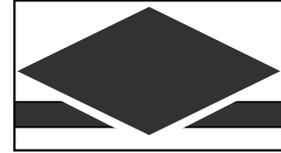


# ***EURONET NEWS RELEASE***



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## **EURONET REVENUES MORE THAN DOUBLE TO \$11.9 MILLION IN 1998**

Budapest, Hungary -- March 16, 1999 -- Euronet Services Inc. (Nasdaq: EEFT) announced today that revenues grew to \$11.9 million in 1998, more than double the revenues in the previous year. Revenues for the fourth quarter of 1998 were \$4.1 million, an increase of 32% over the third quarter 1998 revenue of \$3.1 million.

The operating loss for 1998 was \$22.6 million, compared with \$8.5 million in 1997. The net loss for the year was \$28.3 million, compared with a net loss of \$8.0 million in 1997. The losses were in line with management's expectations for market development and revenue growth.

The balance sheet reflected Euronet's growth with total assets at December 31, 1998 of \$133.4 million, an increase of \$63.0 million over total assets of \$70.0 million at December 31, 1997. The Company's liquidity remained high. Cash, restricted cash, and investments totalled \$71.7 million at December 31, 1998, an increase of \$31.4 million over the total of \$40.3 million one year earlier. A major component of this growth was the issue by Euronet in June 1998 of approximately \$83.1 million in Deutsche Mark denominated notes payable to fund expansion of its ATM network, retire certain liabilities, and for general corporate purposes including possible expansion through acquisitions.

On December 2, 1998, Euronet acquired ARKSYS, a U.S.-based electronic payments systems software company and Euronet's major software supplier. The acquisition has been accounted for under the purchase method of accounting. The balance sheets of ARKSYS and Euronet have been consolidated as of December 31, 1998.

Although ARKSYS had total revenues of \$11.5 million in 1998, only the December revenues of \$356,000 are consolidated with the fourth quarter income statements of Euronet. ARKSYS's December revenues were less than the monthly average for the year due to the fact that at the end of the year, banks typically put a hold on new software installations until after January 1st. ARKSYS completed the year with \$2.3 million in backlog orders (defined as fees specified in contracts which have been executed and for which revenue will be recognized within one year).

The majority of Euronet's consolidated net loss was due to the continued development of the ATM network during 1998. The number of live ATMs increased from 693 at the end of 1997 to 1,271 at the end of 1998. The number of countries in which Euronet has installed ATMs increased from five to seven. Additionally, ARKSYS contributed \$2.3 million to the net loss for the month of December, \$1.0 million of which was due to the write-off of in-process research and development. Euronet also incurred certain one-time charges in 1998 for expenses related to the acquisition of ARKSYS.

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Euronet recorded an extraordinary gain of \$2.9 million (net of income taxes of \$1.5 million) in the fourth quarter of 1998, following its buy-back of Euronet's bonds with total face value of \$10.2 million, less \$0.3 million of unamortized deferred financing costs, for the market price of \$5.5 million.

Euronet's Chairman and CEO, Michael J. Brown, said, "1998 was a year of expansion and investment for Euronet. We nearly doubled the number of ATMs in our network and added our first ATMs in France and the U.K. We increased the number of ATMs that we manage for clients under outsourcing agreements more than fourfold. Most significantly, we acquired ARKSYS, the software developer for retail banking electronic payment systems. Euronet can now offer end-to-end electronic banking systems worldwide, which together with the additional investments in our ATM network, positions the company to achieve greater revenues and improved results in the coming year."

Euronet also announced the appointment of a new European Finance Director and Acting Chief Financial Officer, Richard Halka. Prior to joining Euronet, Mr. Halka was Treasurer, Controller, and Principal Accounting Officer of the Hungarian Telephone and Cable Corporation, a U.S. public company that operates concessions to provide telephone services in Hungary. Prior to that, he was a partner with KPMG in Hungary and New Zealand. Mr. Halka is a Canadian Chartered Accountant and has an honors degree in business administration and economics from Wilfred Laurier University.

As of February 28, Euronet was operating 534 ATMs in Hungary, 425 in Poland, 199 in Germany, 69 in Croatia, 52 in the Czech Republic, six in the U.K. and two in France. Of the total 1,287 ATMs, 85% were part of Euronet's proprietary network and 15% were operated by Euronet for client banks under ATM management outsourcing agreements.

Established in 1994, Euronet is an ATM network and financial transaction processing service company. The Company operates an independent ATM network in Europe and owns a US-based software subsidiary, ARKSYS, specialized in electronic payment and transaction delivery systems. Together with ARKSYS, Euronet offers comprehensive card management systems, transaction processing, and ATM network management services to retail banks. Euronet ATMs are located in seven European countries and accept transactions for a wide range of bank cards through agreements with Visa and Europay/MasterCard sponsor banks and international card issuers such as American Express and Diners Club International. The ARKSYS subsidiary has over 150 active retail banking clients in 60 countries.

*Any statements contained in this news 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, the demand for the Company's software products, the impact of technological innovation on the software industry, and changes in laws and regulations affecting the Company'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 Forms 10-Q for the periods ended March 31, June 30 and September 30, 1998. Copies of these filings may be obtained by contacting the Company or the SEC.*

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

	Three Months Ended Dec. 31, 1998	Three Months Ended Dec. 31, 1997	Twelve Months Ended Dec. 31, 1998	Twelve Months Ended Dec. 31, 1997
Revenue	\$ 4,130	\$ 1,857	\$ 11,881	\$ 5,290
Operating expenses:				
Operating costs	3,335	1,446	10,036	3,717
Salaries & benefits	3,777	1,253	9,831	3,796
Selling, general & admin.	3,229	1,989	8,650	4,576
Depreciation & amortization	2,544	718	5,975	1,731
Operating loss	(8,755)	(3,549)	(22,611)	(8,530)
Other (expenses) income	(3,911)	(424)	(7,223)	465
Loss before income taxes	(12,666)	(3,973)	(29,834)	(8,065)
Income tax (expense) benefit	(1,430)	(29)	(1,430)	100
Extraordinary gain, net of tax	2,889	-	2,889	-
Net loss	<u>\$ (11,207)</u>	<u>\$ (4,002)</u>	<u>\$ (28,375)</u>	<u>\$ (7,965)</u>
Loss per common and common equivalent shares outstanding primary	\$ (0.74)	\$ (0.27)	\$ (1.87)	\$ (0.64)
Average common and common equivalent shares outstanding primary	15,213,453	15,021,189	15,180,651	12,380,962

EURONET SERVICES INC.  
CONSOLIDATED SUMMARY BALANCE SHEET  
(In thousands)

	As of December 31,	
	1998	1997
Cash and cash equivalents	\$ 55,614	\$ 7,516
Restricted cash	12,972	847
Investment securities	3,149	31,944
	<u>71,735</u>	<u>40,307</u>
Other current assets	10,295	2,504
Total current assets	<u>82,030</u>	<u>42,811</u>
Net property, plant and equipment	33,182	24,088
Other assets	18,226	3,134
Total assets	<u>133,438</u>	<u>70,033</u>
Current liabilities	18,739	9,315
Long-term liabilities	90,529	11,499
Total liabilities	<u>109,268</u>	<u>20,814</u>
Stockholders equity	24,170	49,219
Total liabilities and stockholders equity	<u>\$ 133,438</u>	<u>\$ 70,033</u>

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