

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT PURSUANT TO SECTION 13 or 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (date of earliest event reported):  
April 25, 2006**

**Euronet Worldwide, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware  
(State or other jurisdiction  
of incorporation)**

**000-31648  
(Commission File Number)**

**74-2806888  
(IRS Employer  
ID Number)**

**4601 College Boulevard, Suite 300  
Leawood, Kansas  
(Address of principal executive offices)**

**66211  
(Zip Code)**

**Registrant's Telephone Number, including area code: (913) 327-4200**

**N/A  
(Former name or former address, if changed since last report)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**ITEM 2.02. Results of Operations and Financial Condition**

On April 25, 2006, Euronet Worldwide, Inc. issued a press release to announce its financial results for the first quarter ended March 31, 2006. The press release is attached hereto as Exhibit 99.1.

The information in this Current Report, including without limitation Exhibit 99.1, is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, except as shall be expressly set forth by specific reference in such a filing.

**ITEM 9.01. Financial Statements and Exhibits**

(c) Exhibits

Exhibit 99.1 - Press Release dated April 25, 2006

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Euronet Worldwide, Inc.

By: /s/ Rick L. Weller  
Rick L. Weller  
Chief Financial Officer

Date: April 25, 2006





# News Release

For Immediate Release

Date: April 25, 2006

Media Contact:	Shruthi Dyapaiah	1-913-327-4225	sdyapaiah@euronetworldwide.com
Investor Relations (US):	IR Dept	1-913-327-4200	investor@euronetworldwide.com

## **Euronet Worldwide Reports First Quarter 2006 Financial Results**

LEAWOOD, KANSAS, USA—April 25, 2006—Euronet Worldwide, Inc. (NASDAQ: EFFT), a leading electronic payments provider, today announced its first quarter 2006 financial results.

### **Euronet's first quarter 2006 financial highlights included:**

- Consolidated revenues of \$147.0 million, compared to \$117.2 million for the first quarter 2005.
- Adjusted EBITDA of \$21.0 million, compared to \$16.8 million for the first quarter 2005.
- Operating income of \$12.3 million, compared to \$10.5 million for the first quarter 2005.
- Net income of \$9.4 million, or \$0.24 diluted earnings per share, compared to net income for the first quarter 2005 of \$3.6 million, or \$0.10 per share.
- In accordance with Statement of Financial Accounting Standards No. 123R ("SFAS 123R"), which the Company retroactively adopted on January 1, 2006, share-based compensation expense was \$1.9 million, compared to \$1.3 million for the first quarter 2005.
- The first quarter 2006 net income included a foreign exchange gain of \$1.6 million. Excluding this gain and the share-based compensation expense noted above, diluted earnings per share were \$0.25, or \$10.5 million, for the first quarter 2006. The first quarter 2005 net income included a foreign exchange loss of \$2.8 million; excluding this loss and the share-based compensation expense noted above, diluted earnings per share were \$0.21, or \$7.8 million.

### **Segment Results and Other**

The EFT Processing Segment reported the following results:

- First quarter 2006 revenues of \$29.9 million, compared to \$23.9 million for the first quarter 2005.
- First quarter 2006 Adjusted EBITDA of \$10.4 million, compared to \$8.1 million for the first quarter 2005.
- First quarter 2006 operating income of \$7.4 million, compared to \$5.6 million for the first quarter 2005.
- Transactions processed in the first quarter 2006 were 103.1 million, compared to 77.3 million transactions in the same period last year.

The year-over-year increases in revenue, operating income and Adjusted EBITDA were primarily attributable to a 23% increase in ATMs under management and the inclusion of Euronet Card Services Greece (formerly Instreamline), which was acquired in the fourth quarter 2005, and the inclusion of the Serbian business, where on December 31, 2005 the Company increased its ownership from a less than wholly-owned to a wholly-owned position.

The EFT Segment completed the quarter with 7,613 ATMs owned or operated, including 50 ATMs Euronet installed in China - its newest market, compared to 6,201 ATMs at the end of the first quarter 2005. Euronet owns and/or operates ATMs in Hungary, Poland, Germany, Croatia, the Czech Republic, U.K., Greece, Romania, Slovakia, Albania, Serbia & Montenegro, India and China.

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**The Prepaid Processing Segment** reported the following results:

- First quarter 2006 revenues of \$111.0 million, compared to the \$89.4 million reported for the first quarter 2005.
- First quarter 2006 Adjusted EBITDA of \$12.3 million, compared to \$10.1 million reported in the first quarter 2005.
- First quarter 2006 operating income of \$9.0 million, compared to \$7.8 million for the first quarter 2005.
- Transactions processed in the first quarter 2006 were 96.4 million, compared to 67.2 million transactions in the first quarter 2005.

The Segment's first quarter's year-over-year transactions and revenue improvements were the result of a continuation of transaction growth together with benefits of acquisitions completed during and after the first quarter 2005. The improvements in quarterly Adjusted EBITDA and operating income were generally correlated to the increases in revenues after considering the inclusion in the first quarter 2006 of approximately \$0.6 million in net operating losses of the money transfer and bill payment business.

The Prepaid Processing Segment processes electronic point-of-sale prepaid transactions at more than 242,000 point-of-sale terminals across more than 134,000 retailer locations in Europe, Asia Pacific, Africa and the U.S. As previously announced, the Company intends to expand its Prepaid Processing Segment both domestically and internationally through internal sales and promotional efforts as well as, if appropriate, acquisitions.

**The Software Solutions Segment** reported the following results:

- First quarter 2006 revenues of \$6.1 million, compared to the \$3.9 million reported for the first quarter 2005.
- First quarter 2006 Adjusted EBITDA of \$0.8 million compared to the \$1.2 million reported for the first quarter 2005.
- First quarter 2006 operating income of \$0.4 million compared to the \$0.9 million reported for the first quarter 2005.

The change in results year-over-year was primarily due to the acquisition of Essentis in early January 2006.

**Corporate and Other** had \$4.4 million of operating expenses for the first quarter 2006, compared to \$3.8 million in the first quarter 2005. Share-based compensation expense, as required by the adoption of SFAS 123R, was included in Corporate and Other and amounted to \$1.9 million for the first quarter of 2006, compared to \$1.3 million in the first quarter 2005. All other expenses were \$2.5 million for first quarter 2006, compared to \$2.5 million in the first quarter 2005. The quarter-over-quarter increase in share-based compensation is due to awards to employees of companies acquired during and since the first quarter of 2005 and the required use of more accelerated expensing for performance-based awards.

Combining all segments, transactions processed in the first quarter 2006 were 199.5 million compared to 144.5 million processed in the first quarter 2005, a 38% increase. These increases were primarily due to the full year impact of the EFT Processing Segment's implementation of ATM outsourcing agreements, continued growth and acquisitions.

The Company's unrestricted cash on hand was \$223.7 million as of March 31, 2006 as compared to \$219.9 million at December 31, 2005. Euronet's total indebtedness was \$355.2 million as of March 31, 2006, compared to \$355.6 million at December 31, 2005.

The Company commenced accounting for share-based compensation in accordance with Statement of Financial Accounting Standards No. 123R ("SFAS 123R") on January 1, 2006. The Company adopted the "modified retrospective application" method and, accordingly, all prior periods have been restated.

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Euronet also announced that it expects earnings per share for the second quarter 2006 to be approximately \$0.26, excluding the effects of foreign exchange gains or losses, discontinued operations, share-based compensation charges, and/or other non-operating or unusual items that cannot be accurately projected.

In December 2004 and October 2005, the Company issued \$140 million and \$175 million, respectively, in convertible debentures. These debentures are potentially convertible into approximately 4.2 million and 4.3 million shares, respectively, of the Company's common stock, subject to adjustment. As required by EITF 04-8, "The Effect of Contingently Convertible Debt on Diluted Earnings per Share," regardless of whether the conditions upon which the debentures would be convertible into shares of the Company's common stock have been met, if dilutive, the impact of the contingently issuable shares is included in the calculation of diluted earnings per share under the "if converted" method. As in the fourth quarter 2005, the assumed conversion of the 1.625% 2004 debentures was dilutive for the first quarter 2006 and the assumed conversion of the October 2005 debentures was not dilutive. Accordingly, for the first quarter 2006, 4.2 million contingently issuable shares have been assumed to be outstanding for the period and \$0.8 million in related interest charges and amortization of debt issuance costs have been excluded from income available to common shareholders to determine diluted earnings per share. The Company expects the 1.625% 2004 debentures to continue to be dilutive in future periods; the impact of the 3.50% 2005 debentures on future earnings per share may be dilutive if earnings per share continue to increase.

We believe that Adjusted EBITDA provides useful information to investors because it is an indicator of the strength and performance of our ongoing business operations, including our ability to fund capital expenditures, acquisitions and operations and to incur and service debt. While depreciation and amortization are considered operating costs under generally accepted accounting principles, these expenses primarily represent non-cash current period allocation of costs associated with long-lived assets acquired in prior periods. Similarly, the expense recorded for share-based compensation does not represent a current or future period cash cost. Adjusted EBITDA, defined as operating income excluding the costs of depreciation, amortization and share-based compensation, is a calculation commonly used as a basis for investors, analysts and credit rating agencies to evaluate and compare the periodic and future operating performance and value of companies within the payment processing industry. Management analyzes historical results adjusted for certain items that are non-operational or not necessarily ongoing in nature and that are incremental to the baseline of the business. Generally, these items include gains or losses associated with the sale of business assets or operations, market development costs, foreign exchange translations, discontinued operations, early debt retirement and other similar items as discussed in this press release; management believes the exclusion of these items provides a better basis for evaluating the underlying business unit performance. The attached schedules provide a full reconciliation of any such non-GAAP financial measures.

Euronet Worldwide will host an analyst conference call on Wednesday, April 26, 2006, at 10:00 a.m. U.S. Eastern Time to discuss these results. The conference call will be broadcast on the Internet and can be accessed via the Euronet Worldwide Internet site at [www.euronetworldwide.com](http://www.euronetworldwide.com) or via Vcall at <http://www.vcall.com/IC/CEPage.asp?ID=103272>. Participants should go to the web site at least 15 minutes before this event to download and install any necessary audio software. For those without Internet access, the conference call-in number is +1-877-407-9210 (USA) or +1-201-689-8049 (non-USA). The password is "Euronet."

For those unable to attend the live broadcast, a replay will be available beginning approximately one hour after the event at <http://www.vcall.com/IC/CEPage.asp?ID=103272> as well as via phone. To dial in for the replay, the call-in number is +1-877-660-6853 (USA) or +1-201-612-7415 (non-USA). The account number is 286 and the conference ID number is 198728. The call and webcast replay will be available for one month. You can also access the Earnings presentation at [www.euronetworldwide.com/investors/library/presentations.asp](http://www.euronetworldwide.com/investors/library/presentations.asp). No fees are charged to access any event.

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**About Euronet Worldwide**

Euronet Worldwide is an industry leader in processing secure electronic financial transactions. The Company offers outsourcing and consulting services, integrated EFT software, network gateways, electronic prepaid top-up services to financial institutions, mobile operators and retailers, as well as electronic consumer money transfer and bill payment services. Euronet operates and services the largest pan-European group of ATMs and operates the largest Indian shared ATM network. Euronet is also one of the largest providers of prepaid processing, or top-up services, for prepaid mobile airtime. The Company is a licensed electronic money transmitter and bill payment company via Euronet Payments and Remittance, Inc. The Company has processing centers located in the U.S., Europe and Asia, and processes electronic top-up transactions at more than 242,000 point-of-sale terminals across more than 134,000 retailers in Europe, Asia Pacific, Africa and the U.S. With corporate headquarters in Leawood, Kansas, USA, and 24 worldwide offices, Euronet serves clients in more than 80 countries. Visit the Company's web site at [www.euronetworldwide.com](http://www.euronetworldwide.com).

*Any statements contained in this news release that concern the Company's or management's intentions, expectations, or predictions of future performance, are forward-looking statements. Euronet's actual results may vary materially from those anticipated in such forward-looking statements as a result of a number of factors, including: technological developments affecting the market for the Company's products and services; foreign exchange fluctuations; and changes in laws and regulations affecting the Company's business. These risks and other risks are described in the Company's filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Copies of these filings may be obtained by contacting the Company or the SEC. Euronet does not intend to update these forward-looking statements and undertakes no duty to any person to provide any such update under any circumstances.*

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**EURONET WORLDWIDE, INC.**  
**Consolidated Statement of Income**  
(unaudited - in thousands, except per share data)

Consolidated Statements of Income Data:	Three Months Ended	
	March 31,	
	2006	2005 *
Revenues:		
EFT Processing Segment	\$ 29,868	\$ 23,889
Prepaid Processing Segment	110,961	89,381
Software Solutions Segment	6,141	3,936
Total	146,970	117,206
Operating expenses:		
Direct operating costs	101,353	82,372
Salaries and benefits	18,034	13,204
Selling, general and administrative	8,436	6,138
Depreciation and amortization	6,819	5,025
Total operating expenses	134,642	106,739
Operating income	12,328	10,467
Other income (expenses):		
Interest income	2,722	1,207
Interest expense	(3,597)	(1,588)
Income from unconsolidated affiliates	171	245
Foreign exchange gain (loss), net	1,558	(2,842)
Total other expense, net	854	(2,978)
Income from continuing operations before		
income taxes and minority interest	13,182	7,489
Income tax expense	(3,570)	(3,830)
Minority interest	(261)	(88)
Net Income	\$ 9,351	\$ 3,571
Earnings per share - diluted:		
Earnings per Share	\$ 0.24	\$ 0.10
Diluted weighted average shares outstanding	42,263,210	36,099,360

\*Adjusted to include the retroactively applied effects of SFAS No. 123R share-based compensation expense.

**EURONET WORLDWIDE, INC.**  
**Consolidated Summary Balance Sheets**  
**(unaudited - in thousands)**

	As Of March 31, 2006	As Of December 31, 2005 *
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 223,735	\$ 219,932
Restricted cash	75,958	73,942
Inventory - PINs and other	22,940	25,595
Trade accounts receivable, net of allowance for doubtful accounts	145,360	166,451
Other current assets, net	<u>29,522</u>	<u>23,023</u>
<b>Total current assets</b>	<b>497,515</b>	<b>508,943</b>
Property and equipment, net	50,400	44,852
Goodwill and intangible assets, net	320,988	317,919
Other assets, net	<u>21,774</u>	<u>22,638</u>
<b>Total assets</b>	<b><u>\$ 890,677</u></b>	<b><u>\$ 894,352</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and other current liabilities	\$ 272,513	\$ 298,999
Current portion of capital lease obligations and short-term borrowings	<u>22,295</u>	<u>28,324</u>
<b>Total current liabilities</b>	<b>294,808</b>	<b>327,323</b>
Obligations under capital leases, excluding current installments	14,531	12,229
Deferred income tax	24,291	25,157
Debt obligations	318,381	315,000
Other long-term liabilities	2,045	1,161
Minority interest	<u>6,961</u>	<u>7,129</u>
<b>Total liabilities</b>	<b>661,017</b>	<b>687,999</b>
Stockholders' equity	<u>229,660</u>	<u>206,353</u>
<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 890,677</u></b>	<b><u>\$ 894,352</u></b>

\* Adjusted to include the retroactively applied effects of SFAS No. 123R share-based compensation expense.

**EURONET WORLDWIDE, INC.**  
**Reconciliation of Net income to Adjusted EBITDA by Segment**  
**(unaudited - in millions)**

	Three Months Ended March 31, 2006			
	EFT Processing	Prepaid Processing	Software Solutions	Consolidated
Net income	\$ 5.0	\$ 7.7	\$ 0.4	\$ 9.4
Add: Income tax	1.8	1.9	-	3.6
Add: Interest expense	0.6	0.4	-	3.6
Add: Loss from unconsolidated subs	0.2	-	-	-
Add: Minority Interest share in income	-	0.3	-	0.3
Less: Foreign exchange gain	-	-	-	(1.6)
Less: Income from unconsolidated subs	-	(0.4)	-	(0.2)
Less: Minority Interest share in losses	(0.1)	-	-	-
Less: Interest income	(0.1)	(1.0)	-	(2.7)
Rounding and other	-	0.1	-	(0.1)
Subtotal: Operating income	7.4	9.0	0.4	12.3
Add: Depreciation and amortization	2.9	3.4	0.4	6.8
Add: Share-based compensation	-	-	-	1.9
Rounding and other	0.1	(0.1)	-	-
Earnings before interest, taxes, depreciation, amortization, and share-based compensation (Adjusted EBITDA)	<u>\$ 10.4</u>	<u>\$ 12.3</u>	<u>\$ 0.8</u>	<u>\$ 21.0</u>

**EURONET WORLDWIDE, INC.**  
**Reconciliation of Net income to Adjusted EBITDA by Segment**  
**(unaudited - in millions)**

	<b>Three Months Ended March 31, 2005 *</b>			
	<b>EFT</b>	<b>Prepaid</b>	<b>Software</b>	<b>Consolidated</b>
	<b>Processing</b>	<b>Processing</b>	<b>Solutions</b>	
Net income	\$ 4.0	\$ 6.3	\$ 0.9	\$ 3.6
Add: Income tax	1.1	2.4	-	3.8
Add: Interest expense	0.6	0.2	-	1.6
Add: Minority Interest	-	-	-	0.1
Add: Foreign exchange loss	-	-	-	2.8
Less: Income from unconsolidated subs	-	(0.1)	-	(0.2)
Less: Interest income	-	(0.9)	-	(1.2)
Rounding and other	(0.1)	(0.1)	-	-
<b>Subtotal: Operating income</b>	<b>5.6</b>	<b>7.8</b>	<b>0.9</b>	<b>10.5</b>
Add: Depreciation and amortization	2.5	2.2	0.3	5.0
Add: Share-based compensation	0.1	-	-	1.3
Rounding and other	(0.1)	0.1	-	-
<b>Earnings before interest, taxes, depreciation, amortization, and share-based compensation (Adjusted EBITDA)</b>	<b>\$ 8.1</b>	<b>\$ 10.1</b>	<b>\$ 1.2</b>	<b>\$ 16.8</b>

\* Adjusted to include the retroactively applied effects of SFAS No. 123R share-based compensation expense.

**EURONET WORLDWIDE, INC.**  
**Reconciliation of Net Income Excluding FX, Share-Based Compensation and Retirement of Debt**  
**(unaudited - in millions, except share and per share data)**

	Three months ended	
	March 31,	
	2006	2005 *
Net income	\$ 9.4	\$ 3.6
Convertible debt issuance costs (1)	0.2	-
Interest on convertible debt (1)	0.6	-
	10.2	3.6
Earnings applicable for common shareholders		
Foreign exchange loss (gain)	(1.6)	2.8
Share-based compensation	1.9	1.3
Rounding	-	0.1
	10.5	7.8
Earnings applicable for common shareholders before foreign exchange gains/losses, share-based compensation, discontinued operations loss and early retirement of debt losses	\$ 10.5	\$ 7.8
Adjusted earnings per share - diluted (2)	\$ 0.25	\$ 0.21
Diluted weighted average shares outstanding (1)	42,263,210	36,099,360

\* Adjusted to include the retroactively applied effects of SFAS No. 123R share-based compensation expense.

(1) As required by GAAP, convertible debt issuance and interest costs are excluded from income for the purpose of calculating diluted earnings per share for any period when the convertible debentures, if converted, would be dilutive to earnings per share.

Further, the convertible shares are treated as if all were outstanding for the period.

(2) Adjusted income per share is a non-GAAP measure that should be considered in addition to, and not as a substitute for, earnings per share computed in accordance with GAAP.