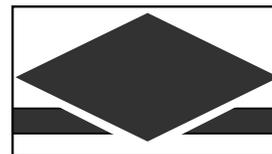


# ***EURONET NEWS RELEASE***



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## **EURONET SERVICES INC. REPORTS 1997 RESULTS AND NETWORK DEVELOPMENTS**

Budapest, Hungary -- February 20, 1998 -- Euronet Services Inc. (Nasdaq: EEFT), operator of the only independent automatic teller machine (ATM) network in Central Europe, announced today that it recorded fourth quarter revenues of \$1,857,000. This compares with revenues of \$623,000 for the fourth quarter of 1996, and \$1,577,000 for the third quarter of 1997. Revenues for the fourth quarter increased 18% over the third quarter. Euronet reported that its net loss for the fourth quarter was \$4,002,000, or \$0.27 per share. Its loss was \$5,021,000, or \$0.50 per share, for the fourth quarter of 1996 including a one-time, non-cash, \$4,172,000 stock compensation charge.

For the twelve months ended December 31, 1997, Euronet reported revenues of \$5,290,000 and a net loss of \$7,965,000, or \$0.56 per share, compared to full-year 1996 revenues of \$1,261,000 and a net loss of \$7,576,000, or \$0.73 per share.

Per share amounts reported in this release for 1997 represent basic earnings per share as defined by recently adopted Statement of Financial Accounting Standard No. 128 – Earnings Per Share.

### **Transaction Levels**

Euronet also announced that cardholders in Hungary, Poland, Germany and Croatia had made 892,147 cash withdrawal and other transactions over its ATM network in December and 846,644 transactions in January. This represents a 24% increase in transactions from November to December and a 5% decrease in January. The Company noted that the decline in January is consistent with industry seasonal trends and the Company's experience last year, when transactions declined by 3% from December 1996 to January 1997.

### **Expansion of Network**

Euronet has continued to expand its network into new markets. It brought its network in Croatia live in December and currently has 32 ATMs there. On December 17, the Company signed an agreement with American Express in Croatia, increasing the percentage of the Croatian card base which is accepted on Euronet's system to approximately 34%. Euronet has been certified to accept transactions by VISA cardholders in the Czech Republic and expects to bring its first ATMs operational there by February 27. In Poland, the Company established its host to host connection to BPH bank in January and has signed a card acceptance agreement with the Association of Polish Credit Unions, SKOK.

The Company also opened offices in France and Romania in December to explore opportunities there. In France, it expects to concentrate on operating ATMs for banks and sees significant opportunities for development of off-branch ATM networks.

*(continued)*

Euronet has also recently signed a number of large multi-site agreements for installation of ATMs. It has signed agreements for the installation of ATMs with two of the largest Czech grocery store chains, Billa and Delvita, giving the Company access to approximately 70 new sites for ATM installation in the Czech Republic. In Germany, it has signed an agreement with the Tengelmann group, one of Germany's largest retailers, under which Euronet will place ATMs in Tengelmann, Kaiser's and Plus locations. In Poland, the Company signed agreements with the Empik and Rossmann retail chains covering a total of up to 139 sites.

As of February 19, Euronet was operating 741 ATMs as part of its own independent network or under ATM operation agreements with banks, with 341 located in Hungary, 315 in Poland, 53 in Germany and 32 in Croatia.

### **Bond Offering**

To fund expansion of its network, the Company is currently planning to file a registration statement with the SEC covering an underwritten offering of debt securities. Subject to market conditions, the proposed offering is expected to be in the range of U.S. \$100 million. The proposed offering will be made only by means of a prospectus filed as part of the registration statement.

### **Contract Termination**

The Company also announced that it received notice of termination of its contract with OTP, the largest Hungarian bank, effective as of July 27, 1998. The Company noted that the financial impact of this termination on its future revenues is difficult to assess although it is likely to reduce growth in transactions and revenues for a period of time after the termination becomes effective. However, the Company will continue to be able to accept transactions on its ATMs by OTP VISA and Europay cardholders, which account for 99% of OTP's card base.

Established in 1994, Euronet operates the only independent, non-bank owned ATM network in Central Europe and other markets. Through agreements and relationships with local banks and international card issuers such as American Express, Diners Club International, VISA, MasterCard and Europay, Euronet'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 card issuing organizations. In addition, Euronet offers outsourced ATM management and card issuance services to local banks that own proprietary ATMs.

*Any statements contained in this press release which concern the Company's or management's intentions, expectations or are predictions of future performance are forward looking statements. Euronet's actual results may vary materially from those predicted or anticipated in those forward looking statements as a result of a number of factors, including changes in transaction pricing levels on bank ATM networks, cancellation or re-negotiation of contracts on which the company is dependent, the level of card growth in emerging markets and changes in laws and regulations affecting Euronet's business in the countries in which it operates. Additional explanation of these factors and other factors affecting the Company's performance are set forth from time to time in Euronet's periodic reports filed with the U.S. Securities and Exchange Commission, including, but not limited to, Euronet's 10Q's for the periods ended March 31, June 30 and September 30, 1997 and its prospectus dated March 6, 1997. Copies of these filings may be obtained by contacting the Company or the SEC.*

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EURONET SERVICES INC .  
CONSOLIDATED INCOME STATEMENT  
(In thousands, except share and per share data)

	Three Months Ended Dec. 31, 1997	1996	Twelve Months Ended Dec. 31, 1997	1996
Revenue	\$ 1,857	\$ 623	\$ 5,290	\$ 1,261
Operating expenses:				
ATM operating costs	(2,134)	(235)	(5,172)	(1,176)
Other operating costs	(3,108)	(5,424)	(8,640)	(7,831)
Operating loss	(3,385)	(5,036)	(8,522)	(7,746)
Other income (expenses)	(588)	(89)	457	(153)
Loss before income taxes	(3,973)	(5,125)	(8,065)	(7,899)
Deferred income tax benefit	(29)	104	100	323
Net loss	<u>\$ (4,002)</u>	<u>\$ (5,021)</u>	<u>\$ (7,965)</u>	<u>\$ (7,576)</u>
Loss per common and common equivalent shares outstanding primary	\$ (0.27)	\$ (0.50)	\$ (0.56)	\$ (0.73)
Average common and common equivalent shares outstanding primary	15,021,189	10,093,780	14,284,917	10,386,089

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