equivalent" shall be the zloty equivalent of the EURO (according to the above mentioned rate of exchange) and the German mark amounts set out in this Agreement shall be converted from the German mark to the EURO according to officially binding conversion rate; such replacement of the German mark by the EURO shall not be a reason for the termination, annulment, renouncement or other cancellation of this Agreement or of any revision of this Agreement any prepayment of any amount due under this Agreement unless explicitly agreed in writing by the Parties.

1.4. The lessee hereby declares that the lease object and the supplier of the lease object, described in Clause 2 below, have been selected and assessed by it and the lease object fully corresponds to its intended use at the lessee's business.

1.5 This Agreement shall come into effect subject to the collective fulfillment of the following conditions:

(i) the lessee has properly created the security required in Clause 5 below; and

(ii) the sale contract of the lease object has been concluded.

This Agreement shall come into effect on the day when the final of all the conditions listed in the preceding sentence is satisfied,

2. Lease object

2.1. Description of the lease object:

15 Bankomats (ATMs):

Type: 4789/004, serial number: 71-11937
71-11938
71-11940
71-11941
71-11942
71-11943
71-11944
71-11945
71-11946
71-11947
71-11948
71-11949
71-11951
71-11955
71-11956

2.2 Supplier of the lease object:

IBM World Trade Corp.
Old Orchard Road, Armonk,
New York 10504, USA

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ING LEASE POLSKA

2.3 The lessee hereby agrees to take delivery of the lease object from the supplier described above in accordance with the conditions agreed separately by the lessee and the supplier.

2.4 The initial value:
The amount of PLN 1,178,997.20 (one million one hundred seventy eight thousand nine hundred ninety seven 20/100 Polish Zlotys), which is an equivalent of DEM 610,404.97 (six hundred ten thousand four hundred four and 97/100 German marks) according to exchange rate (buy) of I ING Bank Warsaw of 17/09/1997.

2.5 The estimated market value:
The zloty equivalent of DEM 12,208.10 (twelve thousand two hundred eight and 92/100 German mark) calculated on the date of elapse of the basic lease period, or on the date of expiration or termination of this Agreement as the case may be exclusive of VAT.

2.6 The lease object shall be initially located at:
to be specified by Lessee.

3. Basic lease period

The lease under this Agreement is entered into for a fixed period of 60 (sixty) months, commencing on the date of signing of the Record of Delivery and Acceptance (as defined in the General Conditions) by the lessee and the supplier.

4. Lessee's Payments

4.1 Subject to Clause 4.4 below, the lessee hereby agrees to make to the lessor the following payments in accordance with the relevant provisions of the General Conditions and the Master Lease Agreement:

- (a) The following monthly lease payments:
for the first 3 months DEM 0.00
for the next 9 months DEM 10,969.43
for the next 12 months DEM 12,244.94
for the next 36 months DEM 14,030.66

The lease payments shall be made in arrears.

The lease payments are calculated on the basis of the DEM interbank interest rates as at March 19, 1997. Should the interbank interest rate change on a drawdown date, the lease payments will be changed accordingly.

Each of the payment is to be made in PLN being an equivalent of the relevant amount in DEM, calculated on the date of issuing of an invoice.

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4.2 The first lease payment is due and payable within 3 (three) month commencing as of the date of signing of the Record of Delivery and Acceptance.

Each consecutive lease payment is due and payable each month on the day which corresponds in date to the day on which the Record of Delivery and Acceptance was signed.

4.3 The lessee shall make all payments required under this Agreement to the lessor's bank account at ING Bank N.V. Warsaw Branch, No. 18000005-27901, or any other bank account designated by the lessor to the lessee in writing.

4.4 Value added tax shall be added to each of the expense payment, the initial payment and the lease payment (except for the guarantee deposit). The lessee declares that it is a registered payer of value added tax and its Tax Identification Number (NIP) is: 526-10-30-333 and that it irrevocably authorizes the lessor to issue during the entire lease period VAT invoices without the signature of an authorized representative of the lessee and, if for any reason any new authorization is required or needed in this respect, it agrees to promptly deliver such new authorization to the lessor.

5. Security

The timely and complete satisfaction of the lessee's obligations under this Agreement, the General Conditions and other Lease Documents shall be secured

(a) as stipulated in Article VII of the Master Lease Agreement and

(b) by a blanc promissory note issued by the Lessee in favor of Lessor together with a promissory note declaration in the form and substance of Appendix No. 3 to this Agreement.

6. Insurance

The lessee shall insure the lease object pursuant to Clause 9.5 of the General Conditions. The equipment is insured for the benefit of the Lessor in the insurance company provided by the Lessee and approved by the Lessor.

7. Reporting obligations of the Lessee

The Lessee shall submit the financial documents to the Lessor as stipulated in the Master Lease Agreement.

[LOGO OF ING LEASE POLSKA APPEARS HERE]

ING LEASE POLSKA

8. Final provisions

8.1 The following Appendices hereto are an integral part of this Agreement:

- (a) Appendix No. 1 General Conditions of Operating Lease of ING Lease (Polska) Sp. z o.o.;
- (b) Appendix No.2 A blanc promissory note declaration issued by BANKOMAT 24/ EURONET SP. Z O.O.
- (c) Appendix No.3 Guarantee issued by EURONET SERVICES Inc., A Delaware corporation, traded on the USA Nasdaq under the symbol "EEFT" with annexed Blocked Deposit Account Agreement.

8.2 This Agreement, together with the General Conditions and the other Lease Documents, constitutes the entire agreement and understanding between the parties as to the subject matter hereof. For the avoidance of doubt, the parties hereby confirm that at the date of this Agreement they are not in agreement with each other as to the sale or other transfer of title to the lease object to the lessee during or after the lease period. To any matter not regulated by this Agreement the provisions of the General Conditions shall apply. The parties agree to the exceptions and revisions in the General Conditions:

- Clause 1 -The parties agree that the term "Lease Documents" shall also include the Master Lease Agreement"

- Clauses
3.5(a)
3.5(b)
3.5(d) - not applicable

- Clause 6.1 - the parties agree that the ATMs will be affixed to real estate where site agreements confirm that the landowner has no title to ATM's.

- Clause 6.3 - the parties agree that only the registration number to be provided to the Lessor.

- Clause 8.1 - the parties agree that the leased objects will be used exclusively by the Lessee except for the use by third parties in the normal usage of the machine.

- Clause 8.2 - the parties agreed to the Territory of Poland, as long as the Lessor is notified of exact location.

- Clause 8.3 - at the end the following phrase shall be added: "except as it relates to it intended use".

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ING LEASE POLSKA

- Clauses 9.2 and 9.3 - added: "the Lessee will provide the Lessor with the name and address of a maintenance company.
- Clause 9.3, 9.4, & 9.5 - the parties agree that the Lessee has the right to choose the insurer, with the approval of the Lessor.
- Clause 9.5(d) - the parties agree that Lessee may renew it's insurance contracts on an annual basis.
- Clause 9.5 (e) - added: "the Lessor will be the sole beneficiary with respect to the lease objects in question".
- Clause 9.6 - the parties agree that since notice of cancellation from the Lessee's insurance company is required notification of every insurance payment is not required.
- Clause 9.7 - the parties agree that minor repairs of card readers will be deemed normal maintenance.
- Clause 9.9 (b) - replaced with: "the aggregate of all principal portions of the remaining part of the entire lease period and the estimated market value.
- Clause 10 - excluded.
- Clause 11 - the parties agree this clause will be in force only after 7 (seven) working days after the occurrence of any of the events referred therein.
- Clause 13.1 - added: "Unless in the reasonable opinion of the lessor an immediate inspection is necessary. Such inspection will not interfere with the normal operation of the lease object.
- Clause 14 - the parties agree that the amounts of the offered lease payments should not excess current market rates.
- Clause 16 - the parties agree that the Lessor may require additional security upon the occurrence of any of the events listed in Clause 11.1 of the General Conditions.
- Clause 16 (I) and (J) - removed.

8.3 Any amendments to this Agreement shall not be valid unless made in written form.

[LOGO OF ING LEASE POLSKA APPEARS HERE]

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8.4 This Agreement and the Appendices hereto have been executed in four originals: two in Polish and two in English, one of each language version for each party. In the event of any discrepancy between the Polish and English version, the English version shall prevail. The lessee hereby acknowledges that it has read and fully understands the English version of this Agreement and of all Appendices, including the General Conditions.

For the lessor:

/s/ Martin M. Kok

Martin M. Kok
General Manager

/s/ Del R. Chandler

Del R. Chandler
Sales Director Corporate Market

For the lessee:

/s/ Dennis H. Depenbusch

Dennis H. Depenbusch
Managing Director

[company stamp]

BANKOMAT 24/ EURONET
Sp.z o.o
00-697 W-wa, Al. Jerozolimskie 65/79
tel: 630-68-70, fax: 630-68-72
NIP: 526-10-30-333

MASTER RENTAL AGREEMENT

This Master Rental Agreement ("Rental Agreement") is made this 10th day of March, 1995 by and between HFT Corporation, a Delaware corporation whose registered office is at 645 Fifth Avenue, New York, New York ("HFT") and Bank Access 24 Kft., a Hungarian company with its principal place of business at 10 Zsigmond Ter, Budapest, Hungary ("Bank 24").

RECITALS

Bank 24 wishes to rent from HFT certain ATM machines which will be purchased from IBM World Trade Europe/Middle East/ Africa Corporation ("IBM") under a Solution Delivery Agreement dated December 16, 1994 (the "IBM Purchase Agreement"). ATM's which, become the subject of this Agreement as provided herein will sometimes be referred to as "Equipment".

Now therefore, in consideration of the mutual promises herein contained, HIT and Bank 24 agree as follows:

1. REPRESENTATIONS AND WARRANTIES

1.1 Bank 24 represents and warrants that:

- (a) Bank 24 is a Hungarian "korlatolt felelossegu tarsasag" organized and existing in accordance with the laws of Hungary and has the corporate power and authority to execute, deliver and perform its obligations under this Rental Agreement.
- (b) the registered capital of Bank 24 is HUF 265,000,000;
- (c) all authorizations of the quotaholders or any other corporate organ of Bank 24 required for Bank 24 to enter into or perform the obligations of this Rental Agreement, have been obtained;
- (d) this Rental Agreement has been duly entered into and delivered by Bank 24 and constitutes the valid, legal and binding obligation of Bank 24, enforceable in accordance with its terms;
- (e) subject to fulfillment of the condition set forth in Section 6.1 below. Bank 24 holds all licenses or permits required from any governmental authorities for the execution and performance by it of its obligations under this Agreement.

1.2 HFT represents and warrants that:

- (a) all authorizations of the shareholders, Board of Directors or any other corporate

organ of HFT required for HFT to enter into or perform the obligations of this Rental Agreement, have been obtained;

- (b) HFT has available to it or has reserved for the performance of this Rental Agreement sufficient funds to meet its obligation to purchase the Equipment hereunder;
- (c) this Rental Agreement has been duly entered into and delivered by HFT and constitutes the valid legal and binding obligations of HFT;
- (d) subject to fulfillment of the condition set forth in Section 6.1 below; HFT holds all licenses or permits required from any governmental authorities for the execution and performance by it of its obligations under this Agreement.

2. COMMITMENT OF HFT

2.1 Subject to the terms and conditions of this Rental Agreement:

- (a) During the term of and for the sole purpose of implementing this Rental Agreement, Bank 24 shall assign to HFT its right to purchase ATMs under the IBM Purchase Agreement and the warranties attached to such ATM's in accordance with the terms of Exhibit A hereto (the "Assignment"). It is understood that the sole obligation of HFT under the IBM Purchase Agreement shall be to pay the purchase price of up to 400 ATM's, with a per unit price of DEM 42,675 during the term of the IBM Purchase Agreement and a total price of DEM 17,070,000 ordered as provided herein and delivered by IBM. All other obligations under the IBM Purchase Agreement shall be assumed by Bank 24.
- (b) From and after the date of execution of this Rental Agreement and until June 30, 1998, upon the request of Bank 24, HFT commits to purchase up to 400 ATMs under the IBM Purchase Agreement and rent them to Bank 24 in accordance with the terms of this Rental Agreement, provided that the total principal amount invested by HFT in the purchase of such ATMs shall at no time exceed 14,509,000 DEM (the "Total Principal Amount"). This Rental Agreement shall apply with respect to all ATMs which are so purchased.

3. ORDER AND PURCHASE OF EQUIPMENT SUBJECT TO THIS AGREEMENT

3.1 The Equipment will be purchased by HFT and rented to Bank 24 in groups of at least 10 ATMs (each, an "ATM Group"). As necessary, Bank 24 will give notice

to IBM of an HFT order for and shall notify HFT of such order in the form attached as Exhibit B (the "Order Notice"). Within five business days of its receipt of an Order Notice, HFT will verify that the condition precedent set forth in Section 6.3 is met and will confirm acceptance of such order with IBM, with a copy to Bank 24 in the form attached as Exhibit C (each, an "Order Confirmation"). Delivery by HFT to Bank 24 of an Order Confirmation shall constitute an acknowledgement that the condition set forth in Section 6.3 is met and that HFT shall purchase the Equipment so ordered. After receipt of an Order Confirmation, Bank 24 shall make payment to HFT of an amount equal to 15% of the aggregate purchase price of such order (the "Advance Rental Payment"). HFT will then make payment to IBM of the purchase price of such ATM Group within three Working Days of receipt of the Advance Rental Payment and will take title to the ATMs at the time of their delivery to Bank 24 on behalf of HFT under the IBM Purchase Agreement. Any payment made by HFT prior to receipt by HFT of an Acceptance Certificate as referred to in Section 3.3 shall be considered provisional and subject to reimbursement by IBM or Bank 24, jointly and severally, if HFT does not receive an Acceptance Certificate from Bank 24 with respect to any Equipment paid for within 30 Working Days of the date of payment by HFT of an ATM.

3.2 Upon each purchase of an ATM Group, HFT and Bank 24 will confirm the fact that the ATMs in an ATM Group are subject to this Rental Agreement in a notice in the form attached as Exhibit D (each, a "Rental Notice").

3.3 Bank 24 shall be responsible for securing the importation of the Equipment into Hungary in HFT's name as well as the delivery and installation of the Equipment at the ATM sites that are part of the Bank 24 network (the "Equipment Locations"). Upon completion of assembly and certification from IBM or its subcontractor that acceptance tests have been completed, Bank 24 shall deliver to HFT an acceptance certificate in the form attached as Exhibit E ("Acceptance Certificate"). Bank 24 shall pay on behalf of HFT any and all costs and expenses arising in connection with such importation, installation, delivery and acceptance, including any customs duties or other taxes.

4. TERMS OF RENTAL OF ATMs/RENTAL FEE

4.1 Each Rental Notice shall include the specific terms of the rental of the ATM Group covered, and shall provide the following:

- a) The term of the rental to Bank 24 of the ATMs in each ATM Group (the "Rental Term") shall commence on the date on which Bank 24 takes delivery of the Equipment on behalf of HFT (the "Delivery Date") and shall, unless sooner terminated by agreement of the parties, end on January 31, 2001 (the "Termination Date"). Unless otherwise agreed by the parties,

within 30 days after the Termination Date with respect to each ATM Group, Bank 24 shall, upon request of HFT and at Bank 24's sole cost and expense, remove the ATMs in such ATM Group from the Equipment Location and make the same available to HFT at any location chosen by HFT.

- b) For purposes of this Agreement, the term "Principal Rental Amount" shall mean the amount of the purchase price for each ATM Group that was paid by HFT (that is, the total purchase price less (i) the Advance Rental Payment attributable to such ATM Group), and (ii) any installment payments of Principal Rental Amount previously made by Bank 24 under Section 4.1(c) and (d) below with respect to such ATM Group prior to any determination date.
- c) Commencing after the date of the first Rental Notice and until June 30, 1998, Bank 24 shall pay HFT on each June 30 and December 31 (or, if such date falls on a Saturday or Sunday, the next succeeding Working Day)(each, a "Payment Date") a rental fee for each ATM Group purchased by HFT hereunder (the "Rental Fee") equal to 10% of the Principal Rental Amount, plus an interest factor (the "Interest Factor") equal to 11% per annum of the Principal Rental Amount with respect to such ATM Group, payable in arrears for the period of time elapsed since the date of payment by HFT of the purchase price for such ATM Group or the last Payment Date, as the case may be, and up to and including the current Payment Date, calculated on a 360 day per year basis.
- d) As of June 30, 1998 all Principal Rental Amounts shall be aggregated and from and after such date, Bank 24 shall pay HFT the Principal Rental Amount so aggregated in six equal semi-annual installments of principal and interest at a rate of 11% per annum, payable in arrears on each Payment Date from June 30, 1998 to December 31, 2000. Notwithstanding the aggregation of amounts provided in this paragraph (d), at all times during the term of this Agreement, each payment of a Principal Rental Amount shall be allocated to the specific ATM Group for which the payment is being made, and Bank 24 shall, upon each payment, furnish HFT with a cumulative schedule showing the amount paid with respect to each ATM Group. If all 400 ATMs have not been purchased under the IBM purchase Agreement by June 30, 1998, HFT and Bank 24 shall negotiate with a view towards reaching mutually agreeable terms for extending the period under which HFT will purchase ATM's on behalf of Bank 24 under this Rental Agreement, it being understood that notwithstanding such extension, the Rental Fees due with respect to all ATM's purchased hereunder will be payable on or before December 31, 2000.

- e) The Principal Rental Amount plus the aggregate of all Interest Factor due as of any time with respect to each single ATM Group shall be referred to as the "Outstanding Group Amount". The aggregate of all Outstanding Group Amounts shall be referred to herein as the "Total Outstanding Amount"), both before and after June 30, 1998.
- f) It is understood that Bank 24 may, without cost or penalty, prepay the amount of any Rental Fees with respect to any ATM Group or all ATM Groups in advance. Any such prepayment shall be made with respect to the entire Outstanding Group Amount due with respect to any ATM Groups for which Rental Fees are prepaid. If prepayment is made with respect to any ATM Group, the Rental Term for such ATM Group shall nevertheless continue through the Termination Date. In the event of prepayment by Bank 24 of the Total Outstanding Amount hereunder, the Assignment shall be automatically terminated and HFT shall be considered, unless otherwise agreed by the parties, to grant Bank 24 rental of all of the Equipment free of any further charges for the period up to and including the Termination Date. All expenses of operation of the Equipment during such period shall be borne by Bank 24.
- g) In the event of any inconsistency between the provisions of this Agreement with respect to payments to HFT or the provisions of any Rental Notice, the provisions of this Agreement shall control.

4.2. During the period this Agreement is applicable to any of the Equipment and for so long as Bank 24 is not in default hereunder, HFT shall do nothing to impede or interfere with Bank 24's right to quiet enjoyment of the Equipment.

5. MANAGEMENT FEES/EXPENSES

5.1 Upon fulfillment of the condition precedent set forth in Section 6.1, Bank 24 shall pay HFT a management fee of DEM 108,821.25 as of the date of execution of this Rental Agreement by all parties and an additional DEM 108,821.25 as of the time OTP Bank, a Hungarian Bank ("OTP") shall have entered into a binding agreement with Bank 24 relating to the use by OTP customers of the Bank 24 ATM network in accordance with the terms of a certain letter of intent entered into by Bank 24 and OTP on December 16, 1994.

6. CONDITIONS PRECEDENT TO PURCHASE AND RENTAL OF EQUIPMENT

6.1 The obligations of the parties to this Agreement shall be conditional upon the grant by the Hungarian National Bank of the approval required for this

Agreement.

- 6.2. The obligation of HFT to make the initial purchase of Equipment hereunder shall be subject to the fulfillment of the following conditions precedent:
- a) Bank 24 shall have assigned to HFT its rights to purchase up to 400 ATMs under the IBM Purchase by execution of the Assignment. The Assignment shall have been acknowledged by IBM.
 - b) Bank 24 shall have transferred to or opened with OTP its main hard currency capital and HUF control accounts (the "Bank 24 Accounts"). It is understood that Bank 24 will be entitled to move funds from such accounts as it deems necessary or appropriate in the operation of its business, provided that there shall be on deposit in such accounts at all times at least USD 500,000 or its equivalent in HUF or any other currency.
 - c) Bank 24 shall have paid the first installment of the management fee provided in Section 5.1.
 - d) Counsel for Bank 24 shall have delivered an opinion to the effect that the matters set forth in Section 1.1 are correct, in the form attached as Exhibit F.

6.3 The obligation of HFT to make any purchase of Equipment hereunder shall be subject to the condition that no Event of Default shall have occurred and be continuing under this Rental Agreement.

7. COVENANTS OF BANK 24

7.1 On or before July 1, 1995, Bank 24 shall increase its capital to HUF 359,000,000 or its equivalent in any other currency. HFT acknowledges that Bank 24 shall be transformed into an Rt. after such capital increase and that the amount of its capital may be adjusted in the transformation balance sheet of Bank 24.

7.2 At its own expense, Bank 24 shall maintain insurance on each ATM in an amount at least equal to the value thereof, in respect of loss or damage from the commencement date of Rental Term for such ATM Group indicated on a Rental Notice until the termination of this Rental Agreement with respect to such ATM Group. HFT shall be designated the loss payee on any such insurance policies. Bank 24 shall furnish copies of any such insurance policies to HFT no later than the date on which the risk of loss or damage passes to HFT under the IBM Purchase Agreement, which is provided in the IBM Agreement to be the date of

installation.

- 7.3 At all times during the term of this Rental Agreement, Bank 24 shall maintain in the Bank 24 Accounts an amount of at least USD 500,000 or its equivalent in HUF or any other currency (the "Minimum Balance"). Bank 24 hereby pledges to HFT, as security for the obligation of Bank 24 to make payment of Rental Fees hereunder, the amounts held from time to time on the Bank 24 Accounts. It is understood that, unless and until an Event of Default occurs hereunder, HFT shall not be entitled otherwise to restrict Bank 24 in any way in the movement of funds into and out of the Bank 24 Accounts. Upon the occurrence and during the continuance of an Event of Default, HFT shall have a right of offset against the Bank 24 Account amounts owed by Bank 24 to HFT hereunder.
- 7.4 If any Equipment is installed in a building owned by a party other than Bank 24, Bank 24 shall include in an agreement with such parties provisions regarding HFT's rights of ownership of such Equipment substantially in the form attached as Exhibit G. Copies of the final versions of such agreements shall be delivered to HFT.
8. USE AND MAINTENANCE
- 8.1 The Equipment shall be used by Bank 24 solely in the conduct of its business, in compliance with all applicable laws and regulations, and in a skillful and proper manner by qualified and competent persons in accordance with all operating instructions of the manufacturer and supplier thereof.
- 8.2 HFT and its agents shall be entitled (but not obliged) at any reasonable time to inspect the Equipment.
- 8.3 Bank 24 shall, at its own expense, maintain the Equipment in good condition (ordinary wear and tear excepted) and in good and safe working order in accordance with all instructions and recommendations of the manufacturer and supplier. Bank 24 shall also, at its own expense, make all alterations, additions or modifications required by applicable law or regulation. All replacement parts and additions shall become a part of the Equipment and be property of HFT free of all claims and encumbrances.
- 8.4 Bank 24 shall obtain and/or keep in effect any permits, licenses or other authorization which are from time to time necessary for the carrying out of its obligations under this Rental Agreement. In the event of termination of this Agreement pursuant to Section 11.1, Bank 24 shall assign to HFT any permits or licenses relating to operation of the Equipment which are, by their nature or terms, assignable.

9. DESTRUCTION AND DAMAGE

- 9.1 If any of the Equipment shall become lost, stolen, confiscated, requisitioned, destroyed or damaged beyond repair (each a "Casualty"), then Bank 24 shall promptly and fully notify HFT in writing thereof. Any insurance proceeds received and retained by HFT in respect of the Equipment shall be applied to the payment of the Rental Fees for such Equipment
- 9.2 As and from the Acceptance Date, the Equipment shall be at the sole risk of Bank 24. Bank 24 shall be liable promptly to repair, at its own cost, any loss of or damage to (not amounting to a Casualty) and of the Equipment from any cause whatsoever. HFT shall apply any insurance proceeds received in respect of such loss or damage in reimbursement to Bank 24 of the cost of reinstatement or repairs on completion of the same.

10. TITLE. OWNERSHIP AND PROTECTION OF HFT'S INTERESTS

- 10.1 The Equipment shall at all times during the term hereof remain the property of HFT and Bank 24's sole rights in relation thereto shall be the unrestricted use and possession thereof throughout the Rental Term subject to and in accordance with the terms of this Rental Agreement. HFT makes no warranty of any kind in relation to the Equipment. All conditions and warranties (express or implied) as to the age, description, state, condition, use or merchantability of the Equipment are hereby excluded.
- 10.2 The parties hereto agree that notwithstanding that the Equipment may at any time be or become affixed to any land or buildings, it shall remain the personal property of HFT. Bank 24 shall ensure that all persons having any interest at any time in any such land or buildings in which the Equipment may from time to time be located shall, prior to the installation of the Equipment, or if later upon acquisition of such interest, receive written notice of HFT's ownership thereof and obtain from such persons written waivers in the form attached as Exhibit H hereto of any rights which they may have or acquire in the Equipment and consent to have necessary access to their premises for the purpose of enforcing any rights HFT may have under this Rental Agreement.
- 10.3 Bank 24 shall, at its own expense, take all steps as may be necessary to safeguard the rights of HFT in the Equipment and in particular shall affix and maintain nameplates on the Equipment indicating HFT's ownership thereof and not remove or cover up the same or allow any other nameplates or insignia dealing with the rights of any other person to be placed on the Equipment.

11. DEFAULT

11.1 If any of the following shall occur (each, an "Event of Default"): (i) Bank 24 fails to make any payment of Rental Fees or pay any other sum when due to a HFT under this Rental Agreement (including any Advance Rental Payment) within 15 days of a request for payment made by HFT in writing; (ii) Bank 24 fails to perform and observe any of its material obligations under this Rental Agreement and does not remedy such breach within 30 days after receipt of notice thereof; (iii) Bank 24 shall have failed to furnish to HFT insurance certificates as required in Section 7.2, or within 30 days of any request by HFT; (iv) Bank 24 takes any steps, or has steps taken against it, which are not revoked or stayed within 90 days of their commencement, for its winding up or dissolution or for the making of an administration order against it; (v) Bank 24 becomes bankrupt, insolvent or has a receiver, administrator or similar officer appointed over any of its business or assets; (vi) Bank 24 fails to increase its capital to at least USD \$3,500,000 on or before July 1, 1995; (vii) Bank 24 fails to maintain the Minimum Balance, provided that HFT shall give Bank 24 written notice that the balance on the OTP accounts has fallen to below the Minimum Balance and Bank 24 shall have a period of 15 days from the date such notice is given to restore the balance in the OTP accounts to more than the Minimum Balance; then, in such event, HFT shall be entitled by written notice to Bank 24 to terminate this Rental Agreement with effect upon expiration of the 15 day period provided in Section 11.2. Upon such termination,

(i) the Equipment and all rights of Bank 24 therein shall be surrendered to HFT and Bank 24 shall, at its own expense, deliver the Equipment to HFT. HFT or a judicially appointed representative may take possession of the Equipment wherever it is found, and for this purpose may enter upon any premises of Bank 24 or the members of its network in order to remove the Equipment. HFT may freely dispose of the Equipment, in any manner in which it sees fit; and

(ii) all obligations of Bank 24 to HFT under this Agreement except the obligation to deliver the Equipment to HFT as provided in clause (i) above, shall be extinguished. For the avoidance of doubt, it is understood that, from and after any such termination by HFT, Bank 24 shall be under no further obligation to make payments to HFT as provided in Section 4.1.

11.2 Notwithstanding any provision to the contrary herein, any default hereunder shall be considered cured, and all remedies of HFT with respect to such default shall be extinguished, upon full repayment to HFT of all amounts outstanding under this Rental Agreement. In the event HFT gives notice of termination of this Rental Agreement pursuant to Section 11.1, Bank 24 shall be entitled to give notice to HFT of its intention to make such full repayment and, provided it makes such repayment within 15 days of the date of such termination notice, HFT shall not be

entitled to exercise enforcement remedies with respect to the Equipment.

12. REPORTING COVENANTS OF BANK 24

12.1 Bank 24 hereby covenants with HFT that from the Acceptance Date until the termination of this Rental Agreement, Bank 24 shall:

- (a) notify HFT as soon as practicable after becoming aware thereof of any loss, theft, damage or destruction to the Equipment or any part thereof;
- (b) notify HFT promptly of the occurrence of any Event of Default;
- (c) within 180 days for the closing of any fiscal year, furnish HFT with copy of its audited year end financial statement.
- (d) at the time of each delivery of the financial statements referred to in (c) above, deliver to HFT an updated insurance certificate reflecting coverage of the Equipment in accordance with Section 7.2.

13. TERM OF THIS AGREEMENT

13.1 The term of this Rental Agreement shall commence on the date hereof and, unless earlier terminated, shall end on January 31, 2001.

14. DAMAGES FOR FAILURE TO PURCHASE EQUIPMENT

14.1 HFT acknowledges that, because Bank 24 is a start up enterprise, the sources from which Bank 24 may obtain rental of the Equipment are limited and that Bank 24 is foregoing other opportunities in entering into this transaction with HFT. HFT further acknowledges that in the event that HFT should, after the date of execution of this Rental Agreement, for reasons which are attributed to its own fault, fail to continue to execute purchases of the Equipment as provided in Section 3 hereof, the discount prices negotiated by Bank 24 with IBM could be placed in jeopardy. While the parties agree that damages from any failure to continue to fund will be certain and substantial, the amount of such damages will be difficult to ascertain. The parties therefore agree that damages in such event will be liquidated in the amount of one third of the purchase price under the IBM Purchase Agreement of any ATMs which HFT has refused to purchase as required hereunder. If HFT refuses to purchase Equipment when it is under an obligation to do so in this agreement, HFT will be considered to have refused to purchase any Equipment ordered, plus any further ATM's which Bank 24 is entitled to

require HFT to purchase hereunder.

15. GENERAL

- 15.1 This Rental Agreement shall not be varied except by agreement in writing between the parties hereto. No waiver or consent by HFT shall be effective unless in writing signed by or on behalf of HFT. No failure or delay on the part of any the parties in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power preclude any other or further exercise of any such right or power. The rights and remedies herein provided are cumulative with and not exclusive of any rights or remedies provided by law.
- 15.2 If any provision hereof is void or unenforceable in any jurisdiction, such voidness or unenforceability shall not affect the validity or enforceability of (i) such provision in any other jurisdiction or (ii) any other provision hereof in such or any other jurisdiction.
- 15.3 All notices or other communications under this Rental Agreement shall be in writing and sent by first class post, by telecopy, international courier or hand delivered to the addressee at its address as indicated in the heading hereto (or to such other addresses that a party may notify to the other) and shall be deemed to have been received by the addressee five Working Days after posting if sent by first class post or on delivery if delivered by hand or international courier.
- 15.4 Subject to the express periods of grace referred to in Section 11.1, punctual payment of amounts payable by Bank 24 and timely performance of Bank 24 of each of its obligations under this Rental Agreement shall be of the essence and shall be conditions of this Rental Agreement. In case of failure of Bank 24 to comply with any provision of this Rental Agreement, HFT shall have the right (but not the obligation) to effect such compliance and Bank 24 shall reimburse such HFT upon demand for expenses related thereto.
- 15.5 Section headings are for ease of reference only and references to Sections are, unless otherwise stated, references to Sections of this Rental Agreement. All schedules and appendices to this Rental Agreement shall be deemed to be an integral part hereof. References to a statute or statutory provision shall include reference to any statutory modification or re-enactment of the same. "Working Day" means any day other than a Saturday or a Sunday, on which banks generally are open for business in both in New York and Budapest.
- 15.6 This Rental Agreement shall be governed by the law of the State of New York, with the exception of any conflict of law rules.

15.7 Any dispute concerning the interpretation and/or the application of this Rental Agreement shall be settled by arbitration according to the rules of the American Arbitration Association. The arbitration panel will consist of three arbitrators appointed in accordance with such rules. The arbitration proceedings will take place in New York, New York and will be conducted in the English language. Save for the purpose of enforcement or execution of any award or order in any such arbitration (and save in respect of any application by a party to a court for relief by way of provisional or conservatory measures) the parties hereby exclude all rights of appeal or recourse to any court of law in relation to any such arbitration, award or order. For the avoidance of doubt, it is agreed by the parties that procedures for seizure of the Equipment upon the occurrence of an Event of Default shall be considered a conservatory measure.

IN WITNESS whereof the parties hereto have hereunto set their hands the day and year first above written.

SIGNED for and on behalf of HFT:

HFT Corporation

BY: [SIGNATURE APPEARS HERE]

TITLE: PRESIDENT AND CEO

SIGNED for and on behalf of Bank 24:

Bank Access 24 Kft.

BY: [SIGNATURE APPEARS HERE]

TITLE: DEPUTY CEO

ASSIGNMENT of IBM MACHINES
AND
TRANSFER OF PAYMENT OBLIGATIONS FOR SOFTWARE

Name and Address of Assignee: HFT Corporation ("HFT")
645 Fifth Avenue
New York, NY 10022

Name and Address of Assignor: Bank 24 Kft.
Zsigmond ter 10,
H-1023 Budapest
Hungary ("Bank 24")

Subject Matter of Assignment: Bank 24's right to acquire 400 IBM Automated Teller Machines of all models (the "ATMs") and license the related software packages pursuant to that certain Solution Delivery dated December 16, 1994 (the "IBM Agreement") between Bank 24 and IBM World Trade Europe/Middle East/Africa Corporation ("IBM")

1. Assignment of On-Order Machines

- (a) Bank 24 hereby assigns to HFT and HFT hereby accepts Bank 24's right to acquire up to 400 IBM ATMs which shall be delivered during the term of the IBM Agreement and which Bank 24 is entitled (and under certain conditions, required) to order from IBM based on the terms and conditions (i) of (i) the IBM Agreement referenced herein and (ii) of the Master Rental Agreement and supplements thereto concluded between Bank 24 and HFT on March 10, 1995. The price of the ATMs is DEM 42,675 (plus or minus 10%) per unit but certain additional charges may accrue if minimum purchase targets are not met. HFT's sole obligation is to acquire up to 400 machines at such purchase price for a total of DEM 17,070,00 for ATMs ordered and delivered. All other obligations shall remain with Bank 24. Bank 24 acknowledges that, upon purchase of the ATM's by HFT, HFT will take and hold title until transferred to Bank 24 in accordance with agreements reached with HFT and Bank 24.
- (b) Bank 24 hereby assigns to HFT all warranties under the IBM Agreement with respect to any ATM's purchased by HFT.

2. Revocation or Termination of Assignment

HFT has the right to revoke this Assignment with by notice to IBM immediate effect with respect to any ATMs not already purchased and delivered if the conditions precedent to the effectiveness of the Master Rental Agreement have not been fulfilled by Bank 24 or if HFT is in reasonable doubt that the conditions precedent under the Master Rental Agreement will be fulfilled and/or if Bank 24 is in default.

3. Termination

The present assignment is granted solely during the term of the Master Rental Agreement and for the purpose of permitting HFT to implement the Master Rental Agreement. This assignment shall terminate upon the termination of the Master Rental Agreement in whole or in part or upon the notification by HFT to Bank 24 of the occurrence of any default under the Master Rental Agreement. In determining whether termination of the Master Rental Agreement has occurred, IBM may rely upon the written notice of either HFT or Bank 24.

4. Governing Law; Enforcement

This Assignment shall be governed by the law of the State of New York. Any dispute concerning the interpretation and/or the application of this Assignment shall be settled by arbitration according to the rules of the American Arbitration Association. The arbitration panel will consist of three arbitrators appointed in accordance with such rules. The arbitration proceedings will take place in New York, New York and will be conducted in the English language. Bank 24 explicitly agree to accept the enforcement of the arbitral award in Hungary, and waives its right to bring any case to ordinary courts of law. The language of the Arbitration shall be English, and the place of arbitration shall be Vienna, Austria.

Date: March 30, 1995

HFT Corporation

Banuk Access 24 Kft.

By: [SIGNATURE APPEARS HERE]

By: [SIGNATURE APPEARS HERE]

Exhibit B

Order Notice

[On Bank 24 Letterhead]

HFT Corporation

Re: Master Rental Agreement Dated _____

Order Confirmation No: _____

Gentlemen:

We hereby confirm that we have given notice to IBM of an order for _____ ATMs for delivery to IBM's delivery platform at _____ on or before _____. The precise specifications as well as the per unit and aggregate purchase price of such ATMs are listed on the attachment to this notice. After receipt of the Order Confirmation with respect to the ATMs included in this Order Notice, we will make payment to you of the 15% Advance Payment and will request that you make payment to IBM of the full amount of the purchase price for the ATMs included in this ATM Group.

Very truly yours,

Bank Access 24

By: _____

Title _____

Exhibit C

Order Confirmation

[On HFT Corporation Letterhead]

IBM World Trade/Europe/Africa/Middle East

Re: Bank 24's Order No. _____ for _____ ATM machines for delivery on

Gentlemen:

We acknowledge having received a copy from Bank Access 24 of the above referenced Order Notice and confirm our willingness to make payment for the machines upon their delivery to Bank 24 in accordance with the IBM Purchase Agreement dated December 16, 1994 under which such machines are being purchased.

Very truly yours,

HFT Corporation

Exhibit D
Rental Notice
[ON HFT LETTERHEAD]

Bank 24 Kft.

RE: Master Rental Agreement Dated _____
Rental Notice No. _____

Gentlemen:

We confirm that we have purchased the ATMs listed on the attachment to this Rental Notice (the "ATM Group" or the "Equipment") and hereby rent them to you under the following terms and those of that certain Master Rental Agreement dated _____.

The terms of rental of this ATM Group are as follows:

Number of ATMs:

Total Price of ATM Group:

15% Advance Rental Amount:

Net Price of ATM Group:

Rental Commencement Date:

Rental Termination Date: January 31, 2001

Rental Payments
- - - - -

Commencing after the date of this Rental Notice and until June 30, 1998, Bank 24 shall pay HFT on each June 30 and December 31 (or, if such date falls on a Saturday or Sunday, the next succeeding Working Day)(each, a "Payment Date") a rental fee for each ATM Group purchased by HFT hereunder (the "Rental Fee") equal to 10% of the Principal Rental Amount, plus an interest factor (the "Interest Factor") equal to 11% per annum of the Principal Rental Amount with respect to such ATM Group, payable in arrears for the period of time elapsed since the date of payment by HFT of the purchase

price for such ATM Group or the last Payment Date, as the case may be, and up to and including the current Payment Date, calculated on a 360 day per year basis. After June 30, 1998, the Rental Fee hereunder shall be aggregated with the Rental Fees under any other Rental Notices and paid upon terms agreed between the parties hereto.

Insurance

- - - - -

At its own expense, Bank 24 shall maintain insurance on each ATM in an amount at least equal to the value thereof, in respect of loss or damage from the commencement date of Rental Term for such ATM Group until the termination of the rental with respect to such ATM Group. HFT shall be designated the loss payee on any such insurance policies. Bank 24 shall furnish copies of any such insurance policies to HFT no later than the date of installation of the Equipment.

Use of the Equipment

- - - - -

The Equipment shall be used by Bank 24 solely in the conduct of its business, in compliance with all applicable laws and regulations, and in a skillful and proper manner by qualified and competent persons in accordance with all operating instructions of the manufacturer and supplier thereof.

HFT and its agents shall be entitled (but not obliged) at any reasonable time to inspect the Equipment.

Bank 24 shall, at its own expense, maintain the Equipment in good condition (ordinary wear and tear excepted) and in good and safe working order in accordance with all instructions and recommendations of the manufacturer and supplier. Bank 24 shall also, at its own expense, make all alterations, additions or modifications required by applicable law or regulation. All replacement parts and additions shall become a part of the Equipment and be property of HFT free of all claims and encumbrances.

Bank 24 shall obtain and/or keep in effect any permits, licenses or other authorization which are from time to time necessary for the carrying out of its obligations under this rental. In the event of termination of this rental, Bank 24 shall assign to HFT any permits or licenses relating to operation of the Equipment which are, by their nature or terms, assignable.

Destruction and Damage

- - - - -

If any of the Equipment shall become lost, stolen, confiscated, requisitioned, destroyed or damaged beyond repair (each a "Casualty"), then Bank 24 shall promptly and fully notify HFT in writing thereof. Any insurance proceeds received and retained by HFT in respect of the Equipment shall be applied to the payment of the Rental Fees for such Equipment.

As and from the acceptance date, the Equipment shall be at the sole risk of Bank 24. Bank 24 shall be liable promptly to repair, at its own cost, any loss of or damage to (not amounting to a Casualty) and of the Equipment from any cause whatsoever. HFT shall apply any insurance proceeds received in respect of such loss or damage in reimbursement to Bank 24 of the cost of reinstatement or repairs on completion of the same.

Title. ownership and Protection of HFT's Interests

The Equipment shall at all times during the term hereof remain the property of HFT and Bank 24's sole rights in relation thereto shall be the unrestricted use and possession thereof throughout the Rental Term subject to and in accordance with the terms of this Rental Agreement. HFT makes no warranty of any kind in relation to the Equipment. All conditions and warranties (express or implied) as to the age, description, state, condition, use or merchantability of the Equipment are hereby excluded.

Bank 24 shall, at its own expense, take all steps as may be necessary to safeguard the rights of HFT in the Equipment and in particular shall affix and maintain nameplates on the Equipment indicating HFT's ownership thereof and not remove or cover up the same or allow any other nameplates or insignia dealing with the rights of any other person to be placed on the Equipment.

We request your confirmation of acceptance of the rental of this ATM Group pursuant to the Master Rental Agreement in the space provided below.

Very truly yours,

HFT Corporation

By: _____

Acknowledged:

Bank Access 24 Kft.

By: _____

Exhibit E
Certificate of Acceptance
[Bank 24 Letterhead]

HFT Corporation

Re: Master Rental Agreement Dated 10th March, 1995
Certificate of Acceptance No: 1

Gentlemen:

We acknowledge that we have inspected and accepted delivery at IBM's loading platform at Budapest on behalf of HFT of 10 ATM's ordered under Order Notice No. 1., and that such ATM's are in perfect condition [subject only to the exceptions listed on the attachment to this letter, which do not significantly impair the value of such Equipment.] We have instructed IBM to deliver the ATMs which are the subject of this certificate to our transit store. Serial numbers of the hereby accepted ATMs are the following:

Very truly yours,

Bank Access 24 Kft.

As soon as it becomes finalized we will state separately the addressee at the installed machine's site location.

Exhibit G

Provisions to be inserted in agreements with customer.

Notice of Ownership

Each ATM will bear a Bank 24 logo, logos of its member banks and cards. The ATMs are being rented to Bank 24 by a US corporation, HFT Corporation (the "Rental Company"), and for so long as this is the case, the ATM's will bear a plate clearly indicating that the ATM is owned by HFT Corporation. The [Network Participant] will not obliterate or interfere with the visibility of such logo and plate.

Ownership of ATM's

The [Network Participant] acknowledges that the ATM machine and accessory equipment at each ATM Site and all computer programs used in the ATM's (the "System Software") are, and shall at all times remain, the property of either the Rental Company or Bank 24. The [Network Participant] will not assert or suggest that it has, or permit any other party to assert or suggest that they have, any ownership rights whatsoever with respect to the ATM's or the Systems Software, nor shall the [Network Participant] take any action towards third parties which would imply that it is the owner of the ATM's or the Systems Software. The [Network Participant] acknowledges that the ownership rights of Bank 24 and/or the Rental Company shall not be in any way reduced or impaired by the fact that the ATM's are installed into the building of the [Network Participant], and the [Network Participant] will, at any time upon the request of Bank 24 or the Rental Company, furnish written confirmation of the ownership rights of Bank 24 and/or the Rental Company, as the case may be. The [Network Participant] will comply with all requirements established by the Rental Company with respect to the operation of the ATM Site or the ATM's.

Exhibit H

Waiver of Rights

[On the letterhead of the Network Participant]

HFT Corporation

Gentlemen:

We are entering into an agreement with Bank Access 24 Kft. under which we will participate in Bank 24's Network of ATM machines. Under such agreement, Bank 24 will install certain ATM's in buildings which are our property or which we lease. Notwithstanding the installation of the ATM's on our property, we acknowledge and agree that:

(i) we have no ownership or use rights whatsoever with respect to the ATMs and will not assert any such rights against HFT or Bank 24 nor represent to any third parties that we have any ownership or use rights in the ATMs; and

(ii) HFT is the owner of such ATM's and is renting them to Bank 24 under a rental agreement. We will not impede or interfere in any way with HFT's ownership rights in such ATMs or the right of Bank 24 to use the ATMs; and

(iii) Upon notice given by HFT, we will allow HFT access to our property and such ATM machines for the purpose of exercising its ownership rights to the ATMs.

Very truly yours,

[Network Participant]

Purchase and Sale Agreement

This Purchase and Sale Agreement (the "Agreement"), is made as of March 10, 1995, by and between Windham Technologies Inc., a Delaware corporation ("Purchaser"), and HFT Corporation ("HFT"), hereinafter referred to individually as a "Party" and together as the "Parties".

Recitals

- A. Under a certain Master Rental Agreement between HFT and an affiliate of Purchaser, Bank Access 24 Kft. ("Bank 24"), dated the date hereof (the "Master Rental Agreement"), HFT will purchase from IBM World Trade Europe/Middle East/Africa Corporation ("IBM") up to 400 ATM machines and rent them to Bank 24. The ATMs are being purchased from IBM under a certain Solution Delivery Agreement dated December 16, 1994 between Bank 24 and IBM (the "IBM Agreement"). HFT has agreed to enter into this Agreement in consideration of Bank 24's entering into the Master Rental Agreement.
- B. The Parties wish to set forth in this Agreement the terms and conditions under which Purchaser shall have the right and obligation to purchase, and HFT shall have the right and obligation to sell such ATM machines upon the termination of the Master Rental Agreement as to any ATMs.
- C. All shareholders of Purchaser are also shareholders of Bank 24, and therefore Purchaser is an affiliate of Bank 24 by common ownership.

Now therefore, in consideration of the above premises and the mutual covenants herein contained, the parties hereto agree as follows:

1. Definitions.

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Master Rental Agreement.

2. Options to Purchase and Sell.

2. 1 Purchase Option of Purchaser. Upon the expiration or earlier termination of

the Rental Term as to any ATM Group, and subject to the condition that the Outstanding Group Amount with respect to such Group has been paid, HFT grants Purchaser the irrevocable and unconditional right to purchase the ATMs in such ATM Group for a purchase price equal to USD 1 (One United States Dollar) per ATM. It is understood that, notwithstanding any provision to the contrary in

Unless earlier terminated by mutual written consent of the parties, this Agreement shall terminate as of January 31, 2001. This Agreement shall continue in full force and effect notwithstanding any modification of the Master Rental Agreement.

5. Assignment.

Neither party may transfer or assign its rights or obligations under this Agreement to any party without the written consent of the other party.

6. Governing Law.

This Agreement shall be governed by the laws of the State of New York.

7. Arbitration.

Any dispute concerning the interpretation and/or the application of this Agreement shall be settled by arbitration according to the rules of the American Arbitration Association. The arbitration panel will consist of three arbitrators appointed in accordance with such rules. The arbitration proceedings will take place in New York, New York and will be conducted in the English language. Save for the purpose of enforcement or execution of any award or order in any such arbitration (and save in respect of any application by a party to a court for relief by way of provisional or conservatory measures) the parties hereby exclude all rights of appeal or recourse to any court of law in relation to any such arbitration, award or order.

8. Miscellaneous.

8.1 No failure or delay on the part of any of the parties hereto in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power preclude any other or further exercise of any such right or power.

8.2 If any provision of this Agreement is void or unenforceable in any jurisdiction, such voidness or unenforceability shall not affect the validity of (i) such provision in any other jurisdiction or (ii) any other provision hereof in such or any other jurisdiction.

8.3 All notices or other communications under this Agreement shall be in writing and sent by telecopy, first class post, international courier or hand delivered to the addressee at its address as indicated in the heading hereto (or to such other address that a party may notify to the other) and shall be deemed to have been

received by the addressee two Working Days after posting if sent by first class post or on delivery or receipt if hand delivered or sent by telecopy.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered as of the day and year first written above.

HFT Corporation

By: [SIGNATURE APPEARS HERE]

Windham Technologies Inc.

By: [SIGNATURE APPEARS HERE]

We are of the opinion that:

- (a) Bank 24 is a Hungarian korlatolt felelosegu tarsasag organized and existing in accordance with the laws of Hungary and has the corporate power and authority to execute, deliver and perform its obligations under the Rental Agreement.
- (b) the registered capital of Bank 24 is HUF 265,000,000;
- (c) all authorizations of the quotaholders or any other corporate organ of Bank 24 required for Bank 24 to enter into or perform the obligations of this Rental Agreement, have been obtained;
- (d) the Rental Agreement has been duly entered into and delivered by Bank 24 and constitutes the valid, legal and binding obligation of Bank 24, enforceable in accordance with its terms.
- (e) subject to fulfillment of the condition set forth in Section 6.1 of the Rental Agreement, Bank 24 holds all licenses or permits required from any governmental authorities for the execution and performance by it of its obligations under this Agreement.

The opinions expressed in this letter are solely for the use of HFT, and these opinions may not be relied on by any other persons without our express prior approval. The opinions expressed in this letter are limited to the matters set forth in this letter, and no other opinions should be inferred beyond the matters expressly stated.

Very truly yours,

Dr. Kaszo Klara

Exhibit F

Form of Legal Opinion

[On letterhead of Dr. Klara Kaszo]

HFT Corporation
Olympic Tower
665 Fifth Avenue
New York, New York 10022

Re: Master Rental Agreement between HFT Corporation ("HFT") and Bank

Access 24 Kft. ("Bank 24") (the "Rental Agreement")

Gentlemen:

We have acted as Hungarian counsel for Bank Access 24 Kft. in connection with the captioned Rental Agreement. You have asked for our opinion concerning certain matters relating to the Rental Agreement. All capitalized terms used in this letter which are not otherwise defined in this letter shall have the meanings assigned to them in the Agreement.

In reaching the opinions set forth below, we have assumed that HFT has duly and validly executed and delivered each instrument, document and agreement to which it is a signatory and that HFT's obligations set forth therein are HFT's legal, valid and binding obligations, enforceable against HFT in accordance with their terms and (ii) each person executing any instrument, document or agreement on HFT's behalf is duly authorized to do so.

The opinions expressed in this letter concern only the effect of the laws of the Hungary as presently in effect. We assume no obligation to supplement this letter if any of the applicable laws change in any manner.

The opinions set forth below are subject to the following qualifications as to the enforceability of obligations under the Agreement:

- Enforceability may be limited by applicable bankruptcy, insolvency, moratorium, and similar laws affecting the rights of creditors or other obligees generally.

- Enforceability may be limited to the extent that remedies are sought with respect to immaterial breaches or to the extent HFT is determined to have acted unreasonably or not in good faith in attempting to exercise its remedies.

[LOGO OF ING LEASE POLSKA APPEARS HERE]

MASTER LEASE AGREEMENT

ING LEASE (POLSKA) SP.Z O.O.

and

BANKOMAT 24/EURONET SP.Z O.O.

IBM World Trade Corporation Inc.
International Business Machines
Old Orchard Road, Armonk, N.Y. 10504, USA
(hereinafter IBM)

Frame Agreement for Solution Delivery

between IBM and

EURONET
Zigmont ter 10
1023 Budapest
Hungary
(hereinafter "Customer")

Contract No. : SDA-H26012
Customer No. :
Total Price: approx. 40.000.000.- US\$

ESTIMATED SOLUTION ON DELIVERY DATE:

March 1997 through February 2000

ELEMENTS SPECIFIED

- X IBM Products
- X IBM Licensed Programs
- X Non-IBM Products

APPLICABLE CONDITIONS:

1. Solution Delivery Agreement Conditions
2. Prices and Schedule of Payment
3. Attached Agreements:

- APPENDIX A: Terms and Conditions for Non-IBM Products
- APPENDIX B: Terms and Conditions for Purchase and Supplement
- APPENDIX C: Terms and Conditions for IBM Licensed Programs and Supplement
- APPENDIX D: Ordering and Delivery Procedure

The Customer acknowledges to have received and read all the contractual conditions included in, and/or referred to, in this Solution Delivery Agreement and its Appendices. This Solution Delivery Agreement is signed by the Customer and accepted by IBM when signed by their authorized representatives. The Customer acknowledges and accepts that IBM WTC is hereby assigning all rights and obligations for local Services to the local IBM organization.

In case of installation in countries where the local IBM organization sells under its own name IBM WTC will assign Appendices A,B and C to the local IBM organization

The countersignature of IBM may be replaced by a written confirmation by an IBM subsidiary that IBM has accepted this Agreement.

EURONET

signed: [SIGNATURE APPEARS HERE]

(for and on behalf of)

August 1, 1997

(Date)

Received by:
IBM Central Europe and Russia Inc.

[SIGNATURE APPEARS HERE]

(for and on behalf of)

September 8, 1997

(Date)

IBM World Trade Corporate Inc.
International Business Machines

1. SOLUTION DELIVERY AGREEMENT CONDITIONS:

SUBJECT

Both parties agree that IBM is the preferred supplier of ATMs.

Therefore this Frame Solution Delivery Agreement cancels and supersedes the previous Agreement SDA HUN94003, Amendment Nr. 9 between the Customer and IBM WTC.

The Customers intention is to order a total of 2000 ATMs with Software over a period of 36 months starting March 1997.

This Agreement shall be executed in individual Supplements which define number and detailed specifications of ATMs and Licensed Programs per order lot for each country and installation time-frame.

Services will be agreed upon between the Customer and the local IBM organizations in separate Agreements.

The Customer will order and take delivery of 400 ATMs until year-end 1998. A minimum of 200 ATMs thereof will be taken in 1997.

DELIVERY

IBM will deliver each specified individual item under:

1. the conditions of the corresponding attached Agreement/s
2. these Solution Delivery Agreement Conditions.

In case of conflict, the Solution Delivery Agreement Conditions prevail, except for any provisions regarding the applicable law, jurisdiction and arbitration, for which the conditions of the corresponding attached Agreement(s) shall prevail.

The Estimated Solution Delivery Date specified above is for Customer planning purposes only.

SINGLE FIXED PRICE / PAYMENT

The Customer will pay the Single Fixed Price in accordance with the relevant provision of the Terms and Conditions for Purchase. The Single Fixed Price is a fixed price it overrides any provision contained in the attached Agreements concerning variations to IBM standard prices.

The Single Fixed Price includes the installation costs for the ATMs delivered under this Agreement.

Installation here means:

- . conversion of ATM on safe location until delivery to site
- . unpacking
- . setting up
- . checking configuration
- . taking care for missing or defective parts
- . loading ATM software
- . offline testing at a test location (assuming the line is available)

IBM takes responsibility for handing over the ATMs in operational conditions unless "damage" is caused by the Customer or one of their subcontractors during installation or transportation.

Upon the Customer's written request IBM will provide further information regarding prices and charges for any Products and Programs furnished by IBM under this Agreement.

TAXES AND FEES

In addition the Customer will pay amounts equal to any taxes and fees relating to the Agreement or any activities hereunder.

END-USER ENTERPRISE DESIGNATION

IBM's granting of the single fixed price is dependent on the Customer's assurance that it is acquiring the products delivered under this Solution Delivery Agreement for installation and use within its own business enterprise.

For the purpose of this Solution Delivery Agreement an end-user enterprise is defined as a company or a group of associated companies and/or subsidiaries of the Customer in which one such company owns, directly or indirectly, more than 50% of each of the subsidiaries or associates which will use the products delivered under this Solution Delivery Agreement in the ordinary course of business and not for resale or lease.

In the event that the Customer wants to act as remarketer for IBM ATM hard- and software a separate Remarketer Agreement will be drawn up by the Customer and IBM.

WARRANTY

1. IBM Products and IBM Licensed Programs:

IBM warrants that specified Products and Licensed Programs are compatible and can operate with one another. The warranty provisions included in the relevant attached Agreements shall apply.

2. Non-IBM Products:

Warranty for Non-IBM Products is the exclusive responsibility of the Third Party Supplier. IBM has no warranty obligations with respect to these products.

IBM's LIABILITY

IBM's liability to the Customer is exclusively set forth in the "Liability" provisions included in the relevant attached Agreements. IBM specifically excludes any and all liability for any damages deriving from Non-IBM Products or Non-IBM Services. For such damages shall be exclusively responsible the Third Party Supplier.

CHANGES

IBM reserves the right to exchange the equipment subject to the Solution Delivery Agreement to equipment of equivalent or higher performance without any change to the Single Fixed Price.

Any other request for change to the scope of the Solution Delivery Agreement must be submitted in writing to the other Party. Within 30 days from the receipt of the request.

the receiving party will send its written answer to the other party indicating whether the change can be made.

IBM will describe the effect of such Customer requested change upon dates, price, schedule and other terms and conditions of the Agreement.

The agreed changes will be executed by the parties in the form of an amendment to the Agreement. Pending agreement to implement changes, IBM will proceed in accordance with the latest authorized terms and conditions of the Agreement.

APPLICABLE LAW

The Solution Delivery Agreement will be governed by the laws of Austria; in case of conflict with any international conventions, Austrian substantive law shall prevail.

ARBITRATION

All disputes arising out of this Agreement or related to its violation, termination or nullity will be finally settled under the Rules of Arbitration and Conciliation of the International Arbitral Centre of the Federal Economic Chamber in Vienna (Vienna rules) by three arbitrators appointed in accordance with said Rules. The arbitration shall be held in Vienna, Austria and the official language of the proceedings shall be English. The decision of the arbitrators shall be final and binding upon both parties and therefore the parties pursuant to paragraph 598(2) of the Austrian Code of Civil Procedure, expressly waive the application of paragraph 595(1) figure 7 of said Code.

IBM may, however, institute proceedings in a competent court in the country of installation.

2. SCHEDULE OF PAYMENTS

Payment of IBM invoices is due 14 days after receipt of invoice.

In case of prepayment a discount of 2 % is applicable.

3. ADDITIONAL PROVISIONS

1. Discounts for ATM Hardware

Until the end of 1998 starting from March 1997 IBM WTC is granting a discount of 40 % from list price for all machine types, models and features of the IBM ATM family.

As soon as the quantity of 400 ATMs is reached, IBM WTC will provide the Customer with a new discount offer which will keep the prices per box equal or lower to the ones specified now.

4 sample configurations with list price and discount are attached.

2. Maintenance

Maintenance Agreements will be agreed upon with each local IBM organization following the model of the Agreement valid for Hungary.

Terms and Conditions and price level applied in Hungary are also valid for the whole of Central Europe and Russia.

For countries outside this territory Terms and Conditions as well as discount on Maintenance Charges have to be agreed with the local IBM organization.

3. Foreign Trade Services and Delivery

Similar Agreements as valid for Hungary (samples attached) can be closed for each country between the Customer and the local IBM organization.

4. EPROMs and Software for down-load

All ATMs delivered under this Agreement will contain 2 EPROMs developed for Euronet and the software necessary to down-load software via the 2nd channel.

4. ATTACHED AGREEMENTS

Appendix A: Terms and Conditions for Non-IBM Products

Deliverables

Deliveries will be in accordance with enclosed standard configurations.

The 3rd party keyboards and monitors will in Hungary be as listed below.

In other countries they can be the same or other equivalent proposed by IBM and accepted by Euronet.

Monitor in Hungary: Carry FT 7110 mono VGA 640x480

Keyboard in Hungary: Carry FT7082 81 keys, 102 functions mini-keyboard

Monitor stand aluminum, surface treated

Warranty

Warranty for non-IBM products is the same as for IBM products.

Appendix B: Terms and Conditions for Purchase and Supplements

Supplements for each lot will be prepared based on separate orders

Appendix C: Terms and Conditions for IBM Licensed Programs and Supplements

Supplements for each lot will be prepared based on separate orders

Amendment to agreement SDA-H26012

IBM confirms that Euronet can call IBM 24 hours a day 365 days a year and ask for maintenance of their equipment (ATMs and AS/400). This is independent on whether Euronet has a maintenance agreement or not with IBM.

For service calls outside the agreed service period Euronet will be charged.

The charge will be regulated in the maintenance agreements or follow IBM standard terms and conditions if Euronet choose not to enter a maintenance agreement.

[SIGNATURE APPEARS HERE]

Euronet

[SIGNATURE APPEARS HERE]

IBM World Trade

Appendix D: Ordering and Delivery Procedure

1. If the Customer wishes to order a predefined configuration, please go to step 4.

If the Customer identifies the need for a new configuration, then he requests a priced configuration from the local IBM organization.
2. IBM responds to such request within 10 local working days either by quoting a configuration with prices for hardware, software and maintenance or proposing changes to allow a workable configuration.
3. If the Customer decides to proceed, IBM will prepare the appropriate Supplements which both parties have to sign.
4. In case the Customer wants to order the defined configuration, he notifies IBM by an Order Letter.
5. The Customer notifies at the same time his Financing Institution.
6. IBM notifies the Customer of the estimated delivery date within 5 local working days of receiving the order by fax.
7. If the Customer wishes to change the order because of the estimated delivery date, he has to ask IBM to do so within 5 local working days upon receipt of IBMs fax and reinitiate the process from step 4 onwards.
8. The Customer causes his Financing Institution to send an Order Confirmation to IBM within 5 local working days after it has been notified by the Customer. Where appropriate the Financing Institution sends also an assignment of purchasing rights to IBM.
9. If no changes have been requested and agreed upon during the period of 5 local working days after sending the fax by IBM (step 6.), the order becomes firm and unchangeable.
If the Financing Institution's confirmation is not received within the agreed period, IBM reserves the right to stop or delay the manufacturing or internal ordering and delivery process.
Consequently the estimated delivery period as communicated in step 6 may become obsolete.
10. IBM then confirms the planned delivery date to the Customer by fax.
11. IBM sends an Advance Payment Invoice to the assigned payer.
12. Full payment is made to IBMs bank account specified in above invoice.
13. IBM notifies the Customer on arrival of the deliverables at the IBM Distribution Center in Germany and then on the local platform.
14. Customer sends all documents necessary for customs declaration (e.g. Rental notice, etc.) to IBM in case IBM is contractually responsible for importation.
15. IBM causes the deliverable to be customs-cleared when agreed between the parties.
16. IBM delivers the deliverables to the warehouse designated by the Customer.
17. Both Parties commit to make every effort to respond as soon as possible within the maximum elapse times described above. Failure of either Party to meet the defined maximum elapse times will however not cause the Termination for Breach of Contract as meant in Article "Termination" sub 4 of the Agreement.
Liability for any such failure under this Appendix is limited to the value of 2% (two percent) of the affected equipment.

Translation: PMH/14.02.1997

LEASING, SERVICING, PROCESSING, SOFTWARE
LICENSE AND SOFTWARE SERVICE CONTRACT
FOR AUTOMATIC TELLER MACHINES ("ATMs")

Between

Service Bank GmbH & Co. KG
Theodor-Heuss-Ring 19-21
50668 Cologne
(hereinafter called "Bank")

and

Euronet Services GmbH, a limited liability company in formation
Johann-Friedrich-Bottger-Str. 23
63322 Rodermark
(hereinafter referred to as the "Lessor")

THIS AGREEMENT is made on this 10th day of January, 1997

Between

1. The Service GmbH & Co. KG, a German credit institution, organized as a limited partnership, registered in the commercial register of the lower court of Cologne under registration number HRA 13562, having its headquarters at Theodor-Heuss-Ring 19-21, 50668 Cologne, Federal Republic of Germany (hereinafter referred to as the "Bank")

and

2. Euronet Services GmbH, a German limited liability company in formation, having its headquarters at Johann-Friedrich-Bottger-Str. 23, 63322 Rodermark, Federal Republic of Germany (hereinafter referred to as the "Lessor")

NOW, THEREFORE, the Parties hereto agree to conclude the following leasing, servicing, processing, software license and software service agreement in connection with automatic teller machines (hereinafter referred to as the "Agreement"):

RECITALS

(A) The Bank is a credit institution and possesses a full banking license. It has an extended network of branches and self-service centers, through which it lends money (as defined in Article 1, paragraph 1, subparagraph 2, line 2 of the law governing credit institutions ("KWG")) to its customers and customers of other credit institutions. In addition to engaging in other forms of lending, the Bank lends money by means of making cash payments through ATMs which accept ec, debit and credit cards issued by the Bank or other credit institutions.

- (B) The Lessor operates a business in which it leases ATMs to credit institutions and renders, as a technical service provider, data processing services in connection with ATMs. The parties hereby recognize that the Bank shall bear any credit risk arising out of the distribution of cash to ATM's users. The bank is the operator of the money machines. The Lessor is hereby prohibited from using or causing to be used any and all advertising or labeling, whether it be on the ATMs or elsewhere, which gives the impression that the Lessor is the operator or co-cooperator of the ATMs.
- (C) The Bank and the GRK Cooperative Computing Center Kassel GmbH entered into a master agreement with on June 21, 1995, as well as subsequently into additional understandings supplementing the master agreement. This master agreement and the supplemental understandings shall continue to apply to those ATMs which the Bank is operating on the date of this Agreement. The Lessor shall perform the obligations required of it in this Agreement only with respect to new ATMs installed after the date of this Agreement.

Subject to the terms of the preceding recitals, the parties hereby enter into the following leasing, servicing, processing, software license and software service agreement:

(S)1

Leasing of Automatic Teller machines to the Bank

(1) Purpose of this Agreement

- (a) The Lessor shall lease to the Bank those automatic teller machines set forth in the equipment list contained in Exhibit 1 hereto (hereinafter referred to as the "ATMs"). The Lessor is obliged to update on an ongoing basis Exhibit 1 hereto by specifying therein for each ATM covered by this Agreement (including those ATMs newly installed during the term of this Agreement) its type and serial number as well as its location and the name of the company or corporate group occupying the premises where the ATM is installed. The Lessor shall delete from Exhibit 1 any and all ATMs which, during the term hereof, should no longer come within the scope of this Agreement. The Bank shall specify the type of ATMs which the Lessor shall lease to the Bank under this Agreement. The product types of leased ATMs will be decided by the Bank. Exhibit 1 shall specify the ATMs' features and capacities.
- (b) The Lessor hereby warrants that no third parties have contractual or property rights as to the ATMs which would interfere with the Bank's use of the ATMs in accordance with the terms of this Agreement.

2. Delivery, Place of Installation

- (a) The Lessor shall deliver the ATMs at the location indicated by the Bank.

The Lessor shall, sufficiently in advance of the delivery date, take those measures necessary to put the ATMs in operation, including the procuring of space for the installation and the performance of those technical tasks in connection with the installation and hookup of the ATMs. The Lessor shall promptly inform the Bank in writing when a given ATM has become operational.

The Lessor shall bear any and all costs incurred in connection with the procurement and the installation of the ATMs.

- (b) The Bank's right to use the ATMs applies with respect to each of those site locations specified in Exhibit 1 hereto. The Bank, however, is entitled to relocate, when it so chooses, one or more of the ATMs to other locations. The Bank shall give the Lessor six months prior notice with respect to the relocation of an ATM. The Lessor shall bear any and all transport and installation costs incurred in connection with the relocation of ATMs. The Lessor's obligations set forth in Article 1, paragraph 1, subparagraph a, line 2 also apply to ATMs which have been relocated in accordance with the terms of this subparagraph.
- (c) Both the Bank and the Lessor are interested in increasing the number of ATM sites. Only the Bank shall open new ATM sites. The bank may, however, in individual cases, request that the Lessor act in the Bank's name or on its behalf in connection with the opening of new ATM sites and as to the entering into contracts for the installation of the respective ATMs.

Any and all contracts in connection with the installation of ATMs shall be entered into in the Bank's name or on its behalf. In concluding contracts with third parties in connection with the installation of ATMs, the Lessor is obliged to make known to such third parties that the Bank is the operator of the respective ATMs.

In the event that the Bank authorizes the Lessor to engage in the opening of new ATM sites on the Bank's behalf, the Lessor shall not contact, without the Bank's prior approval, those companies or corporate groups designated in Exhibit 2 hereto on whose premises the Bank then operates ATMs.

(3) Additional Obligations Assumed by the Lessor

- (a) The Lessor bears the operational and servicing costs in connection with the ATMs. The Lessor shall carry out, or have carried out, the maintenance and washing of the ATMs. The Lessor warrants that the ATMs shall have an uniformed appearance which corresponds with the Bank's expectations.
- (b) The Lessor hereby warrants that the ATMs will conform with the specifications and the performance criteria set forth in Exhibit 1 hereto.
- (c) The Lessor shall immediately remedy any and all defects upon discovery or notice thereof. The Lessor shall perform on work days, during normal business hours, all services necessary to meet its warranty obligations.
- (d) The Lessor shall display the Bank's name and logo, and not its own, on the ATMs' screens and display boards. The labeling appearing on the ATMs must conform with the specimens worked up by the Bank in conformance with those then current guidelines applying to the German ec automated teller machine system. The Bank shall supply the Lessor with that material necessary for the labeling of the ATMs. The Lessor shall not attach or display third party advertising on the ATMs without the Bank's prior consent. Any and all compensation received in connection with third party advertising appearing on the ATMs or components thereof shall be paid to the Bank.

(S)2

Lessor's Servicing of the Automated Teller Machines

(1) Lessor's Obligation to Service the ATMs

- (a) The Lessor undertakes to service and maintain the ATMs listed in Exhibit 1 hereto.
- (b) Servicing shall include routine inspection of the ATMs ("preventative maintenance") as well as reparation ("repairs"). Exhibit 1 sets forth the number of ATMs, as well as their model designation, specifications, and place and date of installation.

(2) Scope of the Lessor's Servicing Obligations

During the term of this Agreement, the Lessor shall keep the ATMs in operating condition and shall carry out those maintenance services necessary to do so.

- (a) The Lessor's servicing obligations include the carrying out of routine diagnostic inspections. During such routine inspections, the Lessor shall clean the ATMs as well as check and, if necessary, adjust and repair the ATM's distribution mechanisms, card scanning devices, and screens.

In connection with its servicing obligations, the Lessor shall, at the Bank's request, make those technical modifications to the ATMs specified in Exhibit 1 necessary to assure their proper functioning and to maintain sufficient levels of safety.

To the extent necessary, the Lessor shall, in the performance of its service obligations, replace worn parts with new or new like equivalents.

- (b) Preventative Maintenance and Repairs also include:

- The repair of malfunctions or damages caused by force majeure or by the Bank's employees or its independent contractors as a result of (a) improper handling or use of the ATMs, (b) violation of manufacturers' operating

instructions, (c) the connection of the ATMs to an electricity supply or to other equipment, (d) the use of nonconforming computer equipment or other accessories or (e) interventions or repairs carried out by the Bank or third parties. The Lessor is not obligated pursuant to this subparagraph to repair malfunctions or damages intentionally caused by the Bank or its independent contractors. The Lessor shall repair such intentionally caused malfunctions or damages in return for receipt of reasonable compensation;

- The installation, relocation or removal of the ATM equipment or of any other accessories, related equipment, attachments or other devices; and
- The rebuilding or general overhaul of equipment.

(3) Time Frames for the Performance of Service Obligations

- (a) The Lessor shall inspect annually each of the ATMs. Such inspection can occur in conjunction with the reparation of the ATMs.

The lessor shall prepare for each calendar year a servicing schedule for the respective ATMs and shall present such servicing schedule to the Bank at the end of the proceeding calendar year. The Bank is entitled to demand changes in this servicing plan in order to accommodate its operations.

- (b) The Lessor shall carry out its service obligations on work days during normal business hours. To the extent possible, the Lessor shall perform the servicing at the respective ATM site. The Lessor shall promptly repair any and all malfunctions.

(S)3

Data Processing Services to be Performed by the Lessor

(1) Lessor's obligation to Provide Data Processing Services

The Lessor shall provide the Bank, in accordance with the terms of this Agreement and those specifications set forth in Exhibit 1 hereto, with the automated data processing, as well as advise as to the organization thereof, in connection with the ATMs which the Lessor has provided to the Bank hereunder.

(2) Scope of Data Processing Services

The Lessor and the bank agree that, to the extent possible given the existing organizational structures, routine services will be provided by means of automated data processing (ADV) with respect to the ATMs designated in Exhibit 1 hereto. Such routine services shall include:

- Account balance inquiries to the ATMs;
- Authorization of the Bank's institutional customers;
- Transmission of payment requests in conformance with the guidelines of the Central Credit Agency ("ZKA");
- Transmission of payment requests made by those card companies listed in Exhibit 4 hereto;
- Processing of transaction amounts generated out of ATM availability/clearing operations and transmissions in the DTA format by means of DTA band or direct file transfers to the LZB designated by the Bank;
- Automated equipment surveillance;
- Supervision and monitoring of on-going ATM operations;

- Manual equipment surveillance in the event of reports of malfunctioning or the reaching of insufficient operating levels;
- Support with the handling of complaints and claims made in connection with any and all transactions;
- Putting into place the systems necessary for the operation of ATMs (including making the application for all essential data and communication hookups; and
- Services and software for the ATMs pursuant to the software license and service contract.

The parties may amend this Agreement so as to provide for additional routine services.

(3) Downtime

- (a) With respect to the linkup with the ATMs, the Lessor warrants that the central computer system will operate, on an average, no less than:
- Time period 1
97% of the time during work days from 6:00 a.m. to 10: p.m.;
 - Time period 2
95% of the time during work days from 10:00 p.m. to 1:00 a.m. and during Sundays and holidays from 6:00 a.m. to 1:00 a.m.;
 - Time period 3
90% of the time during work days from 1:00 a.m. to 6:00 a.m. and during Sundays and holidays from 1:00 a.m. to 6:00 a.m.

The calendar month shall serve as the measurement period for determining the percentage of the time which the system is in operation. The Lessor shall make available to the Bank at the end of each month statistical information in connection with the downtime in order to permit the Bank to determine if the downtime has exceeded the limits set forth above.

(b) The parties agree that the Lessor is obligated to provide for 100% availability.

In the event that the Lessor does not obtain the operating levels provided for in subparagraph (a) hereof, the Bank is entitled to reduce the remuneration provided for in Article 5 hereof by the following amounts:

- 30% in the event of the failure to reach the performance level corresponding to time period 1;
- 20% in the event of the failure to reach the performance level corresponding to time period 2; and
- 10% in the event of the failure to reach the performance level corresponding to time period 3.

(c) In the event the Lessor's central computer system breaks down, the Lessor must provide for another data processing system within a reasonable period, but in no event later than twenty-four hours after the occurrence of the breakdown.

(4) Supply of Cash for the ATMs

The Bank shall provide the Lessor with the amounts of cash necessary for the operation of the ATMs. The Lessor or its independent contractors shall, in accordance with the Bank's instructions, transport the cash, install the cash into the ATMs, keep balances and make cash available for pay out.

(5) Warranty

- (a) The Lessor hereby warrants that all data processing services shall be carried out in accordance with the applicable standards in the industry by means of equipment meeting the most recent technical standards.
- (b) In carrying out its data processing services, the Lessor shall comply with all German norms and regulations (e.g., ISO 8583) as well as with the specifications established by the Cologne Bank Association for ATMs and the regulations applying to the German ec-ATM system ("German ec-ATM" protocols, guidelines and exhibits applying to the agreements concluded with respect to the German ec-ATM system).

(S)4

Software License and Service Agreement

(1) Lessor's Obligations with respect to Software Licensing and Equipment Maintenance

- (a) The Lessor shall install onto the ATMs that software necessary for their proper functioning.
- (b) The Lessor shall acquire in accordance with the Bank's instructions all third party rights of use necessary for the operation of the ATMs. The Lessor shall adapt all necessary software and corresponding documentation in order to accommodate the exchange of data between the Lessor and the Bank. In connection with those rights which the Lessor has obtained from third parties, the Lessor hereby grants the Bank, subject to the following terms and conditions, a fixed term, nonassignable, nonexclusive right of use to the software in connection with the ATMs.

Exhibit 5 hereto identifies the licensors and specifies the type of equipment on which the software may be run.

- (c) The Lessor shall deliver the software to the Bank in a form which may be read by computer and shall furnish the Bank with the corresponding manuals and instructions.

(2) Restrictions on Use

The Bank shall only have the right to use the software within the Federal Republic of Germany.

The Lessor is entitled, subject to obtaining the Bank's prior approval, to take back or erase data carriers containing out-of-date programs or non longer needed programs. The same applies to out-of-date or no longer needed program documentation.

(3) Warranty

The Lessor shall ensure that the software and the program documentation is appropriate for the use specified in this Agreement and conforms with the description of services given to customers at the time of installation.

(4) Obtaining the Rights to Software and Program Documentation

- (a) The parties hereby agree that the Lessor or authorized third parties shall retain the ownership and copyrights to the software and the program documentation, to the extent that the parties have not agreed otherwise with respect to component parts.

- (b) The Lessor shall defend the Bank against all claims arising out of the infringement of intellectual property rights or copyright as the result of the Bank's use of the software programs in accordance with the terms of this Agreement. The Lessor shall indemnify the Bank for any court cost or damages awarded against the Bank.

- (c) If any claims identified in subparagraph (b) hereof have been brought against the Bank or are likely to be brought against the Bank, the Lessor may substitute the software or program documentation with, or exchange such software or program documentation for, other software or program documentation to the extent that such substitution or exchange remains within reasonable proportions from the point of view of the Bank. In the event that such substitution or exchange cannot be reasonably obtained, and the Lessor cannot obtain a right of use for a reasonable price, either party shall have the right to terminate, without notice a notice period, the license as to the affected software or program documentation. In such an event, the Lessor shall indemnify the Bank from any damages resulting from such termination.

5. Maintenance and Servicing of Software

- (a) The Lessor shall maintain and service the software programs listed in Exhibit 5 hereto in accordance with the terms of this Agreement. Maintenance and servicing shall include a routine inspection and servicing program designed to maintain the Bank's software programs in operating order, to repair any malfunctions or defects as well as to adapt the software programs to the Bank's specific needs.

The Lessor's obligation to provide maintenance and servicing shall extend to the documentation corresponding to the software programs as well as those data material (files and data bank material) listed in Exhibit 5 hereto.

(b) Specific Duties Falling under the Lessor's Obligation to Provide Maintenance and Servicing:

- Installation of latest version of all that software called for by this Agreement;
- Supply of new or adapted documentation in the event of changes in programs;
- Prompt repair of defects or errors in the software programs or in the corresponding documentation, to the extent that such defects or errors affect the software's operating capacity; and
- Repair of defects in the programs listed in Exhibit 5 hereto, which defects have come to the lessor's attention by other means than through the Bank's use of the programs.

The Lessor's obligation to repair malfunctions shall include (a) the removal of the potential causes of malfunctions, (b) the diagnosis of the particular malfunction and (c) the elimination thereof. In the event that such repair is not possible through reasonable means and effort, the Lessor shall render the software operational by means of circumventing the malfunction or defect. The elimination of an error in a software-program shall also include the correction of the respective documentation and manuals.

- (c) The Lessor shall perform the servicing and maintenance on weekdays during normal business hours. The Lessor shall use qualified personnel to perform the servicing and maintenance, and such personnel must be familiar with the software programs and documentation listed in Exhibit 5 hereto.

The Lessor shall make available to that personnel performing the servicing and maintenance the most modern and advanced tools and diagnostic equipment in order to assure prompt and effective maintenance and servicing. Upon request, the lessor may call upon the Bank's data processing service for assistance. The Lessor shall reimburse the Bank in full for any and all costs resulting from any such assistance requested by the Lessor, including personnel costs, travel and hotel costs and any other expenditures

(S)5

Compensation to the lessor

The Bank shall compensate the lessor for the services which the latter provides hereunder. The compensation shall be calculated in lump sums, which shall be deemed to compensate the Lessor in full for all services which it is obligated to perform under this Agreement.

The method of calculating the Lessor's compensation is set out in detail in Exhibit 6 hereto. This method shall be adjusted on a monthly basis in order to take into account changes in circumstances, in particular changes in the amount of the average cash withdrawal from the ATMs.

Notwithstanding the Bank's right to terminate this Agreement pursuant to Article 14, paragraph 3, the parties shall re-negotiate the terms of the method of calculating the Lessor's compensation provided for in Exhibit 6 in the event that the Bank or an affiliate thereof, as defined in Article 15 (and thereafter) of the Law on Company Shares or in Article 290 of the Commercial Code, takes or transfers, directly or indirectly, a significant participation in the Lessor or an affiliate thereof, as defined in Article 15 (and thereafter) of the Law on Company Shares or in Article 290 of the Commercial Code. Significant participation shall mean for purposes of this paragraph any and all direct or indirect participation in the capital, or any and all control over voting rights, to the extent that the percentage of such participation and/or voting rights, or aggregate thereof, results in (a) attaining a participation and/or voting rights, or aggregate thereof, of 5% or more or (b) divesting of a participation and/or of voting rights so as to have a participation and/or voting rights, or aggregate thereof, of less than 5%.

(S)6

Proper Performance of Services

(1) Principles of Proper Bookkeeping and Data Processing

The Lessor undertakes to carry out the bookkeeping services required of it under this Agreement in accordance with accepted accounting principles. The Lessor shall conduct, at its own cost, on a regular basis, reviews of the data processing, to the extent it has a right of access thereto. The Lessor shall automatically provide the Bank with a copy of such reports promptly upon their completion. The Lessor shall inform the Bank in writing as to planned reviews.

In addition thereto, the Lessor shall undertake reviews of data processing when requested to do so by the Bank. The Lessor shall give the auditors appointed by the Bank access to material documents and shall provide such auditors with the necessary copies. The Lessor shall give the auditors, subject to reasonable notice, access to its offices. The Lessor shall bear all costs and expenses arising out of such audits.

(2) Security with respect to Data Processing

The Lessor undertakes to take adequate security measures with respect to all services which it shall perform under this Agreement. The Lessor shall take at all times the following security measures with respect to all data in its possession:

- ensure that all processes can be duplicated and modified with reasonable effort;

- ensure that all data which is essential for the prosecution of claims is recorded and can be reconstructed so that in an emergency the processing of such claims can be carried out in a reasonable time period;
- ensure the availability of corresponding program documentation, organizational handbooks and emergency procedures.

Principal and backup data shall be recorded by means of at least two complete system runs, conducted one after the other, from the point in time of the last system run.

In order to protect against the loss of data, the Lessor shall store the principal data in its possession in a separate archive apart from the backup data, so that in the event of a loss of all or part of the principal data, the Lessor will be able to retrieve the backup data for a period of up to a week. The Lessor undertakes to install and implement safety mechanisms and emergency procedures, and to test and update these mechanisms and procedures on a regular basis.

- (3) The Lessor also undertakes to comply with, in connection with the performance of its contractual obligations hereunder, any and all regulations pertaining to banking activities; e.g., the law governing credit institutions (KWG) as well as those rules, procedures, announcements, instructions, regulations and guidelines issued by the federal agency responsible for the supervision of credit institutions (Bundesaufsichtsamt für das Kreditwesen).

The lessor hereby undertakes immediately to report to the Bank and to cure any and all violations of the above mentioned regulations or directives which have come to the Lessor's attention through its own initiative, through notice by the Bank or as a result of auditing or inspection activities.

- (4) To the extent that the Lessor is obligated hereunder to keep documents belonging to the Bank, the Lessor is subject to those legal duties and requirements concerning the keeping of banking records.
- (5) In order to enable the Bank to determine whether the Lessor has fulfilled its obligations under paragraphs (1) and (2) hereof, the Lessor is obliged to provide all that necessary documentation requested by the Bank.
- (6) The Lessor shall be solely responsible, in particularly with respect to customers and regulatory agencies, for assuring that the accounting is conducted in conformance with accepted standard accounting principles.

(S)7

Confidentiality of Business Records

- (1) The Lessor shall, in performing its duties hereunder, comply with applicable federal and state laws concerning the confidentiality of business records as well as with the laws and regulations concerning banking secrecy.
- (2) Upon the Bank's written request, the Lessor shall undertake the following:
 - (a) Supply information concerning (a) customer data which the Lessor has processed or received from the Bank and (b) data files and data collected on specific persons or groups of persons;
 - (b) Correct customer data;
 - (c) Block the further processing or use of customer data; and
 - (d) Erase customer data.

- (3) The Lessor hereby acknowledges that the duties set forth in paragraph 2 hereof apply to claims which third parties may bring against the Bank. The Lessor is not entitled to refuse to perform these duties on the grounds that it has certain rights with respect to the Bank.
- (4) The Lessor undertakes to return to the Bank upon termination or expiration of this Agreement any and all data carriers or documentation which the Bank gave to the Lessor. The same obligation applies to any and all documentation containing customer data which the Lessor processed pursuant to the execution of its obligations hereunder. The Lessor shall delete from its documentation, computer systems and storage equipment any and all data which the Lessor has processed on behalf of the Bank. Such deletion shall be carried out in such a manner that the deleted data can not be retrieved or reproduced.
- (5) The Lessor is not entitled (a) to refuse to carry out its duties under paragraph 4 hereof or (b) to assert a right of retention as to the data carriers or documentation set forth in paragraph 4 hereof on the grounds that it has certain rights against the Bank.
- (6) The Lessor and the Bank agree that any and all customers, to the extent the Lessor has received or accumulated data with respect thereto, has a direct cause of action against either party hereto should such party breach its obligations owed to the other party hereunder (Article 328, paragraph 1 of the German Civil Code).
- (7) The Bank shall have the right at any time to investigate, either itself or through a third party, whether the Lessor has complied with the provisions of paragraphs 1 through 6 hereof. The Lessor undertakes to give the Bank access to its documents, office space and computer systems, as well as to support the Bank in every manner, in connection with the Bank's conducting such investigations.

(S)8

Confidentiality and Secrecy

- (1) The Lessor undertakes to keep confidential any and all documentation, information and data concerning the Bank or third parties in conformance with the federal law on the confidentiality of business records. In particular, the Lessor shall not exploit or use for advertising purposes addresses or other information as to an individual's identity obtained in connection with the Lessor's operation of the ATMs. This obligation as to confidentiality shall remain in effect after the termination or expiration of this Agreement and after completion of the corresponding ATM transactions carried out pursuant to this Agreement.
- (2) The Lessor hereby acknowledges that the customer data which it has processed or received from the Bank or third parties can fall within the scope of the bank secrecy laws. The Lessor undertakes to keep confidential this customer data and not to disclose or grant access to this data to unauthorized persons or entities. The duty to uphold the bank secrecy laws applies not only to the processing of protected data in the Lessor's central computer, but also to the transporting or sending of such data by electronic means.
- (3) The Lessor shall require its personnel and independent contractors to undertake in writing to keep confidential, and to respect the bank secrecy laws in connection therewith, any and all documentation or information which the Lessor received as a result of, or in connection with, the conclusion, performance or termination of this Agreement or as a result of, or in connection with, the individual ATM transactions undertaken pursuant to this Agreement. The lessor shall require its personnel and

independent contractors to undertake in writing not to process or use customer data for a purpose other than the one specified in this Agreement nor to disclose or give access to such customer data to unauthorized third parties. The Lessor shall ensure that such written undertakings of confidentiality (a) shall survive both the expiration of this Agreement and the completion of the individual ATM transactions provided for hereunder and (b) shall continue to bind the obligor after the date he or she ceases to perform services for the Lessor.

(S)9

Federal Bank Supervisory Board

In the event that the Federal Bank Supervisory Board (BAK), the Federal Association of German Banks e.V. or the Central Credit Board (ZKA) subsequently requires the modification of this Agreement, the Lessor will use best efforts to reach agreement with the Bank in order to make such modifications to this Agreement. In the event that the parties can not reach an agreement as to the inclusion of the required modifications into this Agreement, then either party shall have the right to terminate this Agreement, with immediate effect, upon giving written notice (by registered letter with return receipt requested) of its intention to do so. Such a termination shall not affect ongoing ATM transactions.

(S)10

Money Laundering

The Lessor hereby acknowledges that the Bank is subject to the binding provisions of the Money Laundering Law (GwG) and the directives, announcements and the regulations pronounced by the Federal Bank Supervisory Board (BAK). The Lessor undertakes to perform its contractual obligations hereunder, to carry out the individual transaction provided hereunder and process such business transaction in a manner which enables the Bank to comply at all times with the binding provisions of the Money Laundering Law (GwG) and the directives, announcements and the regulations pronounced by the Federal Bank Supervisory Board (BAK). The important pronouncements made by the Federal Bank Supervisory Board (BAK) are contained in (a) the BAK's directive of October 26, 1994, concerning those measures which credit institutions must take to combat and prevent money laundering (I 5-

E100) and (b) the BAK's announcement of January 24, 1995, concerning measures to combat money laundering (I 5-B102) (this directive and announcement are attached as Exhibit 7 hereto).

(S)11

Supplemental Obligations

(1) Disclosure of Documentation to the Lessor

To the extent permitted by the laws concerning the confidentiality of business records and bank secrecy, the Bank shall grant the Lessor access to that documentation, and supply the Lessor with that information, necessary to enable the Lessor to perform its obligations hereunder and to carrying out those individual ATM transactions provided for herein.

(2) Diverse Obligations

Each party shall obtain the written prior approval of the other party (both in principle and as to the particular contents) before distributing any and all newsletters, printed material or multiple copies referring to this Agreement or to the parties' business relationship.

(3) All work which the Lessor is required to perform hereunder shall be carried out by the Lessor's employees or the employees of the equipment manufacturers, in particular the software providers chosen by the Lessor. The Lessor shall ensure that the persons performing this work are qualified therefor and are familiar with the features of the ATMs, in particular the respective software.

(S)12

Delays in Performance

- (1) In the event the Lessor is late in performing one of its obligations hereunder, the Bank is entitled to impose, for each ATM, a penalty of DM 500,00 for each day of delay.
- (2) The parties hereby acknowledge that the keeping the ATMs in constant operating order is very important for the Bank's reputation with respect to its customers. Consequently, the Lessor undertakes to repair any defects or malfunctions within 24 hours of learning thereof. In the event the Lessor does not make the necessary repair within 24 hours, the Lessor shall pay to the Bank, per ATM, a penalty of DM 1,000.00 for each day of downtime.

(S)13

Liability

- (1) The Lessor shall be liable for any damages arising from the wrongdoing (intentional or negligent) of its employees or its independent contractors.
- (2) The Lessor is also liable for damages arising from improperly authorized pay-outs as a result of defective CIM readings.
- (3) Damages shall include lost profits, increase costs, and indirect and consequential damages.
- (4) In the event the Bank should incur damages, the burden of proof is on the Lessor to prove that it did not cause such damages.
- (5) The Lessor undertakes to carry for the duration of this Agreement property-damage insurance which shall cover all damages that can be foreseen at the time of the signing of this Agreement. The Lessor shall provide the Bank with a certified copy of the insurance policy before starting to install ATMs. Before installing additional ATMs, the Lessor shall increase the insurance coverage accordingly and shall confirm such coverage increase by mean of providing the Bank with a certified copy of the new insurance policy or the amendment to the existing policy.
- (6) The Bank is not liable for its negligence or gross negligence nor for those negligent or grossly negligent acts committed by its employees or independent contractors on the Bank's behalf.

(S)14

Coming into Force and Termination

- (1) This Agreement shall come into force as soon as the Lessor has fulfilled the necessary technical requirements and informed the Bank in writing thereof (tentative date: March, 1997).
- (2) Both parties may terminate this Agreement with a 6 month notice period, which shall start to run on the last day of the calendar year in which the notice was given. In no event may a party terminate this Agreement before December 12, 1999. The parties retain the right to terminate immediately this Agreement in the event that the other party commits an important breach of the material terms hereof. Important breaches of material terms include, but are not limited to, the following:
 - In the event that federal, state, county, city or community officials object to the conclusion or execution of this Agreement, or of any of those individual ATM transactions provided for herein, and the party against whom the objection was addressed does not eliminate the cause or, or cease the conduct, which gave rise to the objection within the delay set by the respective officials.
 - The Lessor continues to breach the material terms of this Agreement, or to fail to perform its obligations hereunder, after receiving written notice from the other party to cease the offending conduct or to perform the respective duties.
- (3) The Bank is entitled to terminate, without a notice period, this agreement upon giving the Lessor written notice of its intention to do so in the event that the Bank or an affiliate thereof, as defined in Article 15 (and thereafter) of the Law on Company Shares or in Article 290 of the Commercial Code, takes or transfers, directly or

indirectly, a significant participation in the Lessor or an affiliate thereof, as defined in Article 15 (and thereafter) of the Law on Company Shares or in Article 290 of the Commercial Code. Significant participation shall mean for purposes of this paragraph any and all direct or indirect participation in the capital, or any and all control over voting rights, to the extent that the percentage of such participation and/or voting rights, or aggregate thereof, results in (a) attaining a participation and/or voting rights, or aggregate thereof, of 5% or more or (b) divesting of a participation and/or voting rights so as to have a participation and/or voting rights, or aggregate thereof, of less than 5%. Should such an event should occur, the Bank may decide to re-negotiate, in accordance with Article 5 of this Agreement, the compensation provisions provided for in Exhibit 6. If the parties fail to reach an agreement in connection with such negotiations as to compensation within one week, the Bank retains the right to terminate this Agreement, without a notice period, in accordance with this paragraph.

- (4) The Bank is entitled to exclude from the scope of this Agreement, without a notice period, those ATMs which (a) the Bank has definitively stopped operating or (b) have been stolen, scraped or irreparably damaged.
- (5) Any and all terminations pronounced pursuant to the terms of this article must be given in writing in the form of a registered letter with return receipt requested.
- (6) The termination of this Agreement shall not affect those ATM transactions commenced prior to the termination.

(S)15

Consequences of Termination

- (1) In the event of the termination or expiration of this Agreement, the Lessor shall take into consideration that responsibility resulting from the Bank's transactions and shall provide an interim solution in order to assist the Bank in putting into place a new operating structure.

- (2) The parties shall wind up and bring to an end the contractual relationship during the notice period or, if applicable, during the transition period provided for in paragraph 1 hereof. In the event that such a winding up is not possible for particular reasons, the parties undertake to enter into an agreement that permits a smooth switch over to new operating systems.
- (3) Regardless of which party terminates this Agreement, both parties undertake to wind up the contractual obligations in accordance with those written procedures fixed by the parties. These written procedures must correspond in a reasonable manner to the interests of both parties.
- (4) The Lessor shall bear the risk and cost of disassembling and recovering the ATMs. The Lessor shall ensure that the ATM sites are in good condition after the removal of the respective ATMs. Article 258 of the Civil code shall apply.
- (5) When the Termination becomes effective, the Bank shall return to the Lessor any and all original software provided by the Lessor and any and all complete or partial copies thereof (including modified versions and copies containing other programs as well). With respect to software which is recorded on machine-readable data carriers belonging to the Bank, the Bank need not turn these carriers over to the Lessor provided it erases the software registered thereon. The Bank shall also return or erase all software documentation and reference material provided by the Lessor.

(S)16

Costs and Expenses

Lessor shall bear any and all costs, expenditures, taxes, deductions and fees (including court and administration costs as well as legal fees) arising out of or in connection with this

Agreement, its preparation, performance or expiration, or resulting from the carrying out of the individual ATMs transactions.

(S)17

Notices

(1) Any and all notices, announcements or other communications made pursuant to the terms of this Agreement must be made in writing and delivered in person or sent by mail, telex (with answer back), facsimile (to be confirmed in writing) or electronic data transmittal (with confirmation of receipt). The communication is to be sent to those addresses and persons indicated on the signature page of this Agreement or to such other address which the recipient of such notice or communication may have indicated in writing to the other party. A written confirmation of posting or sending of a notice or a communication is proof of the other party's receipt thereof within the following time periods:

- a) If sent by mail, five days after being delivered to the respective post office; and
- b) If sent by telex, facsimile or electronic transfer, one day after transmission.

The notice provisions provided for in this article do not affect the notice requirements for termination set forth in article 4, paragraph 4 (c), article 9, paragraph 2 and Article 14, paragraph 2 and 3 hereof.

(2) Any and all notices, announcements or communications made pursuant to paragraph 1 hereof must to be in the German language or be accompanied with a German

language translation. In the event of discrepancy between the German and the foreign language text, the German text shall govern.

(S)18

Applicable Law, Place of Performance,
Jurisdiction, and Language of the Agreement

- (1) The law of the Federal Republic of Germany shall govern the terms of this Agreement.
- (2) Cologne, the Federal Republic of Germany is deemed to be the place of performance for any and all duties and obligations provided for in this Agreement.
- (3) The courts in Cologne, Federal Republic of Germany shall have exclusive jurisdiction over any dispute arising out of this Agreement; provided, however, that the Bank is entitled to bring a cause of action against the Lessor before any court in whose jurisdiction the Lessor may reside or have a branch office or assets.
- (4) Only the German language version of this Agreement shall be executed by the parties. The German language version of this Agreement shall govern for purposes of interpretation of the terms hereof. Other versions of this Agreement prepared in other languages shall not be binding and shall serve merely as translations.

(S)19

Severability

In the event that this Agreement is deemed incomplete or to contain a provision which is invalid, the remaining provisions will remain unaffected thereby. The parties shall replace the invalid provision, or supplement the necessary missing provisions, with provisions which

lead to the result which the parties would have agreed upon had they known of the invalidity or absence of the respective provisions.

(S)20

Modifications

Any and all modifications of the Agreement, including any modification of this article, must be made in writing. The parties shall complete those legal formalities necessary to render this Agreement valid and binding.

Service Bank GmbH & Co. KG

Business Address: Theodor-Heuss-Ring 19-21
50668 Colgong
Federal Republic of Germany
Contact Person: Herr Kabs

Euronet Service GmbH i. Gr.

Business Address: Johann-Friedrich-Bottger-Str. 23
63322 Rodermark
Contact Person: Herr Seeger

Exhibit 6 to the Master Agreement between Service Bank and Euronet

The lessor's compensation shall be calculated in the following manner:

- (a) 1.35% of the monthly amount of cash turnover generated in connection with the ATM transactions; subject to a reduction in the amount of DM 0,35 for each cash withdrawal transaction, provided that the average amount of such cash withdrawal transactions is DM 260. In the event that the average amount of the cash withdrawal transactions changes, then the above mentioned commission will be adjusted on a monthly basis with respect to the average amount of the cash turnover.
- (b) The amount of this compensation shall be further reduced by the following amounts (the "Deductions"):
 - (alpha) a monthly fixed deduction in the amount of DM 100,00 for each ATM covered by this agreement to the extent that the average number of transactions per ATM does not exceed 1,000 during the respective month. In the event that the average number of transactions per ATM exceeds DM 1,000, an additional deduction will be imposed equal to the average number of transactions per ATM over and above 1000 multiplied by DM 0.10 (ie., on transactions between 1,001 and 1,500,000). In the event that the total number of transactions exceeds 1,500,000 per month, the deduction will be increased to DM 0.20 for every additional transaction (i.e., on transactions between 1,500,001 and 2,000,000). In the event that the total number of transactions exceeds 2,000,000 per month, the deduction will be increased to DM 0.30 for every additional transaction (i.e. on transactions between

2,000,001 and 5,000,000). In the event that the total number of transactions exceeds 5,000,000 per month, the deduction will be increased to DM 0.35 for every additional transaction.

- (beta) Those amounts which the bank must pay during the respective month in connection with authorization services provided by Bank-Verlag Koln or other service providers;
- (x) Those fees which the bank must pay, pursuant to its membership in Visa International Service Association's card organization, during the respective month, to Visa International Service Association or to other services providers which are connected to the Visa-payment system, to the extent that such fees are due on ATM transactions.

All deductions shall be increased by the applicable VAT. In the event that the bank adjusts the fees charged for ATM transactions due to changes in the law or on account of changes in its business policy, or if the bank exonerates customers of certain credit institutions from such fees, the commission rate provided for in paragraph 2(a)(sic.)1 of this exhibit shall be adjusted accordingly.

- (3) No service charge shall be applied against transactions undertaken with ec-cards, money cards or other credit or cash cards issued by the bank. These transactions shall not be taken into account in the calculation of the cash turnover pursuant to paragraph (2)(a)(sic.) of this exhibit nor in the calculation of the deductions pursuant to paragraph (2)(b)(sic.) of this exhibit.
- (4) Compensation shall be paid on a monthly basis on every fifth work day of each month for the past month.

The Lessor shall provide the bank, on the third work day of each month, with turnover figures which enable the bank to calculate, for the past month, the number of transactions as well as the amount of compensation due in connection with the ATMs covered by this Agreement.

Cologne, January 10, 1997

Cologne, January 10, 1997

Service Bank GmbH & Co. KG

Euronet Service GmbH i. Gr.

MILESTONE STOCK OPTION AGREEMENT

A Milestone Stock Option award is hereby granted by Euronet Holding N.V. a Netherlands Antilles Company (the "Company"), to the person named below ("Optionee"), for and with respect to series A preferred stock of the Company, par value \$0.10 per share (the "Preferred Stock"), subject to the following terms and conditions:

1. Award. In accordance with that certain First Amendment to the

Shareholders' Agreement, date as of October 14, 1996, entered into by the Company and the shareholders of the Company (the "Shareholders' Agreement"), the Company hereby grants to Optionee, subject to the provisions of this Milestone Stock Option Agreement (the "Option Agreement"), the Euronet Long Term Incentive Stock Option Plan (the "Plan"), and the Shareholders' Agreement, the provisions of which are incorporated by reference, a Milestone Stock Option (the "Stock Option") to purchase from the Company the number of shares of Preferred Stock, at the purchase price per share (the "Option Exercise Price"), in accordance with the terms of the schedule set forth below. Such Stock Option is sometimes referred to herein as the "Award".

Name and Address of
Optionee:

Dennis H. Depenbusch
2610 N. Van Buren
Hutchinson, Kansas 66209
UNITED STATES

Number of Shares Subject
to Stock Option:

Thirty Two Thousand Three Hundred
and Fifty (32,350)

Option Exercise Price
Per Share:

\$15.00

Date of Grant
For Vesting Purposes:

October 14, 1996

2. Conditions of Exercise.

(a) The exercise of all or any portion of the Award is conditioned upon the acceptance by Optionee of the terms hereof as evidenced by his/her execution of this Option Agreement in the space provided below and the return of an executed copy to the Company.

(b) The Optionee shall be entitled to exercise the Stock Option with respect to the number of the shares subject to the Stock Option only after such right has vested as to such Preferred Stock as provided in this Section 2(b) ("Vested Option Shares"). Subject to the following sentence, the Optionee's right to exercise the Stock Option shall vest on the earlier of (i) October 14, 2006, at which time all outstanding Stock Options shall vest, or (ii) the date on which any one or more of the three "Milestones" described in Schedule 17 to the Shareholders Agreement are

met by the Company (each, a "Vesting Date") during which the Optionee is an employee of the Group. Any unvested Option Shares shall fully vest immediately upon the occurrence of an IPO as defined in the Shareholders Agreement. The Optionee may exercise his right to purchase Vested Option Shares by giving written notice ("Exercise Notice") to the CEO of the Company on or before October 14, 2006 (the "Option Period Expiration").

(c) Written notice of an election to exercise any portion of the Award, substantially in the form adopted by the Company and specifying the number of shares for which an exercise is made, shall be given by Optionee, or his/her legal representative; (i) by delivering such notice to Mr. Michael Brown, c/o Bankomat Polska Sp. z.o.o., al. Jerozolimskie 65-79, Suite 12.18, 00-697 Warsaw, Poland, no later than the exercise date, or (ii) by mailing such notice, postage prepaid, addressed to the Company at the above address at least three business days prior to the exercise date.

3. Clarification of Change of Control Provision. For purposes of this Award, the provisions of Section 5.9 ("Change of Control") of the Plan shall be amended as follows:

(a) The Company agrees to give Optionee notice of any Change of Control promptly, in order that Optionee may exercise any rights under Section 5.9(2) of the Plan;

(b) The provision of Section 5.9(2)(ii) of the Plan shall be construed as being subject to the provisions of Section 8 of the Plan, and in particular the last sentence of Section 8.

4. No Rights Prior to Exercise. Neither Optionee nor any other person entitled to exercise the Stock Option under the terms hereof shall be, or have any of the rights or privileges of, a shareholder of the Company in respect of any Preferred Stock issuable on exercise of the Stock Option, until the date of the registration of the issuance of such Preferred Stock with the Registrar designated to maintain the register of the shares in the Company.

5. Return of Agreement. If the Award is exercised in whole, this Option Agreement shall be surrendered to the Company for cancellation. If the Award is exercised in part, or a change is made in the number of designation of the Preferred Stock, this Option Agreement shall be delivered by Optionee to the Company for the purpose of making appropriate notation thereon, or of otherwise reflecting, in such manner as the Company shall determine, the partial exercise or the change in the number of designation of the Preferred Stock.

6. Representation. Optionee represents, warrants and agrees that:

(i) Optionee will acquire and hold the shares purchased on exercise of the Stock Option for his/her own account for investment and not with the view of the resale or distribution thereof, except for resales or distribution in accordance with applicable securities laws;

(ii) Optionee will not, at any time, directly or indirectly, offer, sell, pledge, or otherwise grant a security interest in or otherwise transfer any portion of any shares purchased upon exercise of the Stock Option (or solicit an offer to buy, pledge or otherwise acquire, all or any portion thereof).

(iii) Optionee acknowledges that Optionee has had the opportunity to ask questions of, and receive answers from, the officers and representatives of the Company concerning the Preferred Stock subject to this Option Agreement, as well as all material information concerning the Company and the terms and conditions of the transactions in which Optionee is acquiring the Stock Option and may subsequently acquire shares of Preferred Stock.

7. Miscellaneous.

(a) The grant of the Award hereunder shall not be deemed to give Optionee the right to be retained by the Company or to affect the right of the Company to discharge Optionee at any time.

(b) The Award shall be exercised in accordance with such administrative regulations as the Company shall from time to time adopt.

(c) The Award and this Option Agreement shall be construed, administered and governed in all respects under and by the laws of the Netherlands Antilles, without giving effect to principles of conflict of laws.

(d) This Option Agreement supersedes all prior discussions and/or agreements between Optionee and the Company, or any of the subsidiaries of the Company, with respect to the subject matter hereof.

Dated: October 14, 1996

Euronet Holdings N.V.

By: /s/ Dennis Depenbusch

Dennis Depenbusch

By: /s/ Michael Brown

Michael Brown

The undersigned hereby accepts the foregoing Award and the terms and conditions hereof

/s/ Dennis H. Depenbusch

Dennis H. Depenbusch

Other Milestone Stock Options

The following milestone stock options were also granted on October 14, 1996, under the same terms as set forth in the foregoing Agreement between Dennis H. Depenbusch and the Company:

Name	Number of Shares Subject to Stock Options
-----	-----
Michael J. Brown	164,270
Daniel R. Henry	85,620

ATM SITE AGREEMENT

This ATM Site Agreement (the "Agreement") is made as of _____, 1997 between:
- EFT _____, a _____ company with its registered
offices at _____ (hereinafter referred to as
"Euronet");
and
- [_____, a _____ company with its registered offices at _____]
(hereinafter referred to as "Lessor":).

RECITALS

WHEREAS Euronet wishes to install automated teller machines (the "ATMs")
at certain mutually agreed locations in Lessor's retail locations in [_____];

WHEREAS Lessor is willing to lease space to Euronet for this purposes;

In consideration of the above premises, the Parties have agreed as follows:

1. Number and Choice of Sites,

(a) Lessor hereby grants Euronet the right to install ATMs in those retail
locations included on Exhibit A, plus any additional sites which are
mutually agreed by the parties from time to time ("ATM Sites"). The
precise location for installation of each ATM at the ATM Site as well as
the details of the installation plan and equipment installed will be
mutually agreed upon by both parties in separate documents, referred to
herein as "ATM Site Specification Forms", executed by the Parties for
each ATM Site. The execution of an ATM Site Specification Form shall
constitute an agreement of the parties to apply the terms of this
Agreement, together with any specific terms applicable to such ATM Site
provided in such form, to each ATM Site. The Parties agree to enter into
a Site Specification Form with respect to the ATM Sites listed on
Exhibit A within thirty (30) days of the execution of this Agreement.

Euronet may require that Lessor confirm in writing that an ATM Site has
been made available at a given location, including any particular legal
and technical conditions relating to the usage of the area

[OPTION 1 (No Rental fees):

2. Nature of this Agreement.

This Agreement is intended to establish a cooperative relationship
between the parties in which the consideration for the right of Euronet
to place ATMs in mutually agreed Lessor retail locations is the expense
incurred by Euronet in installing an ATM, the enhancement of the
services available to Lessor's customers and the payment of an annual
fee of _____. No other rental or operational fee (including, for
example, electricity or other utility fees incurred during the
installation and operation of the ATM) shall be payable by Euronet to
Lessor for the installation and operation of the ATMs at the ATM Sites.]

[OPTION 2. (Payment of Rent)]

2. Rental Fee,

a) Euronet agrees to pay Lessor \$___.00 (___US dollars) per month per ATM location (the "monthly fee"). The monthly fee is payable in ____, calculated and based on the National Bank of Poland average of the buying and selling rate for USD to ___ on the first day of each month. The monthly fee shall commence upon installation and connection of each ATM to the Euronet network and will be mutually confirmed by both parties in a separate document called "ATM Site Term Commencement Form". If connection to the network occurs other than on the first day of the month, the monthly fee for the partial month shall be prorated based on the number of days the ATM is connected to the network divided by the total days in the month.

b) All rental and transaction fees are inclusive of all fees and taxes whatsoever.

3. Design and Installation.

a) Euronet will, at its sole cost and expense, design and make any necessary alterations to the ATM Site, install an ATM and make necessary utility, telecommunications and computer connections at the ATM Site. All designs for the ATM Site, including for signage, will be mutually agreed upon by the Parties.

b) Euronet will be primarily responsible for obtaining any necessary construction or other permits. However, Lessor acknowledges that such permits must be requested in the name of Lessor and that obtaining such permits will therefore require the assistance and participation of Lessor. Lessor agrees to provide any assistance necessary to obtain such permits.

c) Euronet and Lessor will cooperate in obtaining the necessary telecommunications service and linkage at the ATM Site. Lessor agrees that Euronet will install satellite and/or alternative telecommunication connections on the site. The cost of telecommunications installation and service will be borne by Euronet.

d) Each ATM will bear a Euronet logo and logos of its member banks and cards, and if required by any company renting the ATM and systems software to Euronet (the "Rental Company"), a plate identifying the owner of the ATM. Lessor will not object to the presence or interfere with the visibility of such logo and plate.

e) Euronet will have the right to place visible, lighted signs on/above the ATM and, if necessary, directional signs which will be approved by Lessor.

4. Operation and Maintenance of the ATM.

Euronet shall be responsible, at its sole cost and expense, for the maintenance and repair of the ATM during the term of this Agreement.

5. Access to ATM Site,

Lessor will permit access to the ATM Site during regular opening hours of the retail location (and to the extent necessary for the construction of the ATM Site and the installation and maintenance of the ATM, to the interior of the building next to the ATM Site) to the employees, agents, suppliers and subcontractors of Euronet. If necessary to make urgent repairs, such access will also be furnished outside regular opening hours of the retail location.

6. Ownership of ATM and Systems Software.

Lessor acknowledges that the ATM machine and accessory equipment at each ATM Site and all computer programs used in the ATM (the "Systems Software") are, and shall at all times, remain the property of Euronet (and/or the Rental Company). Lessor will not assert or suggest that it has, or permit any other party to assert or suggest that it has any ownership rights whatsoever with respect to the ATM or the Systems Software, nor shall Lessor take any action towards third parties which would imply that it is the owner of the ATMs or the Systems Software. Lessor acknowledges that the ownership rights of

Euronet (and/or the Rental Company) shall not be in any way reduced or impaired by the fact that the ATM is installed into the property of Lessor. If so requested by the Rental Company, the Lessor will provide written confirmation, in a form satisfactory to the Rental Company, of the ownership rights of the Rental Company and that the Lessor will not prevent the Rental Company from asserting any rights, whether as a creditor or otherwise, against the ATM located at the ATM Site.

7. Operation and Maintenance of ATM Site,

- a) Lessor shall, at all times during the term of this Agreement, furnish and maintain (i) maintenance of the area surrounding the ATM Site, (ii) routine cleaning of the ATM, (iii) electricity required for the normal operation of the ATM machine and related equipment at the ATM Site, and (iv) adequate illumination of and around the ATM 24 hours per day, and (v) access to the ATM Site for the customers. Upon failure to meet the obligations, Euronet (and/or the Rental Company) shall have the right to remove the ATM from the ATM Site at its discretion and Lessor is obliged to cooperate to such removal.
- b) During the term of this Agreement, Lessor shall not permit any other bank, company or entity to install and/or operate ATMs at any retail locations owned or operated by Lessor.

8. Term; Default and Termination.

- a) This Agreement shall apply with respect to each ATM Site for an initial term of seven (7) years from the date the ATM in a site is connected to the Euronet network. Thereafter, this Agreement shall be automatically renewed as to each ATM Site for successive three (3) year terms unless (i) notice of termination is given by either party at least three months prior to the commencement of any renewed term, or (ii) sooner terminated as provided in paragraph (b) of this section.
- b) In the event of any default by either Party in the performance of this Agreement as to any ATM Site, the non-defaulting Party may terminate this Agreement (but only as to such ATM Site) by written notice with effect as of thirty (30) days after the date of receipt of such notice. All amounts due by one Party to the other at the time of such default shall be paid within seven days of the end of such thirty (30) day period.
- c) In the event that the number of transactions on the ATM at an ATM Site fall to below 1200 per month for more than three (3) months in any six (6) month period, Euronet shall be entitled to remove the ATM from that site and terminate this Agreement with respect to such site. Such termination shall not affect the application of this Agreement as to other sites.
- c) Euronet will remove the ATM from the ATM Sites at its sole cost and expense within sixty (60) days of the effective date of termination of this Agreement (whether by notice of termination for default or expiration of the term of this Agreement). For this purpose, Euronet will be given full access to the ATM Site by Lessor. Euronet will leave the ATM Site in a clean condition, but will not be required to restore the ATM Site to its original condition.

9. Insurance/Liability for Loss.

- a) Euronet shall be responsible for insuring each ATM and the cash in the ATM against property damage and theft.
- b) Euronet will be responsible for any loss or damage to the ATM machine itself or the cash therein arising from robbery, vandalism or casualty, provided that such loss or damage is not attributable to the negligence or misconduct of Lessor or its employees or agents. Euronet shall not be responsible for damage to the premises of the Lessor, unless such damage is caused by Euronet or its agents, or by the malfunction of the ATM.

10. Joint Promotion/Use of Trademarks and Logo's.

- a) Euronet shall be entitled to include the locations of the ATM Sites on all promotional materials prepared concerning the Euronet ATM network. In addition, Euronet may formulate joint public relations and advertising programs to promote the usage of the Euronet ATM network. Each Party shall be authorized, for the sole purpose of such joint promotion, to use the other's trademark and logo.

Lessor acknowledges that banks are participating in the Euronet ATM network, and Lessor's trademark and logo may be used in conjunction with that of other participants in the ATM network.

- b) Upon execution of this Agreement, Euronet and/or Lessor shall have the right to announce the cooperative arrangement as described herein. Fees and charges must remain confidential and cannot be disclosed by either party without written consent of the other Party.

11. Confidentiality.

Except as otherwise required by law, each Party shall maintain as strictly proprietary and confidential any and all information, documents and data concerning the other Party received from the other Party in connection with this Agreement.

12. Miscellaneous

- a) This Agreement embodies the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. This Agreement supersedes any and all prior agreements and understanding between the parties with respect to such subject matter.
- b) This Agreement may be amended only in writing signed by both parties. No waiver of any provision hereof shall be effective against any party unless it is in writing signed by that party. A waiver granted with respect to a provision on one occasion shall not constitute a waiver of any other provision on such occasion or of such provision on any subsequent occasion.
- c) This Agreement shall be assignable by any party only with the written consent of the other party hereto, and shall ensure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
- d) Any payment, notice or other communication required or permitted to be given under this Agreement shall be mailed or delivered to the parties at the addresses set forth in the heading of this Agreement or to such other addresses as either party may specify by due notice to the other.
- e) The invalidity or unenforceability of any provision of this Agreement shall not impair the validity or enforceability of any other provision hereof.
- f) This Agreement shall be governed by the laws of _____. All disputes arising in connection with this Agreement and any Specific Agreement shall be submitted to the [_____].

IN WITNESS OF THE ABOVE the Parties have duly executed this Agreement as of the date indicated above.

EFT usluge doo	Lessor
-----	-----
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

APPENDIX 1

ATM Site Specification Form

Made as of _____ 1997 in between:

Euronet usluge doo, with its registered offices at _____ ("Euronet")

Lessor (1. _____ , _____) ("Lessor").

1. Under the terms and conditions set forth in the Agreement between Lessor and Euronet made on _____1997, subject to section X below, the Parties herein define the ATM Site in _____.

The ATM Site is drawn on the plan attached

2. ATM Site Location:

3. ATM Build-out:

4. ATM Type:

Euronet

Lessor

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

APPENDIX 2

ATM Site Term Commencement Form

Made as of _____ 1997 between:

Euronet usluge doo, with its registered office at _____ ("Euronet")

and

_____, with its registered offices at _____ ("Lessor").

Under the terms and conditions set forth in the Agreement between Lessor and Euronet made on _____ 1997, and specified in ATM Site Specification Form dated _____ 1997, the Parties agreed on certain terms regarding an ATM located at _____. The Parties hereby confirm that the ATM Site Term Commencement is _____ 1997.

Euronet
- -----

Lessor

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

CENTRAL BUSINESS CENTER

-

OFFICE LEASE CONTRACT

between:

Central Business Center Rt. , as Lessor

represented by: Mr. Kanji Yamada managing director

and

Euronet Bank 24. Rt, as Lessee

represented by: Mr. Daniel R. Henry managing director

Budapest

*

February 21, 1997

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- - Appendix 6: Condition of Premises

OFFICE LEASE CONTRACT made as of February 21, 1997, between:

Central Business Center Rt., a company organized and existing under the laws of Hungary, having its registered office at Horvat utca 14-24, Floor 5, Business Suite 1, H-1027 Budapest, Hungary (hereinafter "Lessor"),

and

Euronet Bank 24 Rt., a company organized and existing under the laws of Hungary having its registered offices at Zsigmond ter 10., H-1023 Budapest, Hungary (hereinafter "Lessee")

and

Euronet Holding N.V. an incorporation organized and existing under the laws of the Netherlands Antilles, having its registered offices at Pietermaain 15, Curacao, Netherlands Antilles, a parent company of Euronet Bank 24 Rt. (hereinafter "Surety").

The parties hereto agree as follows:

Article 1 - Business Center

Lessor is the owner of the office building located at Budapest II. Horvat utca 14-24. Hungary registered at the Metropolitan District Land Registration Office under land registration sheet No. 4323 and topographical No. 13625 (the "Business Center").

Article 2 - Premises

2.1 Description of Premises

The premises which are the subject of this Lease (hereafter collectively referred to as "the Premises") comprise the following parts of the interior of the Business Center:

Office: 594 m2 gross space on the 5 th floor {net space 550 m2}
Parking: 10 lots on the basement.

The Premises comprising of a gross space of 594 m2 (net space 550 m2), are shown edged red on the plan attached hereto in Appendix 1.

For the purposes of establishing the surface of the Premises, measurements are effected from the internal face of external walls of the Business Center to the internal face of structural walls, and include any pillars and partition walls, if any. Lessee shall have the right to measure the Premises upon its taking possession of the Premises in accordance with this Agreement.

Lessee acknowledges that Lessor may have a maximum of 13 telephone lines allocated in the Premises.

2.2 Use of Premises

As of the Commencement Date Lessor hereby lets to Lessee, and Lessee hereby rents from Lessor fully and exclusively the Premises in accordance with the terms and subject to the conditions of this Agreement. Only the interior of the Premises is rented.

The Premises shall only be used by Lessee for office operation, and purposes directly resulting therefrom. A modification of the purpose of use of the Premises is permitted subject to the obtaining of Lessor's prior consent in writing, which shall not be unreasonably withheld. Notification of consent or refusal (with good reason) shall be made within 30 days of such request by the Lessee.

Lessee further agrees to use the Premises in accordance with the General Administrative Terms and Conditions concerning certain administrative and practical matters relating to Lessee's use of the Premises (such as, without limitation, remittance of keys, parking conditions, safety measures) from time to time in force, which shall form part of this Lease. The General Administrative Terms and Conditions currently in force are attached hereto in Appendix 2.

2.3 Common Parts

In addition to the Premises, Lessee, his agents and invitees shall be entitled to use the common parts of the Business Center in accordance with the Business Center's internal regulations, as established from time to time by Lessor, and Lessee and its employees, agents and invitees shall be granted access to the Premises 24 hours a day in accordance General Administrative Terms and Conditions.

The common parts of the Business Center, comprising a total floor surface of 2,484 m², are shown edged blue on the plan attached hereto in Appendix 3.

Lessor hereby agrees to the placement by Lessee (i) at the Roof Area of Floor 6 - location of which shall be further specified between the parties - an emergency generator with 10kW capacity, and (ii) up to (6) six satellite dishes for use by Lessee at the Roof Area of Floor 6 or 8, the cost of which shall be borne by Lessee. Lessor further agrees to assist the Lessee in obtaining the necessary and required permits to the placement and operation of such emergency generator.

Article 3 - Term, Possession and Termination without Events of Default

3.1 Term of Lease

The parties hereto acknowledge that this Agreement shall commence on April 1, 1997 ("Commencement Date").

Subject to extension in accordance with Section 3.2 hereof, this Lease is for a term of 5 (five) years (the "Term"), and shall commence on the Commencement Date and expire on March 31, 2002 (the "Expiration Date").

3.2 Extension

Unless objected by either party in a notice to the other party, such notice to be given no less than 3 (three) months prior to the Expiration Date, on the Expiration Date, the Term shall be automatically extended for another 5 (five) years upon the same terms and subject to the same conditions, provided that the Term may not be extended beyond 2012.

3.3 Termination without Events of Default

This Lease Contract shall terminate without cause:

- (a) upon expiration of the Term without extension;
- (b) by mutual agreement of the Parties;
- (c) on the basis of Section 39 (a) of Act LXXVIII of 1993 on the sale and lease of residential and commercial real estates in the event of termination of any of the Parties hereunder without legal successor;
- (d) on the basis of Section 312 (1) of Act IV of 1959, as amended, if the fulfilment of this Agreement and the respective obligations of the Lessor or the Lessee hereunder shall become impossible for reasons beyond the control of the Parties (the "Impossibility"). In the case of acknowledgement of any Impossibility by any of the Parties a notice is to be sent in writing to the other parties. Following such notice within 60 days (the "Termination Day") the Term, as well as all of the right, title and interest of the Parties hereunder, shall wholly cease and expire in the same manner, and with the same force and effect as if the termination date set forth in such notice was the Expiration Date, and (I) the Lessee shall then quit and surrender the Premises to the Lessor and the Lessee shall pay upon demand any Fixed Rent and Service Charge amounts due and owing by the Termination Day; and (ii) the Lessor shall return any extra payments made by the Lessee in advance and which are no longer due following the Termination Day.

Article 4 - Fixed Rent and Service Charge.

4.1 Fixed Rent

4.1.1 Amount

Lessee agrees to pay as fixed monthly rent (the "Fixed Rent") for the Premises on the basis of space and parking lot used (as such defined tinder Section 2.1 above) the following amounts:

- (a) an amount denominated in Hungarian Forints ("HUF") equal to 22,869 DEM (twenty two thousand eight hundred sixty nine German Marks), on the basis of 38.5 DEM/gross m2 of Premises/month), plus applicable value-added tax ("AFA"); and
- (b) an amount denominated in HUF equal to 2000 DEM (two thousand German Marks) for the 10 parking plot on the basis of 200 DEM/plot/month, plus applicable AFA;

totalling of an amount denominated in HUF equal to 24,869 DEM (twenty four thousand eight hundred sixty nine German Marks) (the "DEM Amount") monthly Fixed Rent.

4.1.2 Adjustment of Fixed Rent

Starting as of January 1, 1998, the DEM Amount shall be increased automatically on January 1st of each year by the percentage increase in the Consumer Price Index during a period of twelve months ending on November 1st of the immediately previous calendar year.

For the purposes of this Agreement, the expression "Consumer Price Index" shall mean the cost of living index for all households, base 1980, covering 753 items in 118 municipalities quoted by the Federal Statistical Office (Statistisches Bundesamt) of Germany contained in International Financial Statistics, or, if such index becomes unavailable to the public, any other comparable reliable index based upon changes in the cost of living or purchasing power of the German Mark chosen by Lessor and agreed by Lessee.

4.2 Service Charge

4.2.1 Lessee hereby agrees to pay a portion of the operating charges and expenses in connection with the Business Center (the "Service Charge"). For the purposes of this Agreement, the expression "operating charges and expenses" shall mean all accruing regular running and maintenance costs (and all taxes levied thereon) incurred in connection with the maintenance and operation of the Business Center and the plot on which the Business Center is located, including property management, current public charges, operation of common areas and facilities, heating and air conditioning, gas, electricity, water and other utilities charges, premiums for liability insurance and insurance of the Business Center against glass, storm, fire and other damages, independent contractor services compensation for injury to employees, expenditures on maintenance and service of elevators and other fixtures, fittings, plant and machinery, management fees, including property managers' fees, legal, accounting and other expenses which directly relate to the operation of the building and any other costs and expenses that Lessor deems necessary for the proper running and maintenance of the Business Center.

4.2.2 Service Charge payments are allocated among lessees of the Business Center based on an apportioned percentage basis, based on the proportion the surface of the premises rented by each lessee in the Business Center bears to the entire rentable space thereof.

4.2.3 The Service Charge shall be charged to Lessee quarterly in advance as calculated based on operating charges and expenses as budgeted by Lessor for the relevant calendar year and shall be adjusted at the end of such calendar year on the basis of actual operating charges and expenses incurred during that year.

Lessee shall have the right to verify (or have its accountants verify) annually between 15 January and 15 February of each year the actual amount of operating charges and expenses incurred in connection with the Business Center by reviewing Lessor's Service Charge accounts for the preceding calendar year. Lessee shall give at least five business days' notice to Lessor of its intention to perform a review of the Service Charge accounts. The review shall take place at the offices of the Lessor or, where appropriate, the Lessor's managing agent.

4.2.4 During the period ending December 31, 1997, Lessee agrees to pay as quarterly advance payment of Service Charge an amount denominated in HUF equal to 9890 DEM (nine thousand eight hundred ninety German Marks), plus applicable AFA, on the basis of 5.55 DEM/gross m² of Premises/month), plus AFA.

4.3 Payment of Fixed Rent and Service Charges

4.3.1 The Fixed Rent and the Service Charge shall be paid quarterly in advance by remittance to Lessor of an amount in HUF calculated by using the DEM/HUF selling rate quoted by UNICBANK Rt. Budapest on the date the invoice for Fixed Rent and Service Charges is issued by Lessor. Said invoice for Fixed Rent and Service Charges will be issued and forwarded to Lessee by Lessor or Lessor's agent on the 15th day of the month preceding the first month of each calendar quarter. Payment for the Fixed Rent and Service Charges will be due the latest (I) on the first day of each calendar quarter, or (ii) within 8 days from the date of issue of Lessor's invoice whichever date is later, provided, however that the payment of the Fixed Rent and the Service Charge due for the first three months of the Term shall have to be made by the Lessee on the Commencement Date as a condition of taking possession of the Premises. The Fixed Rent and the Service Charge shall be deemed overdue if not received by Lessor by the due date.

4.3.2 Any Service Charge balance due by Lessee following Lessor's annual final settlement and reconciliation of operating charges and expenses actually incurred in the preceding year, and any applicable AFA thereon shall be invoiced and due with the next scheduled payment of Fixed Rent and Service Charges.

4.3.3 Payments to Lessor pursuant to this Agreement shall be made, without any right of deductions or set-off, to the following account of Lessor No.: 12001008-00141547 with UNICBANK Rt. or to such other account of Lessor as the Lessor may give notice to Lessee no later than 5 business days prior the date of issue of Lessor' invoice.

4.3.4 If Lessee fails to pay when due any amount payable by it under this Lease, the overdue amount shall bear a default interest at 3 months Libor for DEM + 4% during the period from the due date of such amount to the date of actual payment thereof.

4.3.5 In addition to any default interest owing to Lessor pursuant to this Lease or by law, Lessee shall pay all costs, expenses or losses incurred by Lessor as a result of any failure by Lessee to pay any amount payable to Lessor pursuant to this Agreement on its due date.

4.3.6 The Lessee shall be entitled to a rent free period totalling of three (3) months Fixed Rent - excluding the rent for the car parking lots - in the first three years of the Term ("Rent Free Period"), provided that the Lessee shall be released from the payment of the Fixed Rent in July and the first 15 days of August of 1997, in July of 1998, and in the first 15 days of July in 1999. Lessee acknowledges that the Service Charge and the rent for the car parking lots shall be payable and due for the Rent Free Period as well.

4.4 Security Deposit - Bank Guarantee

As security for any claims Lessor may have against Lessee arising from this Agreement, Lessee agrees to provide a security deposit (the "Security Deposit") on the Commencement Date. The Security Deposit shall be an amount equal to three months Fixed Rents. Lessee agrees to pay the Security Deposit on an interest bearing account of the Lessor no later than on the Commencement Date. The Security Deposit (and all interest thereon) shall be repaid to Lessee upon termination of this Lease, subject to fulfilment of its obligations hereunder by Lessee and except that Lessee shall bear all costs, expenses and bank charges incurred by Lessor in connection with the Security Deposit.

Alternatively, Lessee may elect to effect the Security Deposit in the form of an irrevocable and unconditional bank guarantee to the benefit of the Lessor for an amount equal to the amount of the Security Deposit. The guarantee shall be issued to Lessor no later than on the Commencement Date by a bank of international standing having offices in Budapest substantially in the form of the draft guarantee attached hereto in Appendix 4, and in substance reasonably acceptable to Lessor.

4.4.1 Surety

The Surety hereby guarantees to the Lessor the due and punctual performance by the Lessee of each of the payment obligations contained in this Agreement and undertakes to hold the Lessor fully and completely indemnified on demand any against loss, damage and liability occasioned by any failure of performance by Lessee of its obligations under this Agreement, in accordance with Section 272 and 274(2) a) of Act IV of 1959, as amended, on the Civil Code of Hungary.

The liability of the Surety hereunder -- notwithstanding with Section 273 of the Civil Code -- shall not be affected, impaired or discharged by reason of any act, omission, matter or thing which but for this provision might operate to release or otherwise exonerate the Lessee or the Surety from its liability as obligor under this Agreement including without limitation any time or other indulgence granted by the Lessor to the Lessee or any modification of the terms of this Contract which may be agreed between the parties hereto.

Article 5 -- Representations and Undertakings

5.1 Representations and Undertakings of Lessee

5.1.1 Lessee hereby represents and undertakes to Lessor that the following statements are, and will always remain, true and correct in all respects:

- (a) Lessee is a limited liability company validly existing and in good standing under the laws of Hungary and has all requisite power and authority to enter into this Agreement and perform all of its obligations hereunder;
- (b) The execution, delivery and performance by Lessee of this Agreement have been duly authorised and no other action is necessary on the part of Lessee for the execution, delivery and performance of its obligations hereunder, and this Agreement constitutes a legal, valid and binding obligation of Lessee in accordance with its terms;
- (c) Lessee has sufficient revenues to pay when due during the term of this Agreement the Fixed Rent and all other amounts due to Lessor in connection with the renting of the Premises, and Lessee has never been in default in the payment of any rents or any other amounts due to any other or previous lessors in connection with premises leased by Lessee for office purposes.

(d) Lessee has always operated its business, and will continue to operate its business at the Premises, in compliance with all applicable laws, regulations, authorizations and licences.

5.1.2 The Surety hereby represents and undertakes to Lessor that the following statement is and will always remain, true and correct in all respects:

- (a) Surety is a legal entity validly existing and in good standing under the laws of the Netherland Antilles and has all requisite power and authority to enter into this Agreement and perform all of its obligations hereunder;
- (b) The execution, delivery and performance by Surety of this Agreement have been duly authorised and no other action is necessary on the part of Surety for the execution, delivery and performance of its obligations hereunder, and this Agreement constitutes a legal, valid and binding obligation of Surety in accordance with its terms;
- (c) Surety has sufficient funds to guarantee the Lessee's obligations during the term of this Agreement.

Surety has delivered to the Bank (as defined in sub-Section 5.1.3 below) statements on its pre-tax profits for the two previous consecutive fiscal years.

5.1.3 Upon request of the European Bank for Reconstruction and Development (the "Bank") and/or Lessor, or any transferee thereof (as the case may be), Lessee shall promptly execute and deliver to the Bank and/or Lessor (or any transferee thereof) (A) a letter of confirmation, in the form of Appendix 5, confirming that on the date such letter of confirmation is issued (i) Lessee's statements under (a), (b), (c) and (d) above are true and correct and (ii) Lessee is not in default under any provision of this Agreement, and/or (B) a certificate in a form acceptable to the addressee thereof, addressing, among other things, the then current Lease terms and any other matters relating to the Lease.

5.2 Representations of Lessor

- (i) All appropriate certificates, permits and licenses required to use the Premises and permitted pursuant to Section 2.2 hereof have been obtained, or are in the course of being obtained, from each governmental authority having jurisdiction over the Premises.
- (ii) Lessor has no knowledge of any outstanding violation of any law, rule, regulation, code or other requirement of any governmental authority affecting the Premises.

Article 6 - Condition of Premises, Alterations and Repairs

6.1 Proper Condition

The condition of the Premises as of the Commencement Date is described in Appendix 6.

Lessor agrees to keep and maintain the building structure, mechanical systems in good condition and repair throughout the term of the lease.

Lessee agrees to keep and maintain the interior of the Premises, including all related furniture and fixtures and equipment, clean and in good condition and repair, and Lessee agrees to make all repairs and replacements and perform all maintenance necessary to maintain the interior of the Premises and all related furniture and fixtures and equipment, in the same condition as on the Commencement Date, normal wear and tear excepted.

6.2 Alterations and Repairs

6.2.1 Structural Repairs and Modifications

(I) Lessor agrees to make all reasonable structural repairs to the Premises, including, the roof, walls, ceilings, floors, pipes, and other central electrical, mechanical, plumbing, and structural systems located in, on or about, serving or constituting, the Premises.

Where appropriate, Lessee agrees to temporarily vacate the Premises (or any part thereof) for a limited period of time to allow the making of reasonable structural repairs to the Premises. The Lessor undertakes to conduct all repairs to the Premises in a manner that will cause minimum disruption to the Lessee. In the event of the Lessee suffering serious disruption to its business operation for a period of more than ten (10) working day as a result of repairs being conducted to the Premises, the Lessor shall compensate the Lessee by reducing the amount of Fixed Rent in direct proportion to the area in which the disruption occurs and to which client may not have access to and for the duration of the disruption over such 10 working days, provided, however, that such repair was not made in the interest of or per request of Lessee.

(ii) Subject to the obtaining of Lessor's prior written approval which shall not be unreasonably withheld, Lessee may make all structural or other alterations, repairs or improvements (including primarily the improvement of the security) of the Premises which Lessee may deem from time to time necessary or desirable to facilitate its use of the Premises, provided that all works shall be performed by qualified professionals in accordance with applicable legal requirements and all appropriate statutory and local authority certificates, permits and licenses. The Lessor agrees to respond within 15 days to Lessee's requests in connection with such improvements of the Premises.

All costs and expenses incurred in connection with structural modifications to the Premises made at Lessee's request shall be borne by Lessee. Lessee is not entitled to claim any compensation for such costs and expenses from Lessor.

Lessee may remove from time to time during the Term or within (15) days prior to the expiration or earlier termination of the Term, all fixtures, equipment, installations and other improvements made by or on behalf of Lessee. Lessee, promptly and at its expense, shall repair any damage to the Premises caused by such removal and reinstate the Premises to their original condition, as the Premises were delivered to the Lessee by the Lessor.

6.2.2 Advertising Signs and Logos

Signs, logos or other advertising media may be affixed on the outside or the inside of the Premises only in compliance with all applicable statutory and local authority certificates, permits and licenses, and subject to the obtaining of the prior written consent of Lessor (which consent shall not be unreasonably withheld).

Subject to obtaining the statutory and/or local authority licences Lessee shall be entitled to affix on the outside or inside of the Premises its signs the size of which is proportional to the proportion the surface of the Premises rented by Lessee in the Business Center compared to the entire rentable space thereof.

All costs and expenses in connection with the affixing of signs, logos or other advertising media on the Premises shall be borne by Lessee.

Article 7 - Insurance

Throughout the Term, Lessor agrees to provide and keep in force insurance for the benefit of both Lessor and Lessee which shall be valid and effective for an amount and coverage which are customary in Hungary for buildings and real property of similar size and use as the Business Center in Budapest. Lessor and Lessee agree not to violate, or permit or suffer to be violated, any of the conditions of any of said policies of insurance.

It is understood and agreed that insurance provided by Lessor shall not cover damages, theft or any other losses with respect to equipment, furniture, or any other property of Lessee in the Premises, and that the taking of any insurance for such equipment, furniture or other property of Lessee shall be the sole responsibility of Lessee.

Lessor will allow Lessee to inspect the terms and conditions of said policies either in the Business Center or in the offices of Lessor's representatives upon 5 days prior written notice.

Article 8 - Sublease

Lessee may not sublease, grant usage right or possession of, or let in any manner whatsoever the Premises (or any part thereof), for a rent or free of charge, to any third party(ies), without having notified Lessor in writing and obtained Lessor's prior written consent.

Permission to sub-let shall not be unreasonably withheld and the Lessor shall respond within 30 days to requests made by the Lessee under this clause.

Article 9 - Event of Default

9.1 Events of Default by Lessee

Except as otherwise provided herein, each of the following shall be deemed after the giving of notice thereof to Lessee, an event of default on the part of Lessee (an "Event of Default by Lessee"):

(I) if the Fixed Rent shall not be paid as and when the same shall become due and payable, and such nonpayment shall continue for 8 (eight) days after written notice of such nonpayment is given to Lessee by Lessor;

(ii) if any amount of Service Charge shall not be paid as and when the same shall become due and payable and such nonpayment shall continue for a period of 8 (eight) days after written notice of such nonpayment is given by Lessor to Lessee;

(iii) if Lessee shall default in the performance or observance of any of the other obligations or terms contained herein to be performed or observed by Lessee, and such default shall continue for a period of 8 (eight) days after written notice of such default is given by Lessor to Lessee;

(iv) if either a voluntary petition or a proceeding to declare Lessee bankrupt or liquidate Lessee shall be started before any court having jurisdiction thereof unless same is discharged or stayed pending appeal and Lessee shall continue to pay the Fixed Rent and Service Charge;

(v) if Lessee shall be adjudicated insolvent or bankrupt.

9.2 Events of Default by Lessor

Except as otherwise provided herein, each of the following shall be deemed after the giving of notice thereof to Lessor an event of default on the part of Lessor (an "Event of Default by Lessor"):

- (i) if utility supplies are disrupted for a period of more than 10 working days and such disruption is due in the fault of the Lessor;
- (ii) if Lessor shall default in the performance or observance of any of the other obligations or terms contained herein to be performed or observed by Lessor, and such default shall continue for a period of 8 (eight) days after written notice of such default is given by Lessee to Lessor.

9.3 Termination by Lessor

Upon the occurrence of any one or more Events of Default by Lessee, Lessor shall have the right thereafter to terminate this Lease by issuing a termination notice to Lessee within 8 (eight) days of such Event(s) of Default, and, upon the termination date set forth in such termination notice (which may not be a date earlier than the 15th day following the date of the notice), the Term, as well as all of the right, title and interest of Lessee hereunder, shall wholly cease and expire in the same manner, and with the same force and effect (except as to Lessee's liability as hereinafter provided) as if the termination date set forth in such notice was the Expiration Date, and Lessee shall then immediately quit and surrender to Lessor the Premises.

In the event of a cancellation or termination of this Lease, either by operation of law or otherwise, for any reason whatsoever, Lessee shall pay upon demand any Fixed Rent and Service Charge amounts due and owing prior to the date of such cancellation or termination.

9.4 Termination by Lessee

Upon the occurrence of any one or more Events of Default by Lessor, the Lessee shall have the right thereafter to terminate this Lease by issuing a termination notice to the Lessor within 8 (eight) working days of such Event(s) of Default, and, upon the termination date set forth in such termination notice (which may not be a date earlier than the 15th day following the date of the notice), the Term, as well as all of the obligations of Lessee hereunder, shall wholly cease and expire in the same manner, and with the same force and effect as if the termination date set forth in such notice was the Expiration Date. Such termination by the Lessee shall not affect any of its rights arising under this Agreement.

9.5 Non Performance

If an Event of Default by Lessee shall occur in respect of the performance or observance of any of the obligations or terms herein contained, Lessor may perform the same in a timely and reasonable manner for the account of Lessee, and any amount paid, or any other expense incurred, by Lessor in the performance of the same, shall be payable by Lessee within 30 (thirty) days after demand therefor by Lessor.

Non performance by Lessor of any of the obligation on Lessee's part to be performed hereunder shall be or be deemed to be a waiver of Lessee's default in the failure to perform the same nor shall the performance thereof by Lessor release or relieve Lessee from any obligation on Lessee's part to be performed under this Lease.

9.6 Statutory Lien

Lessor shall have a lien, in accordance with Section 429 of the Civil Code over the tangible assets owned by Lessee and located in the Premises up to an amount which is equal to the aggregate of any unpaid Fixed Rent and accrued default interest. In the event that the Lease is terminated because of non-payment of the Fixed Rent, Lessee may only remove its tangible assets from the Premises in accordance with any instructions given by Lessor to Lessee. Lessee hereby acknowledges the existence of such lien and undertakes not to challenge such lien if Lessor chooses to exercise its rights under it.

Article 10 - Surrender

Lessee shall, on the last day of the Term or upon the sooner termination of the Term, and subject to any lien Lessor any have acquired over Lessee's tangible assets as provided in Section 9.4 hereof, quit and surrender to Lessor the Premises vacant, free of all equipment, furniture, logos and other advertising signs, and other personal property of Lessee.

Upon request of Lessor, structural modifications to the Premises made pursuant to Section 6.2 hereof shall also be removed, and the Premises reinstated to their original condition, at Lessee's expenses no later than on the day of Lessee's quitting and surrender of the Premises.

All Fixed Rent, Service Charge and other items payable by Lessee under this Lease shall be appointed to the actual date of Lessee's quitting and surrender of the Premises.

Article 11 - Damage or Destruction

If the entire Business Center shall be materially damaged by fire or other casualty during the Term, Lessee may terminate this Lease by notifying Lessor of its election to do so, whereupon this Lease and the Term hereof shall terminate as of the termination date set forth in such notice by Lessee, provided that the Fixed Rent and the Service Charge (and all other amounts due hereunder) shall be equitably apportioned as of the date of such fire or other casualty.

Article 12 - Liability

12.1 Liability of Lessee

Lessee agrees to indemnify and hold harmless Lessor from and against any and all losses, costs, claims, damages and liabilities which Lessor may suffer arising in connection with this Agreement and Lessee's renting of the Premises by reason of or in connection with any action or omission of any of its officers, employees, agents, visitors, clients, or suppliers.

12.2 No Personal Liability of Lessor

Lessee hereby indemnifies Lessor and holds Lessor harmless from and against any and all claims for damages, loss, expense or liability due to, but not limited to, bodily injury, including death resulting at any time therefrom, and or property damages, now or hereafter arising from any act, work or things done or permitted to be done or otherwise suffered, or any omission to act, in or about the Premises, by Lessee or by any of Lessee's agents, employees, contractors, or invitees, or from any breach or default by Lessee in the performance of any obligation on part of Lessee to perform under the terms of this Lease except to the extent such damage, loss, expense or liability is caused by the sole negligence or misconduct of Lessor or its employees, agents or invitees.

Lessee shall also indemnify Lessor from and against all damage, loss, expense (including, without limitation, attorneys' fees), and liability incurred or suffered by the Lessor in the defence of, or arising out of or resulting from any such claim or action or proceedings brought thereon. In the event of any action or proceedings shall be brought against Lessor by reason of any such claim, the Lessee, upon notice from Lessor, shall defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor.

The Lessee also waives any claims against the Lessor for injury to the Lessee's business or any loss of income therefrom or for damage to goods, wares, merchandise or other property of Lessee, or for injury or death of Lessee's agents, employees, invitees, or any other person in or about the Premises from any cause whatsoever, except to the extent caused by Lessor's gross negligence. The obligations of Lessee contained in this Article shall survive termination of this Lease.

Article 13 - Access to Premises

Lessor, or any duly authorized person on Lessor's behalf, may enter the Premises in the following cases:

- - at any time, in the case of imminent danger for the persons or property;
- - during normal working hours and upon reasonable notice, in order to verify Lessee's adherence to the terms of this Agreement, or any other reasonable ground as notified to Lessee.

Article 14 - Miscellaneous Provisions

14.1 Governing Law and Jurisdiction

(I) This Lease and the legal relations between the parties hereto shall be governed by and construed in accordance with the laws of the Republic of Hungary, without regard to conflicts of laws principles thereof.

(ii) Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination, or invalidity thereof, that cannot be settled amicably within 30 days after receipt by one party of the other party's request to do so, shall be settled by arbitration in accordance with the Arbitration Rules of the Permanent Arbitration Court attached to the Hungarian Chamber of Commerce and Industry (the "Rules"), by an arbitration panel consisting of three arbitrators appointed in accordance with the Rules. The arbitrators shall be Hungarian citizens and shall be proficient in English.

The appointing authority for the purposes of the Rules shall be the President for the time being of the Permanent Arbitration Court attached to the Hungarian Chamber of Commerce and Industry.

Arbitration proceedings shall be held in Budapest and shall be conducted in the English language, but the award shall be prepared in the Hungarian language. The parties hereto agree that the decision of the arbitration panel shall be final and binding and shall be enforceable in any court of competent jurisdiction.

14.2 Confidentiality

Each party hereto agrees that it will, and will cause its directors, personnel and authorised representatives to hold in strict confidence all data and information concerning the other party and its business obtained from the other party, and such other party's representatives (other than information which is a matter of general public knowledge or which came into the general public knowledge other than as a result of a breach of this covenant) and will not, and will ensure that such other persons do not, disclose such data and information to others without the prior written consent of the other Party, except that Lessor may disclose this Agreement and any other information concerning Lessee (including any credit report or other financial information relating to Lessee) and the Surety to the Bank.

14.3 Binding Effect

This Lease shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns, except, however, that Lessee hereby acknowledges and agrees that this Agreement, or any right of Lessor thereunder, may be assigned to, and/or exercised at any time by, the Bank or to, and by, a third party designated by the Bank.

Except as provided in the preceding sentence and in Sections 3.2 and 14.6 hereof, nothing in this Agreement, expressed or implied, is intended to confer on any person other than the parties hereto or their respective successors and permitted assigns, any rights or remedies under or by reason of this Agreement.

14.4 Notices

All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement shall be sent in writing and shall be deemed to have been duly given (a) when delivered by hand, at delivery, (b) when sent by registered mail or delivered by DHL or another courier service, at delivery or (c) when sent by telecopy (with receipt confirmed), upon receipt, as follows:

(a) if to Lessor, at:

Central Business Center Rt.
Horvat utca 14-24, V-1.
H-1027 Budapest
Hungary
Attention: Mr. Kanji Yamada managing director
Telecopy n/0/:214-0656

(b) if to Lessee, at:

Euronet Bank 24. Rt.
at Zsigmond ter 10., H-1023 Budapest, Hungary
Attention: Mr. Daniel R. Henry managing director
Telecopy n/0/:335 1226

(c) if to Surety, at:

Euronet Holding N.V.
at Pietermaain 15, Curacao, Netherlands Antilles,
Attention: Dennis Depenbusch
Telecopy n/0/: (48)(22)6306872

or to such other persons, addresses and telecopy numbers as a party shall specify as to itself by notice in writing to the other party.

14.5 Entire Agreement

This Agreement (including, for the avoidance of doubt, the General Administrative Terms and Conditions from time to time in force) constitutes the entire agreement between the parties hereto and supersedes all prior agreements and understandings, oral and written, between the parties hereto with respect to the subject matter hereof. In the event of any ambiguity or discrepancy between the provisions of this Agreement and any subsequent General Administrative Terms and Conditions, the terms of this Agreement shall prevail.

14.6 Amendments

This Agreement may be amended, modified or supplemented (and agreements pursuant to this agreement may be made) only in writing and any amendment, modification or supplement or agreement pursuant to this Agreement shall be valid and effective only after being executed by the authorised officers of the parties.

14.7 Fees and Expenses

Each of the parties hereto shall pay its own fees and expenses incident to the negotiation, preparation and execution of this Agreement (including attorneys', agents' and other advisors' fees).

14.8 Severability

If any part of this Agreement shall be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining portions.

14.9 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF the Parties acting through their duly authorized representatives have caused this Agreement to be executed in their respective names, in 4 (four) original counterparts.

Budapest, on February 21, 1997

CENTRAL BUSINESS CENTER Rt.
as Lessor

EURONET BANK 24 RT.
as Lessee

/s/ Kanji Yamada

By: Kanji Yamada
Title: Managing Director

/s/ Daniel R. Henry

By: Mr. Daniel R. Henry
Title: managing director

EURONET HOLDING N.V.
as Surety

/s/ Dennis Depenbusch

By: Dennis Depenbusch
Title: Managing Director

APPENDIX 1

[FLOOR PLAN OMITTED]

Lessor shall, in a manner it deems proper in its option, maintain directly or through subcontractors from time to time the Common Parts according to the attached General Administrative Terms and Conditions.

Lessor shall be entitled to close any of the Common Parts whatever extent required in the option of Lessor's counsels to prevent the dedication of any of the Common Parts or the accrual of any rights of any person or the public to the Common Parts, close temporarily any of the Common Parts for maintenance purposes and make changes to the Common Parts including without limitation, changes in the location of driveways, entrances, exits, vehicular parking spaces, parking area, the designation of areas for the exclusive use of others, the direction of the flow of traffic or construction of other building thereupon.

The attached rules of use of the Common Parts are obligatory for any person using the Common Parts. It is acknowledged that Lessor is under no obligation to provide the services described herein but may do so at its option. Lessor shall not bear any liability for any damages that may occur from the breach of the rules described hereunder by Lessee or any other third parties.

- - - - -

1. SECURITY SERVICES

The building security services are to be provided on a 24 hour a day basis, seven days a week for the full year. Outside of normal working hours a security logging system shall be operated throughout the building.

The Security Guard will be required to assist the Receptionists as and when required to monitor all Visitors to the building and ensure the correct issue of Visitors passes in accordance with any particular tenants written requirements.

His duties will also include the issuing of all keys to personnel present on the site undertaking other activities associated with the operation, maintenance and management of the building.

2. RECEPTION AND PORTERAGE

A Receptionist shall be provided during normal working hours only, at the reception Desk inside the Main entrance. Their duties shall include the monitoring of all visitors to the building and the issuing of Visitors passes in accordance with any particular tenants written requirements. This shall include notifying tenants of visitors to the building.

Porterage duties shall be provided on a 24 hours 365 day basis. The duties shall include the delivery of mail and/or special deliveries to the tenants throughout the building and other ancillary tasks as required on a day to day basis. These activities can be associated with postal distribution and the out of hours requirements of the mechanical car parking system.

For security reasons, the Security Services request the following from the tenants of the building:

1. Each tenant should keep the office keys at the Reception Area.
2. The keys are to be picked up only by those tenants/employees whose names are included on a pre-approved list given to the Security Services. This action is to be documented on a form supplied by the Security Services.
3. The last person leaving the office must lock the doors and give the keys to the guard or the receptionists at the Reception Area. This action will be documented as well on a form supplied by the Security Services.
4. The tenants, their employees are requested to wear a badge at all time. The badge is to be valid, it is to be equipped with a picture and must be worn where it is visible. The distribution and the registration of the badges is the responsibility of the reception, based on the pre-approved list supplied to the Security Services by the tenants. The expense incurring in regard to the badges is the responsibility of the tenants.
5. Each tenant will be called by the Reception upon the arrival of a visitor/guest for entrance approval into the building. Each visitor must wear a Visitors Badge at all time placed in a visible location on their clothing. The Security Services kindly request that each tenant reports the departure of their Visitor/guest to the Reception Desk in return.

3. CAR PARK CARD ENTRY SYSTEM

24 hour, year round personnel are provided for parking services. Outside of normal office hours duties will be combined with the portage services.

4. ELEVATOR USE

The elevator installation comprising of 4 Passenger Lifts. Each lift serving the floor levels throughout the building has a maximum capacity of 8 passengers.

Elevator No. 1 is located in Core No. 3. It is a combined passenger lifts only with capacity of 630 kg or 8 persons each. The car makes 7 stops between the Ground Floor and the 6th Floor.

Elevator No. 3. is located in Core No. 1 and is a passenger and a fireman lift with a capacity of 630 kg or 8 persons. The car makes 8 stops between the Ground Floor and the 7th Floor.

5. CLEANING SERVICES

The cleaning duties will be undertaken in the morning before the commencement of the normal working day. They will be carried out on week days in the sanitary and general common user areas but on a seven day a week full year basis in the Ground Floor common user areas.

The main areas covered by the Cleaning Schedule are as follows:

1. Entrance and Reception Area
2. Staircases
3. Corridors and Landings
4. Lift
5. Toilets

6. POSTAL DISTRIBUTION

These duties will include the receipt of all post from the local Hungarian postal distribution system together with any other special deliveries. These will be stored and delivered promptly to each tenant in accordance with their particular written requirements.

Collection of mail from the tenant is to take place twice a day with dispatch at the Post Office.

Any other communications received by any other source at any time of the day shall be delivered promptly to each tenant as and when required.

Confidentiality of all post, other packages and communications will be maintained at all times. Damaged or opened post or packages will be notified to the relevant tenant for his inspection if so requested before delivery to the tenant.

APPENDIX 3

[FLOOR PLAN OMITTED]

In consideration of () (the "Lessor"), (which expression shall include the Lessor's successors and assigns), leasing to () (the "Lessee"), (which expression shall include the Lessee's successors and assigns), premises in an office building by the Lessor at () pursuant to a Lease Agreement dated () (the "Lease Agreement"), we () hereby unconditionally, irrevocably and directly guarantee to the Lessor that in the event that the Lessee fails to pay any rent and/or service charge payable to the Lessor in accordance with and pursuant to the Lease Agreement, we shall forthwith on demand by the Lessor pay to the Lessor in any rent/or service charge unpaid as aforesaid.

PROVIDED THAT:

- (I) our liability under this guarantee shall in no event exceed the amount corresponding to () months rent, being (); and
- (ii) our liability hereunder shall expire three months after the expiration of the Lease Agreement.

The demand for payment of any sum payable by us hereunder may be made by notice sent by registered mail to our address as set out above and such notice shall be effective upon receipt by us at the address indicated above.

This guarantee shall be construed in all respects in accordance with the laws of Hungary.

Via Facsimile and Registered Mail

Central Business Center Rt.
Horvat utca 14-24, V-1
H-1027 Budapest
Hungary]

European Bank for Reconstruction
and Development
One Exchange Square
London EC2A 2EH
Great Britain]

Budapest, _____, 199.

Re.: Office Lease Contract dated _____, 199. / Letter of Confirmation

Dear Sirs,

We refer to the Office Lease Contract dated _____, 199. (the "Agreement") between [name of Lessee] and Central Business Center Rt. and a request by [Central Business Center Rt. / European Bank for Reconstruction and Development] dated _____, 199. in accordance with Clause 5.1.2 of the Agreement.

Unless otherwise defined herein, terms and expressions defined in the Agreement have the same respective meanings when used in this letter of confirmation.

1. We are pleased to confirm that the following statements are true and correct in all respects as of the date hereof:

- (a) [name of Lessee] is a [- limited liability company / company limited by shares -] validly existing and in good standing under the laws of [- Hungary -] and has all requisite power and authority to enter into this Agreement and perform all of its obligations hereunder;
- (b) The execution, delivery and performance by [name of Lessee] of the Agreement have been, and remain, duly authorised, and the Agreement constitutes a legal, valid and binding obligation of [name of Lessee] in accordance with its terms;

(c) [name of Lessee] has sufficient revenues to pay when due during the term of this Agreement the Fixed Rent and all other amounts due to Central Business Center Rt. in connection with the renting of the Premises, and [name of Lessee] has never been in default in the payment of any rents or any other amounts due to Central Business Center Rt., or any other or previous lessors in connection with premises leased by [name of Lessee] for office purposes.

Lessee's pre-tax profits for the [- three -] previous consecutive fiscal years, are equal to _____.

(d) [name of Lessee] has always operated, now operates, and will continue to operate its business at the Premises in compliance with all applicable laws, regulations, authorizations and licences.

2. We further confirm that [name of Lessee] has not been, is not, and will not at any time be in default in any respect under any provision of the Agreement.

This letter is given pursuant to Clause 5.1.2(A) of the Agreement solely for the information of the persons to whom it is addressed, and may not be disclosed to, or relied upon by, any other person.

Yours faithfully,

[name of Lessee]

By:
Title:

APPENDIX 6

[BLANK]

CENTRAL BUSINESS CENTER

AMENDMENT I.
TO THE OFFICE LEASE CONTRACT

between

Central Business Center Rt.

represented by: Mr Kanji Yamada managing director

and

Euronet Bank 24. Rt.

represented by: Mr Daniel R. Henry managing director

Budapest

May 13, 1997

AMENDMENT I.
TO THE OFFICE LEASE CONTRACT

concluded on May 13, 1997, between

Central Business Center Rt., a company organized and existing under the laws of Hungary, having its registered office at Horvat u. 14-24, H-1027 Budapest, Hungary (hereafter "Lessor"), and

Euronet Bank 24. Rt., a company organized and existing under the laws of Hungary, having its registered offices at 1027 Budapest, Horvat u. 14-24. (hereinafter "Lessee").

and

Euronet Holding N.V. an incorporation organized and existing under the laws of the Netherlands Antilles, having its registered offices at Pietermaatsweg 15, Curacao, Netherlands Antilles, a parent company of euronet Bank 24. Rt. (hereinafter "Surety").

(Lessor, Lessee and Surety hereinafter together referred to as the "Parties")

WHEREAS the Lessor and the Lessee concluded an Office Lease Contract on February 21, 1997 under which the Lessee rents 594 m² gross commercial space and 10 parking lots in the garage in the Business Center;

WHEREAS the Lessee requested the Lessor to decrease the rented area by 4 (four) parking lots in the garage of the Business Center;

WHEREAS on the basis of Section 14.6 of the Office Lease Contract the Parties by mutual consent agreed to modify the Office Lease Contract with respect to the decrease of the Premises:

NOW THEREFORE the Parties agree as follows:

(capitalized terms, clause reference headings used herein being the corresponding clause of the Office Lease Contract)

(1) The Parties agreed that sub-section 2.1, 3.2 and 4.1.1 of the Office Lease Contract shall be modified as follows:

1.1 Sub-Section "2.1 Description of Premises" shall be supplemented as follows:

"The Premises which are the subject of this Lease (hereafter collectively referred to as "the Premises") comprise the following parts of the interior of the Business Center:

Office:	594 m ² gross space on the ground floor	{550 m ² net space}
Parking:	6 lots on the basement.	

The Premises comprising of a gross space of 594 m2 (550 m2 net space), are shown edged red on the plan attached hereto in Appendix I.

For the purposes of establishing the surface of the Premises, measurements are effected from the internal face of external walls of the Business Center to the internal face of structural walls, and include any pillars and partition walls, if any. Lessee shall have the right to measure the Premises upon its taking possession of the premises in accordance with this Agreement.

Lessee acknowledges that Lessor may make available to Lessee a maximum of 13 digital telephone lines allocated in the Premises.

- 1.2 The first sentence of Sub-Section "3.1 Term of Lease" shall be supplemented as follows:

"The parties hereto acknowledge that the term of this Lease with respect to the original 10 parking lots shall commence (i) on February 21, 1997 or (ii) as of the date of occupation of any part of the Premises by Lessee whichever date is earlier; and with respect to the deduction of parking lots, the remaining 6 lots on June 1, 1997 ("Commencement Date").

- 1.3. Sub-Section "4.1.1 Amount" shall be modified as follows:

As of June 1, 1997 Lessee agrees to pay as fixed monthly rent (the "Fixed Rent") for the Premises on the basis of space and parking lot used (as such defined under Section 2.1 above) the following amounts:

- (a) an amount denominated in German Marks ("DEM") of 22.869,- DEM (Twentytwo Thousand Eight Hundred Sixty Nine German Marks) on the basis of 38.5 DEM/ m2 of Premises/month, plus applicable value-added tax ("AFA"); and
- (b) an amount denominated in German Marks of 1.200,- OEM (One Thousand Two Hundred German Marks) for the 5 parking lots on the basis of 200 DEMplot/month, plus applicable AFA;

totaling of an amount denominated in German Marks of 24.069,- DEM (Twenty four Thousand Sixty Nine German Marks) (the "DEM Amount") monthly Fixed Rent.

- (2) The Sections of the Office Lease Contract, that have not been amended and replaced according to Section (1) of this Amendment I. to the Office Lease Contract shall remain unchanged and effective.
- (3) The provisions of this Amendment I. shall come into force and effect on the date first above written.

IN WITNESS WHEREOF the Parties acting through their duly authorized representatives have caused this Amendment to be executed in their respective names, in 4 (four) original counterparts.

CENTRAL BUSINESS CENTER Rt.

/s/ Kanii Yamada

By: Kanii Yamada
Title: Managing Director

EURONET BANK 24 Rt.

/s/ Daniel R. Henry

By: Daniel R. Henry
Title: Managing Director

EURONET HOLDING N.V.

/s/ Dennis Depenbusch

By: Dennis Depenbusch
Title: Managing Director

CENTRAL BUSINESS CENTER

AMENDMENT II.
TO THE OFFICE LEASE CONTRACT

- - - - -

between:

Central Business Center RT., as Lessor
represented by: Mr. Gerhard Hoffmann, member of Board of Directors
 Mr. Takeshi Katsurai, member of Board of Directors

and

Euronet Banktechnikai Szolgaltato Rt., as Lessee
represented by: Mr. William Benko managing director

Budapest

November 7, 1997

AMENDMENT II. TO THE OFFICE LEASE CONTRACT made as of November 7, 1997, between:

Central Business Center Rt., a company organized and existing under the laws of Hungary, having its registered office at Horvat utca 14-24, H-1027 Budapest, Hungary (hereinafter "Lessor"),

and

Euronet Banktechnikai Szolgaltato Rt. (formerly Euronet Bank 24 Rt.), a company organized and existing under the laws of Hungary having its registered offices at Horvat utca 14-24, H-1027 Budapest, Hungary (hereinafter "Lessee")

and

Euronet Holding N.Y. an incorporation organized and existing under the laws of the Netherlands Antilles, having its registered offices at Pietermaain 15, Curacao, Netherlands Antilles, a parent company of Euronet Bank 24 Rt. (hereinafter "Surety").

WHEREAS the Lessor and the Lessee (and the Surety) concluded an Office Lease Contract on February 21, 1997 under which the Lessee rents 594 m2 gross commercial space and 6 parking spaces in the garage in the Business Center;

WHEREAS the Lessee requested the Lessor to provide (i) as of November 17, 1997 an additional 199 net sm (which is 215 gross sm) space on the first floor of the Business Center, (ii) as of December 1, 1997 and additional 300 net sm (which is 324 gross sm) space on the ground floor of the Business Center; (iii) an additional 17 telephone lines; and (iv) a right of first refusal with respect to renting (a) an office space of 358 m2 net space on the 5th floor and 6 parking spaces on the basement, currently rented by Orszagos Betetbiztosito Alap ("OBA Premises") and/or (b) an office space of 103 m2 net space on the 5th floor and 2 parking spaces on the basement currently rented by Nichimen Corporation ("Nichimen Premises") which has been approved by the Lessor; and

WHEREAS on the basis of Section 14.6 of the Office Lease Contract by the Parties by mutual consent agreed to modify the Office Lease Contract with respect to the lease of additional premises by the Lessee;

NOW THEREFORE the parties agree as follows:

(capitalized terms, clause reference headings used herein being the corresponding clause of the Office Lease Contract)

(1) The parties agreed that sub-sections 2.1, 4.1.1, 4.2.4 and 4.3.6 of the Office Lease Contract shall be modified as follows and two new sections shall be incorporated in the Contract under Section 3.4 and 6.2.3:

1.1 Sub-Section "2.1 Description of Premises" shall be entirely modified as follows:

2.1 Description of Premises

The premises which are the subject of this Lease (hereinafter collectively referred to as "the Premises") comprise the following parts of the interior of the Business Center:

Office:

Commencement	Floor	Gross m2	Net m2	Condition
April 1, 1997	5th	594	550	
November 17, 1997	1st	215	199	installation of the partitioning of an office and a meeting room at the cost of the Lessor
December 1, 1997	ground	324	300	installation of a tea kitchen and the partitioning of an office at the cost of the lessor
Total		1,133	1,049	

Parking: 6 parking spaces in the basement

The Premises comprising of an aggregate gross space of 1133 m2 (and net space of 1049 m2), are shown edged red on the plan attached hereto in Appendix 1.

For the purposes of establishing the surface of the Premises, measurements are effected from the internal face of external walls of the Business Center to the internal face of structural walls, and include any pillars and partition walls, if any. Lessee shall have the right to measure the Premises upon its taking possession of the Premises in accordance with this Agreement.

Lessee acknowledges that Lessor may have a maximum of 30 telephone lines allocated in the Premises.

1.2 Sub-Section "4.1.1 Amount" shall be modified as follows:

4.1.1 Amount

4.1.1.1 By December 31, 1997 Lessee agrees to pay as fixed monthly rent (the "Fixed Rent") for the Premises on the basis of space and parking space used (as such defined under Section 2.1 above) the following amounts:

- (a) an amount denominated in Hungarian Forints ("HUF") equal to 22,869 DEM (twenty two thousand eight hundred sixty nine German Marks), on the basis of 38.5 DEM/gross m2 of Premises/month), plus applicable value-added tax ("AFA"); and
- (b) an amount denominated in HUF equal to 1,200 DEM (one thousand two hundred German Marks) for the 6 parking spaces on the basis of 200 DEM/parking spaces/month, plus applicable AFA;

totalling of an amount denominated in HUF equal to 24,069 DEM (twenty four thousand sixty nine German Marks) (the "DEM amount") monthly Fixed Rent.

The rent payment for the 4th quarter of 1997 shall be adjusted by the Lessee:

- (i) by 12,416 DEM (twelve thousand four hundred sixteen German Marks) plus AFA for the months November (for the period between November 14 and 30) and December 1997 in connection with the lease of the premises on the 1st floor; and
- (ii) by 12,474 DEM (twelve thousand four hundred seventy four German Marks) plus AFA for the month December 1997 in connection with the lease of the premises on the ground floor.

4.1.1.2 Commencing as of January 1, 1998 Lessee agrees to pay as fixed monthly rent (the "Fixed Rent") for the Premises on the basis of space and parking space used (as such defined under Section 2.1 above) the following amounts:

- (a) an amount denominated in Hungarian Forints ("HUF") equal to 43,620.5 DEM (forty three thousand six hundred twenty point five German Marks), on the basis of 38.5 DEM/gross m2 of Premises/month), plus applicable value-added tax ("AFA"); and
- (b) an amount denominated in HUF equal to 1,200 DEM (one thousand two hundred German Marks) for the 6 parking spaces on the basis of 200 DEM/parking spaces/month, plus applicable AFA;

totalling an amount denominated in HUF equal to 44,820.50 DEM (forty four thousand eight hundred twenty point five German Marks) (the "DEM Amount") monthly Fixed Rent.

1.3 Sub-Section 4.2.4 shall be modified as follows:

4.2.4 During the period ending December 31, 1997, Lessee agrees to pay as quarterly advance payment of Service Charge an amount denominated in HUF equal to 9,890 DEM (nine thousand eight hundred ninety German Marks), plus applicable AFA, on the basis of 5.55 DEM/gross m2 of Premises/month), plus AFA.

The quarterly Service Charge advance payment for the 4th quarter of 1997 shall be adjusted:

- (i) by 1,790 (one thousand seven hundred ninety German Marks) plus AFA for the months November (for the period between November 14 and 30) and December 1997 in connection with the lease of the premises on the 1st floor; and
- (ii) by 1,798 DEM (one thousand seven hundred ninety eight German Marks) plus AFA for the month December 1997 in connection with the lease of the premises on the ground floor.

1.4 Sub-Section 4.3.6 shall be entirely modified as follows:

4.3.6 The Lessee shall be entitled to a rent free period ("Rent Free Period"):

- (a) of three months (3 months) fixed rent of the premises on the 5th floor (i.e. fixed rent of 594 m2 gross space) which will be available in July and the first 15 days of August of 1997, in July of 1998, and in the first 15 days of July in 1999;
- (b) of one and a half months (1.5 months) fixed rent of the premises on the 1st floor (i.e. fixed rent of 215 m2 gross space) which will be available in July of 1998, and in the first 15 days of July in 1999;
- (c) for four months (4 months) fixed rent of the premises on the ground floor (i.e. fixed rent of 324 m2 gross space) which will be available in August in 1998, 1999, 2000 and 2001.

Lessee acknowledges that the Service Charge and the rent for the car parking spaces shall be payable and due for the Rent Free Period as well.

1.5 Under Sub-Section 3.4. the following new paragraph shall be inserted in the Contract:

3.4. Right of First Refusal

If the OBA Premises and/or the Nichimen Premises shall become vacant, Lessor shall first offer such area or any part thereof to Lessee, in which case Lessee within 15 working days from receiving such notice in writing may choose to occupy the offered space at a rent mutually agreed by the parties and in accordance with the terms of this Contract.

1.6 Under Sub-Section 6.2.3, the following new paragraph shall be inserted in the Contract:

6.2.3 Special Instructions

Constructions by Lessor Subject to the request of the Lessee, the Lessor shall have a interior staircase installed between the Premises on the 1st and ground floors rented to the Lessee by Lessor, provided that the Lessor shall have the structural drawings of the interior staircase prepared and out of such drawings at the price of which is acceptable to the Lessee the Lessor shall have the staircase constructed.

Permits. Any and all permits in connection with the construction works to be carried out by Lessor in connection with the construction of the interior staircase shall be obtained by Lessor.

Costs. The costs of the preparation of the static drawings and the construction works in connection with the interior staircase and any additional special fitting out works in the Premises on the ground and first floors as well as the reinstatement of the staircase when the Agreement expires shall be borne by the Lessee. Standard fitting out works shall be borne by the Lessor (which includes standard carpets, walls and ceiling fitting out, installation of the partitioning of an office and a meeting room on the first floor and installation of a tea kitchen and the partitioning of an office on the ground but does not include all other partitioning and furnishing).

- (2) The Lessee agrees to increase by November 17, 1997 the amount of the Bank Guarantee, provided to the Lessor in accordance with Section 4.4 of the Office Lease Contract to an amount equal to three months Fixed Rents payable as of January 1, 1998 (i.e. DEM 134,462).
- (3) The Sections of the Office Lease Contract, that have not been amended and replaced according to Section (1) of this Amendment II to the Office Lease Contract - also with respect to Amendment I - shall remain unchanged and effective.
- (4) The above provisions shall come into force and effect as of November 17, 1997 following the execution of this Amendment II.

IN WITNESS WHEREOF the Parties acting through their duly authorized representatives have caused this Amendment to be executed in their respective names, in 4 (four) original English and Hungarian counterparts.

CENTRAL BUSINESS CENTER Rt.
as Lessor

EURONET Banktechnikai Szolgcltatu Rt.
as Lessee

/s/ Mr. Gerhard Hoffman

By: Mr. Gerhard Hoffman
Mr. Takeshi Katsurai
Title: members of the Board of Directors

/s/ Mr. William Benko

By: Mr. William Benko
Title: managing director

EURONET HOLDING N.V.
as Surety

/s/ Mr. Dennis Depenbusch

By: Mr. Dennis Depenbusch
Title: managing director

Execution copy !

CENTRAL BUSINESS CENTER

-

AMENDMENT III.
TO THE OFFICE LEASE CONTRACT

between:

Central Business Center Rt., as Lessor
represented by: Mr. Gerhard Hoffmann, member of the Board of Directors
Mr. Takeshi Katsurai, member of the Board of Directors

and

Euronet Banktechnikai Szolgaltato Rt., as Lessee
represented by: Mr. William Benko managing director

Budapest

*

January 20, 1998

AMENDMENT III. TO THE OFFICE LEASE CONTRACT made as of January 20, 1998,
between:

Central Business Center Rt., a company organized and existing under the laws of Hungary, having its registered office at Horvat utca 14-24, H-1027 Budapest, Hungary (hereinafter "Lessor"),

and

Euronet Banktechnikai Szolgaitato Rt. (formerly Euronet Bank 24 Rt.), a company organized and existing under the laws of Hungary having its registered offices at Horvat utca 14-24, H-1027 Budapest, Hungary (hereinafter "Lessee")

and

Euronet Holding N.V. an incorporation organized and existing under the laws of the Netherlands Antilles, having its registered offices at Pietermaain 15, Curacao, Netherlands Antilles, a parent company of Euronet Bank 24 Rt. (hereinafter "Surety").

WHEREAS the Lessor and the Lessee (and the Surety) concluded an Office Lease Contract on February 21, 1997, as amended under which the Lessee rents 1133 m2 gross commercial space and 6 parking spaces in the basement in the Business Center;

WHEREAS the Lessee requested the Lessor to provide two additional parking spaces in the basement of the Business Center as of January 1, 1998; and

WHEREAS on the basis of Section 14.6 of the Office Lease Contract the Parties by mutual consent agreed to modify the Office Lease Contract with respect to the lease of additional premises by the Lessee;

NOW THEREFORE the parties agree as follows:

(capitalized terms, clause reference headings used herein being the corresponding clause of the Office Lease Contract)

- (1) The parties agreed that sub-sections 2.1 and 4.1.1 of the Office Lease Contract shall be modified as follows:
 - 1.1 Sub-Section "2.1 Description of Premises" shall be entirely modified as follows:
 - 2.1 Description of Premises
The premises which are the subject of this Lease (hereafter collectively referred to as "the Premises") comprise the following parts of the interior of the Business Center:

Office:

Commencement	Floor	Gross m2	Net m2	Condition
April 1, 1997	5 th	594	550	
November 17, 1997	1 st	215	199	installation of the partitioning of an office and a meeting room at the cost of the Lessor
December 1, 1997	ground	324	300	installation of a tea kitchen and the partitioning of an office at the cost of the Lessor
Total		1,133	1,049	

Parking Space:

As of April 1, 1997	6 parking spaces in the basement.
As of January 1, 1998	2 parking spaces in the basement.
Total:	8 parking spaces in the basement.

The Premises comprising of an aggregate gross space of 1133 m2 {and net space of 1049m2}, are shown edged red on the plan attached hereto in Appendix 1.

For the purposes of establishing the surface of the Premises, measurements are effected from the internal face of external walls of the Business Center to the internal face of structural walls, and include any pillars and partition walls, if any. Lessee shall have the right to measure the Premises upon its taking possession of the Premises in accordance with this Agreement.

Lessee acknowledges that Lessor may have a maximum of 30 telephone lines allocated in the Premises.

1-2 Sub-Section "4.1.1 Amount" shall be modified as follows:

4.1.1 Amount

4.1.1.2 Commencing as of January 1, 1998 lessee agrees to pay as fixed monthly rent (the "Fixed Rent") for the Premises on the basis of space and parking space used (as such defined under, Section 2.1 above) the following amounts:

- (a) an amount denominated in H ungarian Forints ("HUF") equal to 43,620.5 DEM (forty three thousand six hundred twenty point five German Marks), on the basis of 38.5 DEM/gross m2 of Premises/month), plus applicable value-added tax ("AFA"); and
- (b) an amount denominated in HUF equal to 1,600 DEM (one thousand six hundred German Marks) for the 8 parking spaces on the basis of 200 DEM/parking spaces/month, plus applicable AFA;

totalling of an amount denominated in HUF equal to 45,220.50 DEM (forty five thousand two hundred twenty point five German Marks) (the "DEM Amount") monthly Fixed Rent.

- (2) The Lessee agrees to increase by January 3 1, 1 998 the amount of the Bank Guarantee, provided to the Lessor in accordance with Section 4.4 of the Office Lease Contract to an amount equal to three months Fixed Rents payable as of January 1, 1998 (i.e. DEM 135,662).
- (3) The Sections of the Office Lease Contract, that have not been amended and replaced according to Section (1) of this Amendment III. to the Office Lease Contract - also with respect to Amendments I. and II. - shall remain unchanged and effective.
- (4) The above provisions shall come into force and effect as of January 1, 1998 following the execution of this Amendment 111.

IN WITNESS WHEREOF the Parties acting through their duly authorized representatives have caused this Amendment to be executed in their respective names, in 4 (four) original English counterparts.

CENTRAL BUSINESS CENTER Rt.

EURONET Banktechnikai Szolgaltato Rt.

as Lessor

as Lessee

/s/ Gerhard Hoffman, Takeshi Katsurai

/s/ William Benko

By: Mr. Gerhard Hoffman
Mr. Takeshi Katsurai

By: Mr. William Benko
Title: managing director

Title: members of the Board of Directors

EURONET HOLDING N.V.
as Surety

Dennis Depenbusch

By: Mr. Dennis Depenbusch
Title: managing director

Model Agreement for Card Acceptance

CARD ACCEPTANCE AGREEMENT

This Card Acceptance Agreement (the "Agreement") is made this __ day of _____ by and between:

- [Euronet Services _____], a company limited by shares whose offices are at _____("Euronet"); and
- [Bank], a financial institution whose offices are at _____("Bank").

(Euronet and Bank are sometimes collectively referred to herein as the "Parties".)

INTRODUCTION

Euronet owns and operates a network of ATM's ("Euronet ATMs") in Hungary and Poland and intends establish a network of ATMs in _____ (the "Network" or the "Euronet Network")

Bank wishes for holders of its cards, including proprietary and association debit and credit cards ("Bank Cards") to be able to effect ATM transactions on the Euronet Network;

In consideration of the above premises, the Parties have agreed to the terms and conditions provided in this Agreement.

1. SCOPE OF THIS AGREEMENT.

Under the terms of this Agreement, Euronet will provide access to holders of Bank Cards ("Bank Cardholders") to the ATM services provided by the Euronet Network.

2. DOCUMENTS COMPRISING THIS AGREEMENT.

This Agreement consists of:

1. The Card Acceptance Terms attached as Part I;
2. The Cash Supply Terms attached as Part II (the "Cash Supply Terms");
3. The General Terms and Conditions attached as Part III (the "General Terms and Conditions"); and
4. The Fee Schedule attached as Part IV (the "Fee Schedule").

3. EXCLUSIVITY

During the term of this Agreement, Euronet shall be the exclusive provider to Bank of ATM services of the type provided by Euronet herein.

In Witness Whereof, this Card Acceptance Agreement has been executed by duly authorized representatives of the Parties as of the date indicated above.

Euronet Services Inc.

By: _____

Bank

By: _____

PART I

CARD ACCEPTANCE TERMS

The following terms and conditions shall apply with respect to the acceptance of Bank Cards over the Euronet Network.

1.1 Card Acceptance

During the term of this Agreement, ATMs in the Euronet Network will accept Bank Cards, such that Bank Cardholders will be able to make cash withdrawals and such other transactions as may be available on the Euronet Network, in each case as authorized by Bank. The maximum amount of each cash withdrawal will be _____, unless otherwise agreed in writing by Euronet and Bank.

1.2. No Surcharge

Bank shall not impose upon its cardholders any additional fees for their use of Euronet ATMs. The fees charged by Bank to its cardholders for use of the Euronet ATMs shall be the same as those, if any, charged for the use of other Bank ATMs.

1.3 Obligations of Bank

1.3.1 Transaction Fees. Bank will pay Euronet a fee for each transaction made by Bank cardholders on the Euronet Network in accordance with the schedule set forth in Section 4.1 of the Fee Schedule.

1.3.2 Cash Supply. Bank shall supply cash to the Euronet Network as necessary to fund transactions by Bank cardholders. Terms regarding such cash supply are set forth in the Cash Supply Schedule.

1.4 Technical Connection between Host Computers

1.4.1 Nature of Connection. The connection between Bank and the Euronet Network will be a host-to-host online financial transaction interface. Bank acknowledges that it will need an IFS module to establish this connection. Bank will bear the cost of such module.

1.4.2 Establishment of Connection. Euronet agrees to establish the necessary technical connection between its network and the Bank Host Computer for authorization of transactions on the Euronet Network and implement the start up tests within [60] banking days from the dated signature of this Agreement. Euronet will not be held accountable for failure to meet this time frame resulting from delays caused by malfunction of Bank card account management system, the lack of support or cooperation from Bank staff or other reasons beyond the control of Bank.

1.4.3 Technical Specifications. The Parties agree that the technical specifications for the authorization procedure, and the agreed hardware and software description of the

interface to Bank are defined in the Euronet Operating Rules referred to in Section 1.5.1 below.

- 1.4.4. Pilot Operation. Cards issued by Bank shall be accepted by the Network only upon the completion and appropriate documentation of a pilot operation and certification period not to exceed three banking days. Cards issued by Bank shall be accepted by the Euronet Network only upon the completion of a full certification procedure. This procedure will test all on-line transactions between the systems. A certification protocol will be prepared upon completion of the certification tests.
- 1.5. General Technical Conditions Regarding the Euronet Network
- 1.5.1 Euronet has established certain rules and regulations (the "Euronet Operating Rules") regarding the operation of the Euronet Network which are applicable to all members of the Euronet Network. Bank acknowledges receipt of the Euronet Operating Rules and agrees to comply with the obligations applicable to it under such rules. Euronet reserves the right to make revisions to the Euronet Operating Rules in response to technical or other changes made to the Euronet Network. Notice of such revisions will be given in writing to Bank and such revisions will be applicable thirty days after receipt of such notice.
- 1.5.2 The Euronet Network, including its computer, data processing and the data transmission systems shall meet all security requirements established by Bank.
- 1.5.3 Euronet shall provide to Bank, at Euronet's cost, a complete set of documentation regarding the technical requirements for Bank system to properly interface with the Euronet system.
- 1.5.4 All reports and other data necessary for the operation of the Network shall be provided via electronic transmission between Bank and Euronet. If Bank cannot receive the electronically transferred data, the data will be supplied in such a manner as Bank chooses and at Bank's sole expense.
- 1.5.5 The handling and delivery of captured Bank cards by the ATMs will be subject to fees payable by Bank as provided in Section 4.1.2 of the Fee Schedule. Captured cards will be collected by the CIT Company when it fills machines with cash. Euronet will process the captured card and return it to Bank within ten business days. If Bank requires delivery of a captured card in less than the above stated period, then Bank shall bear any additional cost for the accelerated delivery.
- 1.6 _____ Sponsorship.
- 1.6.1 As promptly as possible after the execution of this Agreement, Bank shall file with _____ an application to sponsor Euronet as an acquirer of transactions in the _____ on cards issued or logo'd by _____. Bank and Euronet shall take all steps necessary to achieve acceptance by _____ of such application as quickly as possible after the execution hereof.

[END OF PART I]

PART II

CASH SUPPLY TERMS

The following terms and conditions shall apply with respect to the supply of cash to Euronet and Bank ATMs

2.1 Cash Supply to the Euronet Network

2.1.1. General. Upon connection to the Euronet Network, Bank will be responsible for supplying sufficient quantities of ATM quality cash to Euronet ATMs to cover cash usage of Bank card holders. The amount of cash to be supplied shall be determined by the ratio between transactions of Bank cardholders and transaction of cardholders of other banks which are participants in the Euronet Network. The cash supplied by Bank shall remain the sole property of Bank until it is withdrawn by ATM customers.

2.1.2 Amount of Cash. The amount of cash Bank is responsible for providing will depend upon the actual demands made on the Euronet Network by Bank cardholders. The amount required will be estimated initially by Euronet and Bank at the time of the connection and then modified bi-weekly, based upon actual and estimated usage, taking into account factors such as holidays, salary pay days and projected growth in card base. Bank will be required to contribute an on-going seven day supply of cash to the Euronet ATM network. In the event, for any reason, Bank's cash inventory falls below a one day supply, Euronet reserves the right to prevent Bank's cardholders from using the network until such cash inventory is replenished to the required level.

2.1.3. Cash Supply, Cash Security & ATM Filling Procedure.

- (a) At each End of Day, as defined hereafter, Euronet will transmit a report to Bank summarizing Bank cardholder transactions as provided in the Euronet Operating Rules.
- (b) Cash will be picked up by Euronet's Cash in Transit ("CIT") Company at a location identified by Bank. This location may be a branch of Bank, a bank, or other mutually agreed upon location. The pick-up location may be changed by Bank, provided that 24 hours notice of the change of pick-up location is provided to Euronet.
- (c) Upon pick-up of Bank's cash inventory, the CIT Company will place the cash into the ATM refill cassettes and deliver such cassettes to the appropriate ATMs as directed by Euronet. Any cash remaining in the ATM upon refilling shall be delivered back to the CIT Company's vault to be placed in the next day's refill cassettes.
- (d) The cost of the cash delivery from the cash pick up point to the to the Euronet ATMs is the responsibility of Euronet.

[END OF PART II]

PART III

GENERAL TERMS AND CONDITIONS

3.1. Effectiveness of this Agreement

3.1.1 This Agreement shall commence upon signature by both Parties (the "Effective Date").

3.1.2 The initial term of this Agreement shall be ten years from the Effective Date. The term of this Agreement shall automatically renew and continue in full force and effect for a successive three year period, unless written notice of termination is given by either party not less than 90 days prior to the end of the initial ten year term.

3.2 Trademarks

3.2.1 Bank acknowledges that Euronet trademarks such as "Euronet", "Bank 24", "Bank Access 24" and "Euronet Network" or any other trademarks used or adopted by Euronet in the conduct of its business are the sole property of Euronet and that only Euronet or its designated licensees have the right to use such trademarks.

3.2.2. Euronet shall be entitled to place its own trademarks or logos or any other logos on any Euronet ATMs. Bank acknowledges and agrees that Euronet will have the right to place the Bank logo or another mutually agreed logo on the ATMs in the Network. Euronet hereby agrees that it will place Bank's logo on all Euronet ATMs.

3.2.3 Each Party shall have the right, during the term of this Agreement, to place the other Party's trademarks or logos on its advertising or promotional literature, provided that such trademarks or logos shall not be modified or used in any way which may damage the business reputation or image of the other Party.

3.2.4 Each Party shall use its best effort to market, promote, advertise, and inform, to its customer base and the general public, the services provided herein. Without limiting the generality of the foregoing, Bank will include Euronet ATM locations in any directories or brochures showing the location of Bank ATMs, and Bank shall notify its customers of the availability of ATM services through the Euronet Network at least twice per year in an insert in bank statements sent to Bank customer and, if there is one, in its newsletter.

3.3 Liability of Euronet

3.3.1 Euronet shall defend, indemnify and save Bank harmless from and against injuries, loss or damage to Bank's employees or property or to the person or property of third parties to the extent they are caused by the willful or grossly negligent acts or omissions of Euronet while performing its duties hereunder.

3.3.2 Except for the obligation to defend, indemnify and hold harmless provided above, Euronet's liability under this Agreement shall in no case exceed the sums paid to it by

Bank for services hereunder during the 60 days immediately preceding the cause of action: provided, however that Euronet shall not be liable under any circumstances to Bank for direct or indirect damages for incidental, indirect, special or consequential damages of any kind, including lost profits, loss of use of equipment or services, cost of substitution goods or damages to business or reputation arising from the performance or non performance of any aspect of this Agreement, whether in contract or tort or otherwise. Bank has accepted the limitation of liability for damages as part of the bargain for the services provided hereunder and understands that the price of the services would be higher if Euronet were requested to bear additional liability for damages.

3.3.3 Euronet shall not be responsible for any losses sustained through the use of counterfeit cards.

3.3.4 Euronet shall not be responsible for any losses sustained through a cardholder's use of a valid card to withdraw more funds than available in the cardholder's account unless such losses are sustained due to faulty operation of a Euronet ATM or the Euronet operating system.

3.4 Liability of Bank

3.4.1 Bank shall defend, indemnify and save Euronet harmless from and against injuries, loss or damage to Euronet's employees or property or to the person of third parties to the extent they are caused by the willful or negligent acts or omissions of Bank or Bank 's agents (and all risk of loss and damage to the property caused by anyone other than Euronet while the property is in Bank's control of custody). In addition, Bank shall indemnify Euronet against all claims, loss, costs, damage, liability or expense, including reasonable attorney's fees arising out of:

- (i) incorrect authorization of any transaction by Bank;
- (ii) the provision by Bank of data to Euronet for the purpose of authorization of a transaction containing incorrect information;
- (iii) the failure of Bank to comply, as to any transaction, with the requirements of any applicable laws; or
- (iv) the failure of Bank to comply with any of its obligations as described in this Agreement.

3.4.2 Should any proceedings be undertaken which may give rise to liability under this Agreement, Bank shall provide Euronet with prompt notice and an opportunity to participate in any such proceedings to represent its interest appropriately.

3.5. Default and Termination

3.5.1 Either party may terminate this Agreement for default in the event of breach of an essential condition or provision by the other party if such breach continues for a period of 30 days after written notice of intention to terminate describing the default is given

by the non-breaching party; provided, however, that upon termination, any sums payable shall immediately become due and payable.

3.5.2 In the event that Euronet gives notice that Bank's software or hardware is technically inadequate to support the continued operation of Euronet's entire Network at any stage of development of such Network, and Bank fails to cure such deficiency within a reasonable period after receiving notice to such effect, then Euronet shall be entitled to give notice of termination with immediate effect.

3.5.3 Upon termination of this Agreement for any reason, the Euronet Network shall be immediately disconnected from Bank's system and no further transactions may be effected on or through the Euronet Network or computer processing system. Upon termination for material default under Section 3.5.1, (i) Bank shall immediately pay all outstanding amounts due through the term hereof; or any extensions, as set forth in this Agreement, except when termination is due to a material breach by Euronet or force majeure, and (ii) either party may pursue any other remedies existing at law consistent with this Agreement.

3.6. Miscellaneous

3.6.1 Confidentiality. Information and data that is considered proprietary by either party and is marked as such, which is delivered or disclosed to the other party subsequent to execution of this Agreement shall be held in confidence by the receiving party and shall be disclosed only to those of its employees or authorized representative(s) having responsibilities for its performance of this Agreement. Neither party shall be liable for the disclosure or use of such data or proprietary information which: (a) is, or becomes, publicly known, other than by breach of this Agreement; (b) is obtained by the receiving party from a third party without restriction; (c) is previously known by the receiving party; (d) is, at any time, developed by the receiving party completely independently of any disclosures hereunder; or (e) is required to be released by law. These obligations and restrictions of confidentiality shall be effective during this Agreement and for a period of one year following termination or expiration of this Agreement.

3.6.2 Severability. In the event any one or more of the provisions of this Agreement shall for any reason be held to be invalid or unenforceable, the remaining provisions of this Agreement shall be unaffected, and upon mutual agreement of the Parties the invalid or unenforceable provision shall be replaced by a provision which, being valid and enforceable, comes as close as lawfully possible to the intention of the Parties underlying the invalid or unenforceable provisions.

3.6.3 Waiver. The failure of either party to insist upon strict adherence to any material term or condition of this Agreement on any occasion shall not be considered a waiver of any right thereafter to insist upon strict adherence to that term or condition or any other material term or condition of this Agreement.

3.6.4 No Joint Venture. This Agreement is not intended by the Parties to constitute or create a joint venture, pooling arrangement, partnership, agency of formal business organization of any kind. Euronet and Bank shall be independent contractors with

each other for all purposes at all times and neither party shall act as or hold itself out as agent signed by the principal, nor shall either party create or attempt to create liabilities for the other party.

- 3.6.5 Language. This Agreement has been made and signed in the English language. All documents, specifications, handbooks and correspondence shall be made in the English language.
- 3.6.6 Entire Agreement. This Agreement, together with the included Appendices listed on the face page hereof, comprises the entire and exclusive agreement of the Parties with respect to the subject matter hereof and supersedes any and all prior and contemporaneous agreements or understandings, whether written or oral. It does not, however, revoke or rescind any prior agreements for other services which may have been executed by the Parties. This Agreement may be modified, changed or amended only by an express written agreement signed by duty authorized representatives of both parties stating that it is an amendment. Waivers, or purported waivers, of any provision of this Agreement shall be in writing and signed by an authorized officer of both parties.
- 3.6.7 Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been given if delivered (i) in person, by international courier service or by prepaid first class registered or certified mail, return receipt requested, to Euronet or Bank at the addresses set forth in the preamble to this Agreement or any other address notified to the other party as being its principal business address, or (ii) by telefax to the following telefax numbers:
- If to Euronet: _____;
- If to Bank: _____.
- 3.6.8 Public Relations. Once this Agreement is signed, Euronet and Bank have the right to announce the co-operative arrangement as described herein. Communications related to all announcements must be approved in writing by both parties. Fees and charges must remain confidential and cannot be disclosed by either party without written consent of both parties.
- 3.6.9 Dispute Resolution. Any and all disputes arising from or in connection with this agreement shall be submitted to and finally resolved by [define arbitral tribunal]. The language of the arbitration shall be English. The arbitral tribunal will consist of three arbitrators. One arbitrator shall be appointed by each of the Parties and the two arbitrators so appointed shall appoint a third arbitrator, who shall preside.
- 3.6.10 Assignment. Either party may, on written notice to the other, assign its rights and obligations hereunder to: (i) its Parent Corporation or an Affiliated Corporation, both terms as defined below, and (ii) a third party entity in connection with the transfer of all or substantially all of the business and assets of that party to such entity. For purposes of this Agreement, a Parent Corporation shall mean a company or entity owning over 50% of a Party and an Affiliated Corporation shall be one in which over 50% of the ownership interests are owned by a Party or by a Parent Corporation or the Parent

Corporation of a Parent Corporation. Except as provided above in this Section, either party may assign its rights and obligations under this Agreement to a third party only upon receiving this prior written consent of the other party, which consent may be reasonably conditioned but will not be unreasonably withheld or delayed. The Parties agree that no assignments will be made unless the assignee agrees to accept in full the responsibilities and obligations of the assigning party.

- 3.6.11 Force Majeure. Neither party shall be liable for failure to perform its obligations under this Agreement to the extent such failure is due to causes beyond its commercially reasonable control. In the event of a force majeure, the party involving this Section shall notify the other party in writing of the events creating the force majeure and the performance obligations of the Parties will be extended by a period of time equal to the length of the delay caused by the force majeure; provided that if any such delay exceeds one hundred twenty days (120) days, then following such one hundred twenty day period either party hereto may terminate the unperformed portions of this Agreement on ten (10) days prior written notice to the other party.
- 3.6.12 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of _____, without regard to conflicts of law provisions.

[END OF PART III]

PART IV

FEE SCHEDULE

4.1. Fees for use of the Euronet Network

4.1.1. Bank will pay fees for use by Bank cardholders of the Euronet Network on a "per transaction" basis depending upon the type of transaction as provided in the table below. The transaction fee will be a fixed amount, regardless of the transaction amount.

Trans./Month	Weighted Average*	Cash Withdrawal	Balance Inquiry	Unsuccessful
0-75,000				
75,001 - 150,000				
150,001 and above				

*This assumes a transaction mix of 65% cash withdrawal, 20% unsuccessful and 15% balance inquiry.

4.1.2 The fee for handling and returning to Bank of a card which is recaptured at the request of Bank will be \$____ plus vat.

4.1.3 Based upon the information included in reports as provided in the Euronet Operating Rules, Euronet shall issue an invoice twice per month payable to Euronet by Bank within eight banking days of issuance of the invoice.

4.1.4 Should Bank fail to make any payment when due, it shall indemnify Euronet for expenses incurred by Euronet in enforcing its rights of payment hereunder, including without limitation, costs of collection and reasonable attorney's fees, plus default interest equal to the highest rate of penalty interest permitted by the Civil Code of _____, which interest will be due until the amounts are finally paid, computed on a daily basis.

4.1.5 All fees are fixed in USD but shall be payable in _____ at the rate of exchange prevailing at the time payment is made by Bank.

4.1.6 In consideration of Bank's _____ sponsorship, Euronet shall pay Bank the following amounts for transactions effected by _____ cardholders:

For international _____ cardholders: \$ _____

For domestic _____ cardholders: The higher of _____ or _____% of the domestic interchange fee, as applicable from time to time.

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	1994	1995	1996	1997
	----	-----	-----	-----
Losses before tax.....	(228)	(1,941)	(7,576)	(7,965)
Interest expense.....	--	107	378	1,152
	----	-----	-----	-----
Adjusted earnings.....	(228)	(1,834)	(7,198)	(6,813)
Ratio.....	--	--	--	--
Deficiency.....	(228)	(1,941)	(7,576)	(7,965)
	====	=====	=====	=====

CONSENT OF INDEPENDENT
PUBLIC ACCOUNTANTS

The Board of Directors
Euronet Services Inc.:

We consent to the use of our report included herein and to the reference to our firm under the headings "Summary Financial Data", "Selected Financial Statements" and "Experts" in the prospectus.

KPMG Polska Sp. z o.o.

Warsaw, Poland
March 20, 1998

CONSENT OF COUNSEL

The Board of Directors
Euronet Services Inc.:

We consent to the reference to our firm under the heading "Legal Matters."
In giving this consent, we do not hereby admit that we come within the
category of persons whose consent is required under Section 7 of the
Securities Act of 1933, as amended.

Arent Fox Kintner Plotkin & Kahn,
PLLC

Washington, D.C.