

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2009

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 001-31648

EURONET WORLDWIDE, INC.

(Exact name of the registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

74-2806888
(I.R.S. Employer
Identification No.)

4601 COLLEGE BOULEVARD, SUITE 300
LEAWOOD, KANSAS
(Address of principal executive offices)

66211
(Zip Code)

(913) 327-4200

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

The number of shares of the issuer's common stock, \$0.02 par value, outstanding as of April 30, 2009 was 50,514,940 shares.

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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

EURONET WORLDWIDE, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
(Unaudited, in thousands, except share and per share data)

	As of	
	March 31, 2009	December 31, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 158,675	\$ 181,341
Restricted cash	105,498	131,025
Inventory — PINs and other	52,699	61,279
Trade accounts receivable, net of allowances for doubtful accounts of \$10,135 at March 31, 2009 and \$9,445 at December 31, 2008	225,287	261,084
Deferred income taxes, net	8,429	8,539
Prepaid expenses and other current assets	39,450	35,352
Current assets of discontinued operations	3,461	3,729
Total current assets	593,499	682,349
Property and equipment, net of accumulated depreciation of \$121,091 at March 31, 2009 and \$125,258 at December 31, 2008	83,753	89,532
Goodwill	464,805	488,305
Acquired intangible assets, net of accumulated amortization of \$66,114 at March 31, 2009 and \$62,920 at December 31, 2008	116,228	125,313
Deferred income taxes, net	38,794	40,465
Other assets, net of accumulated amortization of \$16,594 at March 31, 2009 and \$15,785 at December 31, 2008	35,258	20,628
Non-current assets of discontinued operations	4,173	4,053
Total assets	<u>\$ 1,336,510</u>	<u>\$ 1,450,645</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 200,980	\$ 245,671
Accrued expenses and other current liabilities	208,811	223,814
Current portion of capital lease obligations	3,685	4,614
Short-term debt obligations and current maturities of long-term debt obligations	58,944	68,646
Income taxes payable	17,399	16,590
Deferred income taxes	5,390	5,592
Deferred revenue	14,794	14,914
Current liabilities of discontinued operations	3,429	3,359
Total current liabilities	513,432	583,200
Debt obligations, net of current portion	286,710	294,355
Capital lease obligations, net of current portion	4,767	6,356
Deferred income taxes	59,813	62,905
Other long-term liabilities	8,174	7,919
Total liabilities	<u>872,896</u>	<u>954,735</u>
Equity:		
Euronet Worldwide, Inc. stockholders' equity		
Preferred Stock, \$0.02 par value. Authorized 10,000,000 shares; none issued	—	—
Common Stock, \$0.02 par value. 90,000,000 shares authorized; 50,715,901 issued at March 31, 2009 and 50,605,909 issued at December 31, 2008	1,014	1,012
Additional paid-in-capital	732,301	729,907
Treasury stock, at cost, 227,961 shares at March 31, 2009 and 225,072 shares at December 31, 2008	(815)	(784)
Accumulated deficit	(245,754)	(233,456)
Restricted reserve	963	996
Accumulated other comprehensive income	(30,015)	(9,350)
Total Euronet Worldwide, Inc. stockholders' equity	457,694	488,325
Noncontrolling interests	5,920	7,585
Total equity	463,614	495,910
Total liabilities and equity	<u>\$ 1,336,510</u>	<u>\$ 1,450,645</u>

See accompanying notes to the consolidated financial statements.

EURONET WORLDWIDE, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
(Unaudited, in thousands, except share and per share data)

	Three Months Ended March 31,	
	2009	2008
Revenues:		
EFT Processing Segment	\$ 46,206	\$ 48,236
Prepaid Processing Segment	134,523	144,225
Money Transfer Segment	52,968	52,332
Total revenues	233,697	244,793
Operating expenses:		
Direct operating costs	153,548	165,938
Salaries and benefits	28,596	30,694
Selling, general and administrative	19,068	20,949
Goodwill and acquired intangible assets impairment	9,884	—
Depreciation and amortization	12,903	13,981
Total operating expenses	223,999	231,562
Operating income	9,698	13,231
Other income (expense):		
Interest income	969	3,808
Interest expense	(7,067)	(9,888)
Income from unconsolidated affiliates	518	243
Impairment loss on investment securities	—	(17,502)
Loss on early retirement of debt	(103)	(155)
Foreign currency exchange gain (loss), net	(10,591)	13,077
Other expense, net	(16,274)	(10,417)
Income (loss) from continuing operations before income taxes	(6,576)	2,814
Income tax expense	(5,317)	(10,087)
Loss from continuing operations	(11,893)	(7,273)
Discontinued operations, net	(61)	(813)
Net loss	(11,954)	(8,086)
Less: Net income attributable to noncontrolling interests	(344)	(563)
Net loss attributable to Euronet Worldwide, Inc.	\$ (12,298)	\$ (8,649)
Loss per share attributable to Euronet Worldwide, Inc. stockholders — basic:		
Continuing operations	\$ (0.24)	\$ (0.16)
Discontinued operations	—	(0.02)
Total	\$ (0.24)	\$ (0.18)
Basic weighted average shares outstanding	50,292,907	48,956,945
Loss per share attributable to Euronet Worldwide, Inc. stockholders — diluted:		
Continuing operations	\$ (0.24)	\$ (0.16)
Discontinued operations	—	(0.02)
Total	\$ (0.24)	\$ (0.18)
Diluted weighted average shares outstanding	50,292,907	48,956,945

See accompanying notes to the consolidated financial statements.

EURONET WORLDWIDE, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income (Loss)
(Unaudited, in thousands)

	<u>Three Months Ended March</u>	
	<u>2009</u>	<u>2008</u>
Net loss	\$ (11,954)	\$ (8,086)
Other comprehensive income (loss), net of tax:		
Translation adjustment	(21,613)	32,487
Unrealized gain (loss) on interest rate swaps	477	(751)
Gain (loss) on investment securities	227	(572)
Comprehensive income (loss)	<u>(32,863)</u>	<u>23,078</u>
Comprehensive (income) loss attributable to noncontrolling interests	244	(765)
Comprehensive income (loss) attributable to Euronet Worldwide, Inc.	<u>\$ (32,619)</u>	<u>\$ 22,313</u>

See accompanying notes to the consolidated financial statements.

EURONET WORLDWIDE, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(Unaudited, in thousands)

	Three Months Ended March 31,	
	2009	2008
Net loss attributable to Euronet Worldwide, Inc.	\$ (12,298)	\$ (8,649)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	12,903	14,450
Share-based compensation	1,632	2,907
Unrealized foreign exchange (gain) loss, net	10,577	(13,073)
Non-cash impairment of goodwill and acquired intangible assets	9,884	—
Non-cash impairment of investment securities	—	17,502
Deferred income tax expense (benefit)	(1,139)	3,438
Income assigned to noncontrolling interests	344	563
Income from unconsolidated affiliates	(518)	(243)
Accretion of convertible debentures discount and amortization of debt issuance costs	3,005	3,757
Changes in working capital, net of amounts acquired:		
Income taxes payable, net	1,463	(1,579)
Restricted cash	23,899	27,484
Inventory — PINs and other	6,189	1,821
Trade accounts receivable	23,042	25,987
Prepaid expenses and other current assets	(6,211)	(3,531)
Trade accounts payable	(37,569)	(75,877)
Deferred revenue	391	(624)
Accrued expenses and other current liabilities	(10,696)	19,368
Changes in noncurrent assets and liabilities	(9,788)	892
Net cash provided by operating activities	<u>15,110</u>	<u>14,593</u>
Cash flows from investing activities:		
Acquisitions, net of cash acquired	(3,300)	(1,786)
Acquisition escrow	—	26,000
Purchases of property and equipment	(6,648)	(10,001)
Purchases of other long-term assets	(734)	(938)
Other, net	131	182
Net cash provided (used) by investing activities	<u>(10,551)</u>	<u>13,457</u>
Cash flows from financing activities:		
Proceeds from issuance of shares	373	462
Net repayments of short-term debt obligations and revolving credit agreements classified as current liabilities	(52)	(215)
Borrowings from revolving credit agreements classified as non-current liabilities	90,400	23,500
Repayments of revolving credit agreements classified as non-current liabilities	(98,432)	(74,143)
Repayments of long-term debt obligations	(11,449)	(10,000)
Repayments of capital lease obligations	(1,788)	(2,263)
Cash dividends paid to noncontrolling interests stockholders	(2,413)	—
Other, net	614	67
Net cash used by financing activities	<u>(22,747)</u>	<u>(62,592)</u>
Effect of exchange differences on cash	(3,638)	4,048
Decrease in cash and cash equivalents	(21,826)	(30,494)
Cash and cash equivalents at beginning of period (includes cash of discontinued operations of \$552 in 2009 and \$722 in 2008)	<u>181,893</u>	<u>267,591</u>
Cash and cash equivalents at end of period (includes cash of discontinued operations of \$1,392 in 2009 and \$0 in 2008)	<u>\$ 160,067</u>	<u>\$ 237,097</u>
Interest paid during the period	\$ 1,505	\$ 4,149
Income taxes paid during the period	5,210	6,881

See accompanying notes to the consolidated financial statements.

EURONET WORLDWIDE, INC. AND SUBSIDIARIES
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(1) GENERAL

Organization

Euronet Worldwide, Inc. and its subsidiaries (the “Company” or “Euronet”) is an industry leader in processing secure electronic financial transactions in three principal business segments. Euronet’s Prepaid Processing Segment is one of the world’s largest providers of “top-up” services for prepaid products, primarily prepaid mobile airtime, distributing these products in Europe, the Middle East, Asia Pacific and North America. The EFT Processing Segment provides end-to-end solutions relating to operations of automated teller machine (“ATM”) and point-of-sale (“POS”) networks, and debit and credit card processing in Europe, the Middle East and Asia Pacific. The Money Transfer Segment, comprised primarily of the Company’s RIA Envia, Inc. (“RIA”) subsidiary and its operating subsidiaries, is the third-largest global money transfer company, based upon revenues and volumes, and provides services through a sending network of agents and Company-owned stores primarily in North America and Europe, disbursing money transfers through a worldwide payer network.

Basis of presentation

The accompanying unaudited consolidated financial statements have been prepared from the records of the Company, in conformity with accounting principles generally accepted in the U.S. (“U.S. GAAP”) and pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). In the opinion of management, such unaudited consolidated financial statements contain all adjustments (consisting of normal interim closing procedures) necessary to present fairly the financial position of the Company as of March 31, 2009, and the results of its operations and cash flows for the three-month periods ended March 31, 2009 and 2008.

The unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements of Euronet for the year ended December 31, 2008, including the notes thereto, set forth in the Company’s 2008 Annual Report on Form 10-K.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The results of operations for the three-month period ended March 31, 2009 are not necessarily indicative of the results to be expected for the full year ending December 31, 2009. Certain amounts in the prior year have been reclassified to conform to current period presentation.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

Convertible debentures

Effective January 1, 2009, the Company adopted the provisions of Financial Accounting Standards Board (“FASB”) Staff Position (“FSP”) APB 14-1, “Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement).” FSP APB 14-1 requires the proceeds from the issuance of such convertible debt instruments to be allocated between debt and equity components so that debt is discounted to reflect the Company’s nonconvertible debt borrowing rate. The debt discount is amortized over the period the convertible debt is expected to be outstanding as additional non-cash interest expense. This treatment impacts the accounting associated with the Company’s convertible debentures. The Company’s Unaudited Consolidated Balance Sheets, Statements of Operations, Statements of Comprehensive Income (Loss) and Statements of Cash Flows have been adjusted to reflect the retrospective application of the provisions to prior periods.

Noncontrolling interests

Effective January 1, 2009, the Company adopted the provision of FASB Statement of Financial Accounting Standards (“SFAS”) No. 160, “Noncontrolling Interests in Consolidated Financial Statements.” SFAS No. 160 requires noncontrolling interests (previously referred to as minority interests) to be reported as a component of equity, which changes the accounting for transactions with noncontrolling interest holders. The presentation of the Company’s Unaudited Consolidated Balance Sheets, Statements of Operations, Statements of Comprehensive Income (Loss) and Statements of Cash Flows has been adjusted to reflect the retrospective application of the provisions to prior periods.

Business combinations

Effective January 1, 2009, the Company adopted the provision of SFAS No. 141(R), “Business Combinations,” which is a revision of SFAS No. 141, “Business Combinations.” SFAS No. 141(R) applies to all business combinations and requires most identifiable assets,

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liabilities, noncontrolling interests and goodwill acquired in a business combination to be recorded at “full fair value” at the acquisition date. SFAS No. 141(R) also requires transaction-related costs to be expensed in the period incurred, rather than capitalizing these costs as a component of the respective purchase price.

Accounting for derivative instruments and hedging activities

The Company accounts for derivative instruments and hedging activities in accordance with SFAS No. 133, “Accounting for Derivative Instruments and Hedging Activities,” as amended, which requires that all derivative instruments be recognized as either assets or liabilities on the balance sheet at fair value. During the second quarter 2007, the Company entered into derivative instruments to manage exposure to interest rate risk that are considered cash flow hedges under the provisions of SFAS No. 133. To qualify for hedge accounting under SFAS No. 133, the details for the hedging relationship must be formally documented at the inception of the arrangement, including the Company’s hedging strategy, risk management objective, the specific risk being hedged, the derivative instrument being used, the item being hedged, an assessment of hedge effectiveness and how effectiveness will continue to be assessed and measured. For the effective portion of a cash flow hedge, changes in the value of the hedge instrument are recorded temporarily in stockholders’ equity and the Unaudited Consolidated Statements of Comprehensive Income (Loss) as a component of other comprehensive income and then recognized as an adjustment to interest expense over the term of the hedging instrument.

In the Money Transfer Segment, the Company enters into foreign currency forward contracts to offset foreign currency exposure related to the notional value of money transfer transactions collected in currencies other than the U.S. dollar. These forward contracts are considered derivative instruments under the provisions of SFAS No. 133, however, the Company does not designate such instruments as hedges. Accordingly, changes in the value of these contracts are recognized immediately as a component of foreign currency exchange gain, net in the Unaudited Consolidated Statements of Operations. The impact of changes in value of these forward contracts, together with the impact of the change in value of the related foreign currency denominated receivable, on the Company’s Unaudited Consolidated Statements of Operations is not significant.

Cash flows resulting from derivative instruments are classified as cash flows from operating activities in the Company’s Unaudited Consolidated Statements of Cash Flows. The Company enters into derivative instruments with financial institutions it believes to be highly credit-worthy and does not use derivative instruments for trading or speculative purposes.

Additionally, effective January 1, 2009, the Company adopted the provisions of SFAS No. 161, “Disclosures about Derivative Instruments and Hedging Activities” which requires an entity to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under SFAS No. 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity’s financial position, financial performance, and cash flows. See Note 7, Derivative Instruments and Hedging Activities, for these disclosures and a further discussion of derivative instruments.

Fair value measurements

Effective January 1, 2008, the Company adopted the provisions of SFAS No. 157, “Fair Value Measurements” for financial assets and liabilities. This Statement defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. The Statement applies whenever other accounting pronouncements require or permit fair value measurements. Accordingly, this Statement does not require any new fair value measurements. Additionally, FSP FAS 157-2, “Effective Date of FASB Statement No. 157,” delayed the effective date of SFAS No. 157 to fiscal years beginning after November 15, 2008 for certain nonfinancial assets and liabilities. Beginning January 1, 2009, the Company adopted the provisions for those nonfinancial assets and liabilities, which include those measured at fair value in goodwill impairment testing, indefinite-lived intangible assets measured at fair value for impairment assessment, nonfinancial long-lived assets measured at fair value for impairment assessment and investments in unconsolidated subsidiaries. See Note 9, Fair Value Measurements, for the required fair value disclosures.

Money transfer settlement obligations

Money transfer settlement obligations are recorded in accrued expenses and other current liabilities on the Company’s Unaudited Consolidated Balance Sheets and consist of amounts owed by Euronet to money transfer recipients. As of March 31, 2009, the Company’s money transfer settlement obligations were \$31.3 million.

Investment in MoneyGram International, Inc.

The Company’s investment in MoneyGram International, Inc. (“MoneyGram”) was classified as available-for-sale as of December 31, 2007 and was recorded in other assets on the Company’s Consolidated Balance Sheet. During the first quarter 2008, the Company decided not to pursue the acquisition of MoneyGram. Also, during the first quarter 2008, the value of the Company’s investment in MoneyGram declined and the Company determined the decline to be other than temporary. Accordingly, the Company recognized \$17.5 million in impairment losses associated with the investment and reversed the \$0.6 million gain recorded as of December 31, 2007 in accumulated other comprehensive income. The investment was included in other current assets on the Company’s Unaudited Consolidated Balance

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Sheets as of March 31, 2009 and December 31, 2008. During the first quarter 2008, the Company also recorded acquisition related expenses totaling \$3.0 million, which are included in selling, general and administrative expenses.

Recent accounting pronouncements

In April 2009, the FASB issued FSP FAS 141(R)-1, "Accounting for Assets Acquired and Liabilities Assumed in a Business Combination That Arise from Contingencies." FSP FAS 141(R)-1 amends the requirements to measure contingencies acquired in a business combination at fair value, requiring that a contingency acquired in a business combination be initially measured at fair value on the acquisition date if fair value can be determined during the measurement period. Acquired contingencies whose fair value cannot be determined during the measurement period would be recognized if it is probable that an asset existed or liability had been incurred at the acquisition date and the amount for that asset or liability can be reasonably estimated. FSP FAS 141(R)-1 is effective for Euronet beginning January 1, 2009, concurrent with the adoption of SFAS No. 141(R), and it did not have a material impact on the Consolidated Financial Statements.

In April 2009, the FASB issued FSP FAS 107-1 and APB 28-1, "Interim Disclosures about Fair Value of Financial Instruments," which requires the annual fair value disclosures about financial instruments within the scope of FAS 107 to also be made in interim financial statements. FSP FAS 107-1 and APB 28-1 is effective for Euronet for the quarterly reporting period ending June 30, 2009. The Company's adoption of FSP FAS 107-1 and APB 28-1 is not expected to have a material impact on the Consolidated Financial Statements.

(3) EARNINGS PER SHARE

Basic earnings per share has been computed by dividing earnings available to common stockholders by the weighted average number of common shares outstanding during the respective period. Diluted earnings per share has been computed by dividing earnings available to common stockholders by the weighted-average shares outstanding during the respective period, after adjusting for the potential dilution of the assumed conversion of the Company's convertible debentures, shares issuable in connection with acquisition obligations, restricted stock and options to purchase the Company's common stock.

For the three-month periods ended March 31, 2009 and 2008, the Company incurred net losses; therefore, diluted loss per share is the same as basic loss per share for each period. For the three-month periods ended March 31, 2009 and 2008, the calculation of diluted loss per share excludes approximately 4,928,000 and 3,192,000, respectively, stock options or shares of restricted stock that are anti-dilutive to the Company's weighted average common shares outstanding. Additionally, for the three months ended March 31, 2008, the calculation of diluted loss per share excludes approximately 953,000 shares issuable in connection with acquisition obligations that are anti-dilutive to the Company's weighted average common shares outstanding.

The Company has \$59.2 million principal amount of 1.625% convertible debentures due 2024 and \$175 million principal amount of 3.50% convertible debentures due 2025 outstanding that, if converted, would have a potentially dilutive effect on the Company's stock. These debentures are convertible into 1.8 million shares of Common Stock for the \$59.2 million 1.625% issue, and 4.3 million shares of Common Stock for the \$175 million 3.50% issue only upon the occurrence of certain conditions. As required by EITF Issue No. 04-8, "The Effect of Contingently Convertible Debt on Diluted Earnings per Share," if dilutive, the impact of the contingently issuable shares must be included in the calculation of diluted earnings per share under the "if-converted" method, regardless of whether the conditions upon which the debentures would be convertible into shares of the Company's Common Stock have been met. Under the if-converted method, the assumed conversion of the 1.625% and 3.50% convertible debentures was anti-dilutive for both three-month periods ended March 31, 2009 and 2008.

(4) DISCONTINUED OPERATIONS

During the second quarter 2008, the Company committed to a plan to sell Euronet Essentis Limited ("Essentis"), a U.K. software entity, in order to focus its investments and resources on its transaction processing businesses. The Company is in the process of selling the business. Accordingly, Essentis's results of operations are shown as discontinued operations in the Unaudited Consolidated Statements of Operations for all periods presented. Previously, Essentis's results were reported in the EFT Processing Segment. The segment results in Note 8, Segment Information, also reflect the reclassification of Essentis's results to discontinued operations. The following amounts related to Essentis have been segregated from continuing operations and reported as discontinued operations:

(in thousands)	Three Months Ended March 31,	
	2009	2008
Revenues	\$1,424	\$ 2,270
Loss before income taxes	\$ (93)	\$(1,121)
Net loss	\$ (61)	\$ (813)

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The Unaudited Consolidated Balance Sheets include Essentis's net assets expected to be sold and the major classes of its assets and liabilities are presented below:

(in thousands)	March 31, 2009	December 31, 2008
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,392	\$ 552
Trade accounts receivable, net of allowance for doubtful accounts	1,243	2,187
Prepaid expenses and other current assets	826	990
Total current assets	3,461	3,729
Property and equipment, net of accumulated depreciation	419	427
Acquired intangible assets, net of accumulated amortization	971	991
Other assets, net of accumulated amortization	2,783	2,635
Total assets	<u>\$ 7,634</u>	<u>\$ 7,782</u>
LIABILITIES		
Current liabilities		
Trade accounts payable	\$ 358	\$ 250
Accrued expenses and other current liabilities	739	760
Deferred revenue	2,332	2,349
Total current liabilities	3,429	3,359
Deferred income taxes	611	624
Other long-term liabilities	3	3
Total liabilities	<u>\$ 4,043</u>	<u>\$ 3,986</u>
Net assets	<u>\$ 3,591</u>	<u>\$ 3,796</u>

(5) GOODWILL AND ACQUIRED INTANGIBLE ASSETS, NET

A summary of acquired intangible assets and goodwill activity for the three-month period ended March 31, 2009 is presented below:

(in thousands)	Acquired Intangible Assets	Goodwill	Total Intangible Assets
Balance as of December 31, 2008	\$ 125,313	\$ 488,305	\$ 613,618
Increases (decreases):			
Impairment	(1,111)	(8,773)	(9,884)
Amortization	(5,552)	—	(5,552)
Other (primarily changes in foreign currency exchange rates)	(2,422)	(14,727)	(17,149)
Balance as of March 31, 2009	<u>\$ 116,228</u>	<u>\$ 464,805</u>	<u>\$ 581,033</u>

Estimated annual amortization expense on intangible assets with finite lives, before income taxes, as of March 31, 2009, is expected to total \$21.9 million for 2009, \$21.4 million for 2010, \$17.8 million for 2011, \$15.6 million for 2012, \$11.3 million for 2013 and \$8.8 million for 2014.

The Company's annual goodwill impairment test is performed during the fourth quarter. The Company's annual impairment test for the year ended December 31, 2008 resulted in the Company recording an estimated non-cash goodwill impairment charge of \$219.8 million in the fourth quarter of 2008 related to its RIA money transfer business and its Spanish prepaid business. Additionally, the Company recorded a non-cash impairment charge of \$0.3 million in the fourth quarter of 2008 related to certain trade names and customer relationships of the RIA money transfer business. The Company completed the impairment testing in the first quarter of 2009 and recorded an additional non-cash goodwill impairment charge of \$8.8 million and a \$1.1 million non-cash impairment charge related to a money transfer intangible asset in the first quarter of 2009.

Determining the fair value of reporting units requires significant management judgment in estimating future cash flows and assessing potential market and economic conditions. It is reasonably possible that the Company's operations will not perform as expected, or that estimates or assumptions could change, which may result in the Company recording additional material non-cash impairment charges during the year in which these changes take place.

(6) DEBT OBLIGATIONS

A summary of debt obligation activity for the three-month period ended March 31, 2009 is presented below:

<u>(in thousands)</u>	<u>Revolving Credit Facilities</u>	<u>Other Debt Obligations</u>	<u>Capital Leases</u>	<u>1.625% Convertible Debentures Due 2024</u>	<u>3.50% Convertible Debentures Due 2025</u>	<u>Term Loan</u>	<u>Total</u>
Balance at December 31, 2008	\$ 16,719	\$ 288	\$ 10,970	\$ 66,548	\$ 147,446	\$ 132,000	\$ 373,971
Increases (decreases):							
Net borrowings (repayments)	(8,032)	(52)	(1,746)	(10,411)	—	(1,000)	(21,241)
Accretion	—	—	—	906	1,567	—	2,473
Capital lease interest	—	—	446	—	—	—	446
Foreign exchange gain	(175)	(150)	(1,218)	—	—	—	(1,543)
Balance at March 31, 2009	8,512	86	8,452	57,043	149,013	131,000	354,106
Less — current maturities	—	(1)	(3,685)	(57,043)	—	(1,900)	(62,629)
Long-term obligations at March 31, 2009	<u>\$ 8,512</u>	<u>\$ 85</u>	<u>\$ 4,767</u>	<u>\$ —</u>	<u>\$ 149,013</u>	<u>\$ 129,100</u>	<u>\$ 291,477</u>

In March 2009, the Company repurchased in privately negotiated transactions \$10.8 million in principal amount of the 1.625% convertible debentures due 2024. During the three-months ended March 31, 2009, the Company repaid \$1.0 million of the term loan, of which \$0.5 million was a scheduled repayment. The remaining \$0.5 million represents prepayment of amounts not yet due and along with the convertible debentures repurchase resulted in the Company recognizing a \$0.1 million pre-tax loss on early retirement of debt.

As discussed in Note 2, Summary of Significant Accounting Policies and Practices, the Company adopted the provisions of FSP APB 14-1 which resulted in the adjustment of amounts previously reported for the Company's convertible debentures. The 1.625% convertible debentures had principal amounts outstanding of \$59.2 million and \$70.0 million and unamortized discounts outstanding of \$2.1 million and \$3.5 million as of March 31, 2009 and December 31, 2008, respectively. The discount will be amortized through December 15, 2009. Contractual interest expense was \$0.3 million and \$0.6 million and discount accretion was \$0.9 million and \$1.7 million for the three months ended March 31, 2009 and 2008, respectively. The effective interest rate was 7.1% for the three months ended March 31, 2009 and 2008. The carrying amount of the equity portion was \$32.3 million as of March 31, 2009 and December 31, 2008.

The 3.50% convertible debentures had principal amounts outstanding of \$175.0 million and unamortized discounts outstanding of \$26.0 million and \$27.6 million as of March 31, 2009 and December 31, 2008, respectively. The discount will be amortized through October 15, 2012. Contractual interest expense was \$1.5 million and discount accretion was \$1.6 million and \$1.4 million for the three months ended March 31, 2009 and 2008, respectively. The effective interest rate was 8.4% for the three months ended March 31, 2009 and 2008. The carrying amount of the equity portion was \$45.1 million as of March 31, 2009 and December 31, 2008.

(7) DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

During 2007, the Company entered into interest rate swap agreements for a total notional amount of \$50 million to manage interest rate exposure related to a portion of the term loan, which currently bears interest at the London Inter-Bank Offered Rate ("LIBOR") plus 200 basis points. The interest rate swap agreements are determined to be cash flow hedges and effectively convert \$50 million of the term loan to a fixed interest rate of 7.3% through the May 2009 maturity date of the swap agreements.

As of March 31, 2009, the Company had foreign currency forward contracts outstanding with a notional value of \$41.1 million, primarily in euros, which had a weighted average remaining maturity of 2.8 days. Although the Company enters into foreign currency forward contracts to offset foreign currency exposure related to the notional value of money transfer transactions collected in currencies other than the U.S. dollar, they are not designated as hedges under SFAS No. 133. This is mainly due the relatively short duration of the contracts, typically 1 to 14 days, and the frequency which the Company enters into them.

The Company has an office lease in a foreign country that requires payment in a currency that is not the functional currency of either party to the lease or the Company's reporting currency. Therefore, the lease contains an embedded derivative per SFAS No. 133 and its fair value is recorded in the Unaudited Consolidated Balance Sheet.

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Below are the tabular disclosures required by SFAS No. 161:

(in thousands)	Consolidated Balance Sheet Location	Fair Values of Derivative Instruments	
		March 31, 2009	December 31, 2008
Derivatives designated as hedging instruments under SFAS No. 133			
Interest rate swaps related to floating rate debt	Accrued expenses and other current liabilities	\$ (353)	\$ (830)
Asset Derivatives			
Derivatives not designated as hedging instruments under SFAS No. 133			
Foreign currency derivative contracts — gross gains	Cash and cash equivalents	\$ 365	\$ 433
Foreign currency derivative contracts — gross losses	Cash and cash equivalents	(124)	(155)
Total		\$ 241	\$ 278
Liability Derivatives			
Embedded derivative in foreign lease	Other long-term liabilities	\$ (569)	\$ —
Total derivatives		\$ (681)	\$ (552)

(in thousands)		Amount of Gain (Loss) Recognized in OCI on Derivative (Effective Portion)	
		Three Months Ended March 31, 2009	2008
Derivatives in SFAS No. 133 Cash Flow Hedging Relationships			
Interest rate swaps related to floating rate debt		\$ 477	\$ (751)

(in thousands)	Location of Gain (Loss) Recognized in Income on Derivative	Amount of Gain (Loss) Recognized in Income on Derivative	
		Three Months Ended March 31, 2009	2008
Derivatives not designated as hedging instruments under SFAS No. 133			
Foreign currency derivative contracts	Foreign currency exchange gain (loss), net	\$ (37)	\$ 79
Embedded derivative in foreign lease	Foreign currency exchange gain (loss), net	(569)	—
Total		\$ (606)	\$ 79

See Note 9, Fair Value Measurements, for the determination of the fair values of derivatives.

(8) SEGMENT INFORMATION

Euronet’s reportable operating segments have been determined in accordance with SFAS No. 131, “Disclosures About Segments of an Enterprise and Related Information.” The Company currently operates in the following three reportable operating segments:

- 1) Through the EFT Processing Segment, the Company processes transactions for a network of ATMs and POS terminals across Europe, the Middle East and Asia Pacific. The Company provides comprehensive electronic payment solutions consisting of ATM network participation, outsourced ATM and POS management solutions, credit and debit card outsourcing and electronic recharge services for prepaid mobile airtime. Through this segment, the Company also offers a suite of integrated electronic financial transaction (“EFT”) software solutions for electronic payment and transaction delivery systems.
- 2) Through the Prepaid Processing Segment, the Company provides distribution of prepaid mobile airtime and other prepaid products and collection services in Europe, the Middle East, Asia Pacific and North America.
- 3) Through the Money Transfer Segment, the Company provides global money transfer and bill payment services through a sending network of agents and Company-owned stores primarily in North America and Europe, disbursing money transfers through a worldwide payer network. Bill payment services are offered primarily in the U.S.

In addition, in its administrative division, “Corporate Services, Eliminations and Other,” the Company accounts for non-operating activity, certain intersegment eliminations and the costs of providing corporate and other administrative services to the three segments. These services are not directly identifiable with the Company’s reportable operating segments. The following tables present the segment results of the Company’s operations for the three-month periods ended March 31, 2009 and 2008:

(in thousands)	For the Three Months Ended March 31, 2009				
	EFT Processing	Prepaid Processing	Money Transfer	Corporate Services, Eliminations and Other	Consolidated
Total revenues	\$ 46,206	\$ 134,523	\$ 52,968	\$ —	\$ 233,697
Operating expenses:					
Direct operating costs	18,955	109,035	25,558	—	153,548
Salaries and benefits	7,012	6,424	11,820	3,340	28,596
Selling, general and administrative	4,147	4,542	8,815	1,564	19,068
Goodwill and acquired intangible asset impairment	—	—	9,884	—	9,884
Depreciation and amortization	4,182	3,646	4,762	313	12,903
Total operating expenses	<u>34,296</u>	<u>123,647</u>	<u>60,839</u>	<u>5,217</u>	<u>223,999</u>
Operating income (loss)	<u>\$ 11,910</u>	<u>\$ 10,876</u>	<u>\$ (7,871)</u>	<u>\$ (5,217)</u>	<u>\$ 9,698</u>

(in thousands)	For the Three Months Ended March 31, 2008				
	EFT Processing	Prepaid Processing	Money Transfer	Corporate Services, Eliminations and Other	Consolidated
Total revenues	\$ 48,236	\$ 144,225	\$ 52,332	\$ —	\$ 244,793
Operating expenses:					
Direct operating costs	21,737	117,856	26,345	—	165,938
Salaries and benefits	7,908	6,568	11,757	4,461	30,694
Selling, general and administrative	3,778	5,275	7,452	4,444	20,949
Depreciation and amortization	4,668	4,192	4,827	294	13,981
Total operating expenses	<u>38,091</u>	<u>133,891</u>	<u>50,381</u>	<u>9,199</u>	<u>231,562</u>
Operating income (loss)	<u>\$ 10,145</u>	<u>\$ 10,334</u>	<u>\$ 1,951</u>	<u>\$ (9,199)</u>	<u>\$ 13,231</u>

(9) FAIR VALUE MEASUREMENTS

The Company's assets and liabilities recorded at fair value on a recurring basis are set forth in the following table:

(in thousands)	Carrying Value as of March 31, 2009	Fair Value Measurements as of March 31, 2009 Using	
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs
Available-for-sale investment securities	\$1,579	\$1,579	\$ —
Interest rate swaps related to floating rate debt	(353)	—	(353)
Foreign currency derivative contracts	241	—	241
Embedded derivative in foreign lease	(569)	—	(569)

The Company values available for sale investment securities using quoted prices from the securities' primary exchange. Interest rate swaps are valued using present value measurements based on the LIBOR swap rate, credit spreads and other relevant market conditions. Foreign currency derivative contracts are valued using foreign currency exchange quotations for similar assets and liabilities. The embedded derivative in foreign lease is valued using present value techniques and foreign currency exchange quotations.

Certain assets are measured at fair value on a non-recurring basis. For the three months ended March 31, 2009, the Company finalized the assessment of the fair value of the goodwill related to its RIA money transfer business and its Spanish prepaid business and recorded an impairment charge as discussed in Note 5, Goodwill and Acquired Intangible Assets, Net. The fair values were determined using significant unobservable inputs. The fair value of goodwill was determined by calculating its implied fair value as the excess of the fair value of the respective entity over the fair value of its net assets. Additionally, management determined that an acquired intangible asset associated with a previous acquisition in the Money Transfer Segment had no value and, accordingly, the Company recorded a write-off of the remaining net book value of the intangible asset. The fair values of these assets are summarized in the following table:

(in thousands)	Carrying Value as of March 31, 2009	Fair Value Measurements as of March 31, 2009 Using Significant Unobservable Inputs	Total Losses for the Three Months Ended March 31, 2009
Goodwill	\$ 258,831	\$ 258,831	\$ (8,773)
Acquired intangible assets	—	—	(1,111)
			<u>\$ (9,884)</u>

(10) GUARANTEES

As of March 31, 2009, the Company had \$43.4 million of stand-by letters of credit/bank guarantees issued on its behalf, of which \$8.3 million are collateralized by cash deposits held by the respective issuing banks.

Euronet regularly grants guarantees in support of obligations of subsidiaries. As of March 31, 2009, the Company granted off balance sheet guarantees for cash in various ATM networks amounting to \$17.8 million over the terms of the cash supply agreements and performance guarantees amounting to approximately \$25.7 million over the terms of the agreements with the customers.

From time to time, Euronet enters into agreements with unaffiliated parties that contain indemnification provisions, the terms of which may vary depending on the negotiated terms of each respective agreement. The amount of such potential obligations is generally not stated in the agreements. Our liability under such indemnification provisions may be mitigated by relevant insurance coverage and may be subject to time and materiality limitations, monetary caps and other conditions and defenses. Such indemnification obligations include the following:

- In connection with contracts with financial institutions in the EFT Processing Segment, the Company is responsible for damages to ATMs and theft of ATM network cash that, generally, is not recorded on the Company's Consolidated Balance Sheets. As of March 31, 2009, the balance of ATM network cash for which the Company was responsible was approximately \$240 million. The Company maintains insurance policies to mitigate this exposure;

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- In connection with the license of proprietary systems to customers, Euronet provides certain warranties and infringement indemnities to the licensee, which generally warrant that such systems do not infringe on intellectual property owned by third parties and that the systems will perform in accordance with their specifications;
- Euronet has entered into purchase and service agreements with vendors and consulting agreements with providers of consulting services, pursuant to which the Company has agreed to indemnify certain of such vendors and consultants, respectively, against third-party claims arising from the Company's use of the vendor's product or the services of the vendor or consultant;
- In connection with acquisitions and dispositions of subsidiaries, operating units and business assets, the Company has entered into agreements containing indemnification provisions, which can be generally described as follows: (i) in connection with acquisitions made by Euronet, the Company has agreed to indemnify the seller against third party claims made against the seller relating to the subject subsidiary, operating unit or asset and arising after the closing of the transaction, and (ii) in connection with dispositions made by Euronet, Euronet has agreed to indemnify the buyer against damages incurred by the buyer due to the buyer's reliance on representations and warranties relating to the subject subsidiary, operating unit or business assets in the disposition agreement if such representations or warranties were untrue when made;
- Euronet has entered into agreements with certain third parties, including banks that provide fiduciary and other services to Euronet or to the Company's benefit plans. Under such agreements, the Company has agreed to indemnify such service providers for third party claims relating to the carrying out of their respective duties under such agreements; and
- The Company has obtained surety bonds in compliance with money transfer licensing requirements of the applicable governmental authorities and has agreed to reimburse the surety for any amounts that they are required to pay in connection with such bonds.

The Company is also required to meet minimum capitalization and cash requirements of various regulatory authorities in the jurisdictions in which the Company has money transfer operations. To date, the Company is not aware of any significant claims made by the indemnified parties or third parties to guarantee agreements with the Company and, accordingly, no liabilities were recorded as of March 31, 2009 or December 31, 2008.

(11) INCOME TAXES

The Company's effective tax rates were (81%) and 359% for the three-month periods ended March 31, 2009 and 2008, respectively. The effective tax rates were significantly influenced by the goodwill and acquired intangible assets impairment charge and foreign currency exchange net loss for the first quarter 2009 and the impairment loss on investment securities and foreign currency exchange net gain for the first quarter 2008. Excluding foreign currency exchange results and the impairments to goodwill and acquired intangible assets and to investment securities from pre-tax income, as well as the related tax effects for these items, the Company's effective tax rates were 41.6% and 28.1% for the three months ended March 31, 2009 and 2008, respectively.

The increase in the effective tax rate, as adjusted, for the first quarter 2009 compared to the same period in 2008 was primarily related to the loss of certain tax deductions in Spain as a result of the goodwill and acquired intangible assets impairment charges. Also, approximately \$3.5 million of contract termination fees were recorded in India which has a tax rate that is higher than the Company's weighted average effective tax rate.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OVERVIEW

COMPANY OVERVIEW, GEOGRAPHIC LOCATIONS AND PRINCIPAL PRODUCTS AND SERVICES

Euronet Worldwide, Inc. (together with our subsidiaries, "we," "us," "Euronet" or the "Company") is a leading electronic payments provider, offering automated teller machine ("ATM"), point-of-sale ("POS") and card outsourcing services, card issuing and merchant acquiring services, integrated electronic financial transaction ("EFT") software, network gateways, electronic distribution of top-up services for prepaid mobile airtime and other prepaid products, electronic consumer money transfer and bill payment services to financial institutions, mobile operators, retailers and individual customers. As of March 31, 2009, we operate in the following three principal business segments.

- An EFT Processing Segment, which processes transactions for a network of 9,205 ATMs and approximately 56,000 POS terminals across Europe, the Middle East and Asia Pacific. We provide comprehensive electronic payment solutions consisting of ATM network participation, outsourced ATM and POS management solutions, credit and debit card outsourcing and electronic recharge services for prepaid mobile airtime. Through this segment, we also offer a suite of integrated EFT software solutions for electronic payment and transaction delivery systems.
- A Prepaid Processing Segment, which provides distribution of prepaid mobile airtime and other prepaid products and collection services for various prepaid products, cards and services. We are one of the largest international providers of prepaid mobile airtime processing. Including terminals operated by unconsolidated subsidiaries, we operate a network of approximately 421,000 POS terminals providing electronic processing of prepaid mobile airtime top-up services in Europe, the Middle East, Asia Pacific and North America.
- A Money Transfer Segment, which provides global consumer to consumer money transfer services. We offer this service through a sending network of agents and Company-owned stores primarily in Europe and North America, disbursing money transfers through a worldwide payer network. Bill payment services are offered primarily in the U.S. Based on revenues and volumes, through this segment, we are the third-largest global money transfer company. The Money Transfer Segment originates and terminates transactions through a network of approximately 77,100 locations, which include sending agents and Company-owned stores, and an extensive payer network in more than 100 countries.

We have five processing centers in Europe, two in Asia Pacific and two in North America. We have 23 principal offices in Europe, six in North America, five in Asia Pacific and one in the Middle East. Our executive offices are located in Leawood, Kansas, USA. With approximately 73% of our revenues denominated in currencies other than the U.S. dollar, any significant changes in currency exchange rates will likely have a significant impact on our growth in revenues, operating income and diluted earnings per share.

SOURCES OF REVENUES AND CASH FLOW

Euronet earns revenues and income based on ATM management fees, transaction fees and commissions, professional services, software licensing fees and software maintenance agreements. Each business segment's sources of revenue are described below.

EFT Processing Segment — Revenues in the EFT Processing Segment, which represented approximately 20% of total consolidated revenues for the first quarter 2009, are derived from fees charged for transactions effected by cardholders on our proprietary network of ATMs, as well as fixed management fees and transaction fees we charge to banks for operating ATMs and processing credit cards under outsourcing agreements. Through our proprietary network, we generally charge fees for four types of ATM transactions: i) cash withdrawals, ii) balance inquiries, iii) transactions not completed because the relevant card issuer does not give authorization, and iv) prepaid telecommunication recharges. Revenues in this segment are also derived from license fees, professional services and maintenance fees for software and sales of related hardware. Software license fees are the fees we charge to license our proprietary application software to customers. Professional service fees consist of charges for customization, installation and consulting services to customers. Software maintenance revenues represent the ongoing fees charged for maintenance and support for customers' software products. Hardware sales are derived from the sale of computer equipment necessary for the respective software solution.

Prepaid Processing Segment — Revenues in the Prepaid Processing Segment, which represented approximately 57% of total consolidated revenues for the first quarter 2009, are primarily derived from commissions or processing fees received from telecommunications service providers for the sale and distribution of prepaid mobile airtime. We also generate revenues from commissions earned from the distribution of other prepaid products. Due to certain provisions in our mobile phone operator agreements, the operators have the ability to reduce the overall commission paid on each top-up transaction. However, by virtue of our agreements with retailers (distributors where POS terminals are located) in certain markets, not all of these reductions are absorbed by us because we are able to pass a significant portion of the reductions to retailers. Accordingly, under certain retailer agreements, the effect is to reduce revenues and reduce our direct operating costs resulting in only a small impact on gross margin and operating income. In some markets, reductions in commissions can significantly impact our results as it may not be possible, either contractually or commercially in the concerned market, to pass a

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reduction in commissions to the retailers. In Australia, certain retailers negotiate directly with the mobile phone operators for their own commission rates, which also limits our ability to pass through reductions in commissions. Agreements with mobile operators are important to the success of our business. These agreements permit us to distribute prepaid mobile airtime to the mobile operators' customers. Other products offered by this segment include prepaid long distance calling card plans, prepaid Internet plans, prepaid debit cards, prepaid gift cards, bill payment, money transfer and prepaid mobile content such as music, ringtones and games.

Money Transfer Segment — Revenues in the Money Transfer Segment, which represents approximately 23% of total consolidated revenues for the first quarter 2009, are primarily derived through the charging of a transaction fee, as well as the difference between purchasing foreign currency at wholesale exchange rates and selling the foreign currency to consumers at retail exchange rates. We have an origination network in place comprised of agents and company-owned stores in Europe and North America and a worldwide network of correspondent agents, consisting primarily of financial institutions in the transfer destination countries. Origination and correspondent agents each earn fees for cash collection and distribution services. These fees are recognized as direct operating costs at the time of sale.

OPPORTUNITIES AND CHALLENGES

EFT Processing Segment — The continued expansion and development of our EFT Processing Segment business will depend on various factors including, but not necessarily limited to, the following:

- the impact of competition by banks and other ATM operators and service providers in our current target markets;
- the demand for our ATM outsourcing services in our current target markets;
- the ability to develop products or services to drive increases in transactions;
- the expansion of our various business lines in markets where we operate and in new markets;
- the entrance into additional card acceptance and ATM management agreements with banks;
- the ability to obtain required licenses in markets we intend to enter or expand services;
- the availability of financing for expansion;
- the ability to efficiently install ATMs contracted under newly awarded outsourcing agreements;
- the ability to renew existing contracts at profitable rates;
- the ability to expand and sign additional customers for the cross-border merchant processing and acquiring business; and
- the continued development and implementation of our software products and their ability to interact with other leading products.

Prepaid Processing Segment — The continued expansion and development of the Prepaid Processing Segment business will depend on various factors, including, but not necessarily limited to, the following:

- the ability to negotiate new agreements in additional markets with mobile phone operators, agent financial institutions and retailers;
- the ability to use existing expertise and relationships with mobile operators and retailers to our advantage;
- the continuation of the trend towards conversion from scratch card solutions to electronic processing solutions for prepaid mobile airtime among mobile phone users and the continued use of third-party providers such as ourselves to supply this service;
- the development of mobile phone networks in these markets and the increase in the number of mobile phone users;
- the overall pace of growth in the prepaid mobile phone market;
- our market share of the retail distribution capacity;
- the level of commission that is paid to the various intermediaries in the prepaid mobile airtime distribution chain;
- our ability to add new and differentiated prepaid products in addition to those offered by mobile operators;
- the ability to take advantage of cross-selling opportunities with our Money Transfer Segment, including providing money transfer services through our prepaid locations; and
- the availability of financing for further expansion.

Money Transfer Segment — The expansion and development of our money transfer business will depend on various factors, including, but not necessarily limited to, the following:

- the continued growth in worker migration and employment opportunities;
- the mitigation of economic and political factors that have had an adverse impact on money transfer volumes, such as changes in the economic sectors in which immigrants work and the developments in immigration policies in the U.S.;
- the continuation of the trend of increased use of electronic money transfer and bill payment services among immigrant workers and the unbanked population in our markets;
- the ability to maintain our agent and correspondent networks;
- the ability to offer our products and services or develop new products and services at competitive prices to drive increases in transactions;
- the expansion of our services in markets where we operate and in new markets;
- the ability to strengthen our brands;

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- our ability to fund working capital requirements;
- our ability to maintain compliance with the regulatory requirements of the jurisdictions in which we operate or plan to operate;
- the ability to take advantage of cross-selling opportunities with our Prepaid Processing Segment, including providing prepaid services through RIA's stores and agents worldwide;
- the ability to leverage our banking and merchant/retailer relationships to expand money transfer corridors to Europe and Asia, including high growth corridors to Central and Eastern European countries;
- the availability of financing for further expansion; and
- our ability to continue to successfully integrate RIA with our other operations.

Corporate Services, Eliminations and Other — In addition to operating in our principal business segments described above, our “Corporate Services, Elimination and Other” division includes non-operating activity, certain inter-segment eliminations and the cost of providing corporate and other administrative services to the business segments, including share-based compensation expense related to most stock option and restricted stock grants. These services are not directly identifiable with our business segments.

SEGMENT SUMMARY RESULTS OF OPERATIONS

Revenues and operating income by segment for the three-month periods ended March 31, 2009 and 2008 are summarized in the tables below:

	Revenues for the Three Months Ended March 31,		Year-over-Year Change		Operating Income (Loss) for the Three Months Ended March 31,		Year-over-Year Change	
	2009	2008	Increase (Decrease) Amount	Increase (Decrease) Percent	2009	2008	Increase (Decrease) Amount	Increase (Decrease) Percent
(dollar amounts in thousands)								
EFT Processing	\$ 46,206	\$ 48,236	\$ (2,030)	(4%)	\$ 11,910	\$ 10,145	\$ 1,765	17%
Prepaid Processing	134,523	144,225	(9,702)	(7%)	10,876	10,334	542	5%
Money Transfer	52,968	52,332	636	1%	(7,871)	1,951	(9,822)	n/m
Total	233,697	244,793	(11,096)	(5%)	14,915	22,430	(7,515)	(34%)
Corporate services	—	—	—	—	(5,217)	(9,199)	3,982	(43%)
Total	\$ 233,697	\$ 244,793	\$ (11,096)	(5%)	\$ 9,698	\$ 13,231	\$ (3,533)	(27%)

n/m — Not meaningful.

Impact of changes in foreign currency exchange rates

Beginning in 2006 and through mid-2008, the U.S. dollar weakened compared to most of the currencies of the countries in which we operate. In the second half of 2008 and into the first quarter of 2009, the U.S. dollar strengthened significantly. Because our revenues and local expenses are recorded in the functional currencies of our operating entities, amounts we earned for the first quarter 2009 are negatively impacted by the strengthening of the U.S. dollar. We estimate that, depending on the mix of countries and currencies, our operating income for the first quarter 2009 was diminished by approximately 35% to 40% when compared to the first quarter 2008 as a result of changes in foreign currency exchange rates. If applicable, we will refer to the impact of fluctuation in foreign currency exchange rates in our comparison of operating segment results for the three-month periods ended March 31, 2009 and 2008. To provide further perspective on the impact of foreign currency exchange rates, the following table shows the changes in values relative to the U.S. dollar from first quarter 2008 to first quarter 2009 of the currencies of the countries in which we have our most significant operations:

Currency	Average Translation Rate		Decrease Percent
	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008	
Australian dollar	\$0.665	\$0.905	(27%)
British pound	1.438	1.977	(27%)
euro	1.306	1.499	(13%)
Indian rupee	0.020	0.025	(20%)
Polish zloty	0.291	0.419	(31%)

COMPARISON OF OPERATING RESULTS FOR THE THREE- MONTH PERIODS ENDED MARCH 31, 2009 AND 2008**EFT PROCESSING SEGMENT**

The following table presents the results of operations for the three-month periods ended March 31, 2009 and 2008 for our EFT Processing Segment:

(dollar amounts in thousands)	Three Months Ended March 31,		Year-over-Year Change	
	2009	2008	Increase (Decrease) Amount	Increase (Decrease) Percent
Total revenues	\$ 46,206	\$ 48,236	\$ (2,030)	(4%)
Operating expenses:				
Direct operating costs	18,955	21,737	(2,782)	(13%)
Salaries and benefits	7,012	7,908	(896)	(11%)
Selling, general and administrative	4,147	3,778	369	10%
Depreciation and amortization	4,182	4,668	(486)	(10%)
Total operating expenses	34,296	38,091	(3,795)	(10%)
Operating income	\$ 11,910	\$ 10,145	\$ 1,765	17%
Transactions processed (millions)	159.5	168.4	(8.9)	(5%)
ATMs as of March 31	9,205	11,917	(2,712)	(23%)
Average ATMs	9,397	11,771	(2,374)	(20%)

Discontinued operations

During the second quarter 2008, we decided to sell Euronet Essentis Limited ("Essentis"), a U.K. software entity previously included in the EFT Processing Segment, in order to focus our investments and resources on our transaction processing businesses. We are in the process of selling the business. Accordingly, the results of operations for Essentis are shown as discontinued operations in the Unaudited Consolidated Statements of Operations for all periods presented and have been excluded from the table above.

Revenues

Our revenues for the first quarter 2009 decreased compared to the first quarter 2008 primarily due to the strengthening of the U.S. dollar in the first quarter 2009 compared to the first quarter 2008 relative to most of the currencies of the countries in which we operate. Because our revenues are recorded in the functional currencies of our operating entities, amounts we earn in foreign currencies are negatively impacted by the strengthening of the U.S. dollar. Additionally, the decrease in the number of ATMs operated, which is primarily due to the expiration or termination of ATM services contracts discussed in more detail in the following paragraphs, contributed to our revenue decrease. Partly offsetting these decreases were contract termination fees totaling \$4.4 million and increases in revenues primarily associated with our operations in India and our software business. The increase in revenues in the first quarter 2009 associated with our software business was primarily due to the sale of a significant license to an entity in which Euronet has a 10% stake.

Average monthly revenue per ATM was \$1,639 for the first quarter 2009, compared to \$1,366 for the first quarter 2008 and revenue per transaction was \$0.29 for both the first quarter 2009 and 2008. The increase in revenue per ATM is generally the result of the non-recurring contract termination fees discussed above and the expiration of an ATM services contract in the U.K. at the end of the first quarter 2008. The U.K. contract involved processing services only, with very little associated costs and, therefore, had lower-than-average revenue per ATM. As of March 31, 2008, we were providing processing services for approximately 2,400 ATMs under this contract prior to its expiration. Partly offsetting the improvement in average revenue per ATM is the addition of ATMs in India and China, where revenues per ATM have been historically lower than Central and Eastern Europe (due to lower labor costs).

Our contracts in the EFT Processing Segment tend to cover large numbers of ATMs, so significant increases and decreases in our pool of managed ATMs may result from entry into or termination of these management contracts. Banks have historically been very deliberate in negotiating these agreements and have evaluated a wide range of matters when deciding to choose an outsource vendor. Generally, the process of negotiating a new agreement is subject to extensive management analysis and approvals and the process typically takes six to twelve months or longer. Increasing consolidation in the banking industry could make this process less predictable.

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Our existing contracts generally have terms of five to seven years and a number of them will expire or be up for renewal each year for the next few years. As a result, we expect to be regularly engaged in discussions with one or more of our customer banks to either obtain renewal of, or restructure, our ATM outsourcing agreements. During the fourth quarter 2008 and first quarter 2009, certain customer contracts were terminated or expired, resulting in a decrease of approximately 1,700 ATMs. Most of the ATM reductions resulted from bank customers shifting their processing to related processing subsidiaries in contemplation of selling the subsidiaries to raise capital, rather than the loss of contracts to competitors. The reduction in the number of ATMs from contract terminations or expirations was partially offset by increases in ATMs driven under new contracts, expansion of ATMs under existing contracts and the deployment of ATMs in markets where we operate Euronet-branded ATMs.

For contracts that we are able to renew, as was the case for contract renewals in Romania and Greece in prior years, we expect customers to seek rate concessions or up-front payments because of the greater availability of alternative processing solutions in many of our markets now, as compared to when we originally entered into the contracts. Excluding the expiring or terminated contracts discussed above, we have been able to renew or extend most of the remaining contracts that came up for renewal in 2008 or were due to expire in 2009. While we have been successful in many cases in obtaining new terms that preserve the same level of earnings arising from the agreements, we have not been successful in all cases and, therefore, we expect to experience reductions in revenues in future quarters arising from the expiration or restructuring of agreements.

For the contracts that expired during the fourth quarter 2008 and first quarter 2009, excluding the substantial termination fees described above, we estimate that the impact to 2009 will be a reduction in revenues of approximately \$15 million to \$16 million, resulting in reduced operating income of approximately \$3 million to \$4 million. We cannot be sure we will have sufficient revenues from new contracts to offset potential revenue reductions from expired or restructured agreements.

Direct operating costs

Direct operating costs consist primarily of site rental fees, cash delivery costs, cash supply costs, maintenance, insurance, telecommunications and the cost of data center operations-related personnel, as well as the processing centers' facility related costs and other processing center related expenses. The decrease in direct operating costs for the first quarter 2009, compared to the first quarter 2008, is attributed to the impact of the strengthening U.S. dollar and the decrease in the number of ATMs under operation.

Gross profit

Gross profit, which is calculated as revenues less direct operating costs, increased to \$27.3 million for the first quarter 2009 from \$26.5 million for the first quarter 2008. This increase is mainly attributable to the contract termination fee revenues discussed above, partly offset by the impact of the strengthening U.S. dollar. Gross profit as a percentage of revenues ("gross margin") was 59% for the first quarter 2009 compared to 55% for the first quarter 2008 mainly as a result of the non-recurring contract termination fees discussed above, partly offset by increased contributions of our subsidiaries in India and China, which have historically earned a lower gross margin than our other operations.

Salaries and benefits

The decrease in salaries and benefits for the first quarter 2009 compared to the first quarter 2008 was primarily due to the impact of the strengthening U.S. dollar discussed above, partly offset by increased staffing costs to support growth in ATMs managed in India and China as well as costs resulting from general merit increases awarded to employees. As a percentage of revenues these costs decreased to 15% of revenues for the first quarter 2009 compared to 16% for the first quarter 2008.

Selling, general and administrative

The increase in selling, general and administrative expenses for the first quarter 2009 compared to the first quarter 2008 is due primarily to increased expenses incurred in connection with growth in India and China and in our cross-border merchant processing and acquiring business. Partly offsetting these increases is the impact of the strengthening U.S. dollar discussed above. As a percentage of revenues, selling, general and administrative expenses were 9% for the first quarter 2009 compared to 8% for the first quarter 2008.

Depreciation and amortization

The decrease in depreciation and amortization expense for the first quarter 2009 compared to the first quarter 2008 is due primarily to the impact of the strengthening U.S. dollar described above. As a percentage of revenues, depreciation and amortization expense was 9% of revenues for the first quarter 2009 compared to 10% for the same period in 2008.

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Operating income

The increase in operating income was primarily due to the substantial contract termination revenues described above, partly offset by the impact of the strengthening U.S. dollar. Operating income as a percentage of revenues for the first quarter 2009 was 26%, compared to 21% for the first quarter 2008, and operating income per transaction was \$0.07 for the first quarter 2009, compared to \$0.06 per transaction for the first quarter 2008.

PREPAID PROCESSING SEGMENT

The following table presents the results of operations for the three-month periods ended March 31, 2009 and 2008 for our Prepaid Processing Segment:

(dollar amounts in thousands)	Three Months Ended March 31,		Year-over-Year Change	
	2009	2008	Increase (Decrease) Amount	Increase (Decrease) Percent
Total revenues	\$ 134,523	\$ 144,225	\$ (9,702)	(7%)
Operating expenses:				
Direct operating costs	109,035	117,856	(8,821)	(7%)
Salaries and benefits	6,424	6,568	(144)	(2%)
Selling, general and administrative	4,542	5,275	(733)	(14%)
Depreciation and amortization	3,646	4,192	(546)	(13%)
Total operating expenses	123,647	133,891	(10,244)	(8%)
Operating income	\$ 10,876	\$ 10,334	\$ 542	5%
Transactions processed (millions)	184.3	167.3	17.0	10%

Revenues

The decrease in revenues for first quarter 2009 compared to first quarter 2008 was primarily due to the strengthening of the U.S. dollar in the first quarter 2009 compared to the same period in 2008 relative to most of the currencies of the countries in which we operate, particularly the Australian dollar and British pound. Because our revenues are recorded in the functional currencies of our operating entities, amounts we earn in foreign currencies are negatively impacted by the strengthening of the U.S. dollar. This decrease was partly offset by an increase in total transactions processed, led by improvements in Australia, Germany and the U.S. Our Australian subsidiary enhanced its market position in the first quarter 2009 by signing an exclusive, long-term distribution agreement with Vodafone Australia. The agreement strengthens our existing relationship with Vodafone and preserves our gross margins during the term of the agreement.

In certain more mature markets, such as the U.K., New Zealand and Spain, our revenue growth has slowed substantially or revenues have decreased because conversion from scratch cards to electronic top-up is substantially complete and certain mobile operators and retailers are driving competitive reductions in pricing and margins. We expect most of our future revenue growth to be derived from: (i) additional products sold over the base of prepaid processing terminals, (ii) developing markets or markets in which there is organic growth in the prepaid sector overall, (iii) continued conversion from scratch cards to electronic top-up in less mature markets, and (iv) acquisitions, if available.

Revenues per transaction decreased to \$0.73 for the first quarter 2009 from \$0.86 for the first quarter 2008 primarily due to the impact of the strengthening U.S. dollar.

Direct operating costs

Direct operating costs in the Prepaid Processing Segment include the commissions we pay to retail merchants for the distribution and sale of prepaid mobile airtime and other prepaid products, as well as expenses required to operate POS terminals. Because of their nature, these expenditures generally fluctuate directly with revenues and processed transactions. The decrease in direct operating costs is generally attributable to the impact of the strengthening U.S. dollar, partly offset by the increase in total transactions processed.

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Gross profit

Gross profit, which represents revenues less direct costs, was \$25.5 million for the first quarter 2009 compared to \$26.4 million for the first quarter 2008. Gross margin increased slightly to 19% for the first quarter 2009 compared to 18% for the first quarter 2008 and gross profit per transaction decreased to \$0.14 for the first quarter 2009 compared to \$0.16 for the first quarter 2008. The primary cause of the reduction in gross profit per transaction is the impact of the strengthening U.S. dollar.

Salaries and benefits

The decrease in salaries and benefits for first quarter 2009 compared to the first quarter 2008 is primarily due to the impact of the strengthening U.S. dollar, partly offset by additional overhead to support development in new and growing markets. As a percentage of revenues, salaries and benefits increased to 4.8% for first quarter 2009 from 4.6% for first quarter 2008.

Selling, general and administrative

The decrease in selling, general and administrative expenses for the first quarter 2009 compared to the first quarter 2008 is due to the impact of the strengthening U.S. dollar, partly offset by additional overhead to support development in other new and growing markets. As a percentage of revenues, these expenses decreased to 3.4% for first quarter 2009 from 3.7% for the first quarter 2008.

Depreciation and amortization

Depreciation and amortization expense primarily represents amortization of acquired intangibles and the depreciation of POS terminals we install in retail stores. Depreciation and amortization expense decreased for the first quarter 2009 compared to the first quarter 2008 mainly due to the impact of the strengthening U.S. dollar. As a percentage of revenues, these expenses decreased to 2.7% for the first quarter 2009 from 2.9% for the first quarter 2008.

Operating income

The improvement in operating income for 2009 compared to 2008 was due to the growth in transactions processed, partly offset by the impact of foreign currency translations to the U.S. dollar.

Operating income as a percentage of revenues was 8.1% for the first quarter 2009 compared to 7.2% for the first quarter 2008. The increase is primarily due to the increase in transactions processed and the associated leveraging of fixed costs. Operating income per transaction remained flat at \$0.06 for both first quarter 2009 and 2008 reflecting the leveraging of fixed costs offsetting the negative impact of the strengthening U.S. dollar.

[Table of Contents](#)**MONEY TRANSFER SEGMENT**

The following tables present the results of operations for the three-month periods ended March 31, 2009 and 2008 for the Money Transfer Segment:

(dollar amounts in thousands)	<u>Three Months Ended March 31,</u>		<u>Year-over-Year Change</u>	
	<u>2009</u>	<u>2008</u>	<u>Increase (Decrease) Amount</u>	<u>Increase (Decrease) Percent</u>
Total revenues	\$ 52,968	\$ 52,332	\$ 636	1%
Operating expenses:				
Direct operating costs	25,558	26,345	(787)	(3%)
Salaries and benefits	11,820	11,757	63	1%
Selling, general and administrative	8,815	7,452	1,363	18%
Goodwill and acquired intangible assets impairment	9,884	—	9,884	n/m
Depreciation and amortization	4,762	4,827	(65)	(1%)
Total operating expenses	<u>60,839</u>	<u>50,381</u>	<u>10,458</u>	21%
Operating income (loss)	<u>\$ (7,871)</u>	<u>\$ 1,951</u>	<u>\$ (9,822)</u>	n/m
Transactions processed (millions)	4.0	3.8	0.2	5%

n/m — Not meaningful.

Revenues

Revenues from the Money Transfer Segment include a transaction fee for each transaction as well as the difference between purchasing currency at wholesale exchange rates and selling the currency to customers at retail exchange rates. Revenue per transaction decreased to \$13.24 for the first quarter 2009 from \$13.77 for the first quarter 2008. The growth rate of revenues lagged the transaction growth rate largely as a result of the impact of the strengthening U.S. dollar. Because our revenues are recorded in the functional currencies of our operating entities, amounts we earn in foreign currencies are negatively impacted by the strengthening of the U.S. dollar. This decrease was partly offset by a strong increase in transfers from non-U.S. locations which generally have higher-than-average revenue per transaction. For the first quarter 2009, 65% of our money transfers were initiated in the U.S., 32% in Europe and 3% in other countries, such as Canada and Australia. This compares to 70% initiated in the U.S., 28% initiated in Europe and 2% initiated in other countries for the first quarter 2008. We expect that the U.S. will continue to represent our highest volume market; however, future growth is expected to be derived largely from non-U.S. initiated sources.

The increase in revenues for the first quarter 2009 compared to the first quarter 2008 is primarily due to an increase in the number of transactions processed, partly offset by the negative impact of the strengthening U.S. dollar. For the first quarter 2009, money transfers to Mexico, which represented 27% of total money transfers, decreased by 12% while transfers to all other countries increased 15% when compared to the first quarter 2008. The increase in transfers to all other countries was due to the expansion of our operations and continued growth in immigrant worker populations. The decline in transfers to Mexico was largely the result of downturns in certain labor markets and other economic factors impacting the U.S. market as well as immigration developments in the U.S. These issues have also resulted in certain competitors lowering transaction fees and foreign currency exchange spreads in certain markets where we do business in an attempt to limit the impact on money transfer volumes. We have generally maintained our pricing structure in response to these developments.

Direct operating costs

Direct operating costs in the Money Transfer Segment primarily represent commissions paid to agents that originate money transfers on our behalf and distribution agents that disburse funds to the customers' destination beneficiary, together with less significant costs, such as telecommunication and bank and other fees to collect money from originating agents. While direct operating costs generally increase or decrease by a similar percentage as transactions, growth in transactions has exceeded the change in direct costs due to a greater growth rate for Company-owned stores than for agents along with the impact of the strengthening U.S. dollar.

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Gross profit

Gross profit, which represents revenues less direct costs, was \$27.4 million for the first quarter 2009 compared to \$26.0 million for the first quarter 2008. This improvement is primarily due to the growth in money transfer transactions, particularly in Company-owned stores discussed above. As discussed above, certain competitors have been lowering transaction fees and foreign currency exchange spreads in the U.S. market as a result of the economic factors and immigration developments impacting the U.S. market. We have generally maintained our pricing structure in response to these developments. We cannot predict how long these issues will continue to affect the U.S. market or whether other markets will experience similar issues and we cannot predict whether we will change our pricing strategy over the short or long term in order to protect or increase market share. Gross margin as a percentage of revenues was 52% for the first quarter 2009 compared to 50% for the first quarter 2008. The improvement primarily reflects the strong growth in transaction volume in our more profitable non-U.S. locations.

Salaries and benefits

Salaries and benefits include salaries and commissions paid to employees, the cost of providing employee benefits, amounts paid to contract workers and accruals for incentive compensation. While salaries and benefits were basically flat for the first quarter 2009 compared to the first quarter 2008, the impact of the strengthening U.S. dollar offset the increased expenditures we incurred to support expansion of our operations, primarily internationally.

Selling, general and administrative

Selling, general and administrative expenses include operations support costs, such as rent, utilities, professional fees, indirect telecommunications, advertising and other miscellaneous overhead costs. The increase in selling, general and administrative expenses for the first quarter 2009 compared to the first quarter 2008 is primarily the result of increased expenditures to support expansion of our operations, primarily internationally, partly offset by the impact of the strengthening U.S. dollar.

Goodwill and acquired intangible assets impairment

In the fourth quarter of 2008, we recorded a non-cash impairment charge of \$169.4 million related to certain goodwill and intangible assets of the RIA money transfer business in accordance with the provisions of Statement of Financial Accounting Standards (“SFAS”) No. 142, “Goodwill and Other Intangible Assets” and SFAS No. 144, “Accounting for the Impairment of Disposal of Long-Lived Assets.” This charge was an estimate based on the assessment performed up to the filing date of our 2008 Annual Report on Form 10-K. We completed the assessment in the first quarter of 2009 and recorded an additional \$9.9 million non-cash impairment charge in the first quarter of 2009. Should the current economic crisis worsen or should other factors cause us to significantly lower our cash flow projections for our money transfer business, we will need to reassess the business for further possible impairment. See Note 5, Goodwill and Acquired Intangible Assets, Net, to the Unaudited Consolidated Financial Statements for a further discussion of this charge.

Depreciation and amortization

Depreciation and amortization primarily represents amortization of acquired intangibles and also includes depreciation of money transfer terminals, computers and software, leasehold improvements and office equipment. While depreciation and amortization was essentially flat for the first quarter 2009 compared to the first quarter 2008, the impact of the strengthening U.S. dollar offset increased charges related to additional computer equipment in our customer service centers and increased leasehold improvements, office equipment and computer equipment for expansion of our company stores.

Operating income

Excluding the goodwill and acquired intangible assets impairment charge, operating income for the first quarter 2009 was flat compared to the first quarter 2008. This reflects the growth in transactions processed, mainly those originated in non-U.S. locations, which was offset by the impact of the strengthening U.S. dollar and costs to expand internationally, as discussed in more detail in the sections above.

CORPORATE SERVICES

The following table presents the operating expenses for the three-month periods ended March 31, 2009 and 2008 for Corporate Services:

(dollar amounts in thousands)	Three Months Ended March 31,		Year-over-Year Change	
	2009	2008	Increase (Decrease) Amount	Increase (Decrease) Percent
Salaries and benefits	\$ 3,340	\$ 4,461	\$ (1,121)	(25%)
Selling, general and administrative	1,564	4,444	(2,880)	(65%)
Depreciation and amortization	313	294	19	6%
Total operating expenses	<u>\$ 5,217</u>	<u>\$ 9,199</u>	<u>\$ (3,982)</u>	(43%)

Corporate operating expenses

Operating expenses for Corporate Services decreased substantially for the first quarter 2009 compared to the first quarter 2008. The decrease in salaries and benefits is primarily the result of the first quarter 2009 reversal of share-based compensation related to certain performance-based stock awards and severance costs related to certain senior level positions incurred in the first quarter 2008. The decrease in selling, general and administrative expenses was due primarily to the first quarter 2008 write-off of \$3.0 million in professional fees and settlement costs associated with our potential acquisition of MoneyGram.

OTHER EXPENSE, NET

(dollar amounts in thousands)	Three Months Ended March 31,		Year-over-Year Change	
	2009	2008	Increase (Decrease) Amount	Increase (Decrease) Percent
Interest income	\$ 969	\$ 3,808	\$ (2,839)	(75%)
Interest expense	(7,067)	(9,888)	2,821	(29%)
Income from unconsolidated affiliates	518	243	275	113%
Impairment loss on investment securities	—	(17,502)	17,502	(100%)
Loss on early retirement of debt	(103)	(155)	52	(34%)
Foreign currency exchange gain (loss), net	(10,591)	13,077	(23,668)	(181%)
Other expense, net	<u>\$ (16,274)</u>	<u>\$ (10,417)</u>	<u>\$ (5,857)</u>	56%

Interest income

The decrease in interest income for the first quarter 2009 from the first quarter 2008 was primarily due to a decline in short-term interest rates and a decrease in average cash balances on hand between the respective periods. Additionally, \$1.2 million was recognized in the first quarter 2008 for interest related to the federal excise tax refund recorded in the fourth quarter 2007.

Interest expense

The decrease in interest expense for the first quarter 2009 from the first quarter 2008 was primarily related to the reductions in debt from scheduled and early repayments on our term loan and repurchases of convertible debentures and reductions in amounts outstanding under the revolving credit facility. The decrease in interest expense is also due to lower interest rates on our floating-rate debt obligations in the first quarter 2009 compared to the first quarter 2008.

Income from unconsolidated affiliates Income from unconsolidated affiliates represents the equity in income of our 40% equity investment in e-pay Malaysia and our 49% investment in Euronet Middle East. The increase in income is mainly the result of improved profitability of both affiliates.

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Unrealized loss on investment securities

During the first quarter 2008, the value of our investment in MoneyGram declined and the decline was determined to be other than temporary. Accordingly, we recognized a \$17.5 million impairment loss.

Loss on early retirement of debt

In March 2009, we repurchased in privately negotiated transactions \$10.8 million in principal amount of the 1.625% convertible debentures due 2024. Loss on early retirement of debt of \$0.1 million for the first quarter 2009 represents the difference in the amounts paid for the convertible debentures over their carrying amounts as well as the pro-rata write-off of deferred financing costs associated with the portion of the term loan that was prepaid during the first quarter 2009. The \$0.2 million loss for the first quarter 2008 is associated with term loan amount that was prepaid during the first quarter 2008. We expect to continue to use available cash flows to prepay amounts outstanding under the term loan and to repurchase the 1.625% convertible debentures if attractive terms are available.

Net foreign currency exchange gain (loss), net

Assets and liabilities denominated in currencies other than the local currency of each of our subsidiaries give rise to foreign currency exchange gains and losses. Exchange gains and losses that result from re-measurement of these assets and liabilities are recorded in determining net income. The majority of our foreign currency gains or losses are due to the re-measurement of intercompany loans that are in a currency other than the functional currency of either the entity making or receiving the loan. For example, we make intercompany loans based in euros from our corporate division, which is comprised of U.S. dollar functional currency entities, to certain European entities that use the euro as the functional currency. As the U.S. dollar strengthens against the euro, foreign currency losses are generated on our corporate entities because the number of euros to be received in settlement of the loans decreases in U.S. dollar terms. Conversely, in this example, in periods where the U.S. dollar weakens, our corporate entities will record foreign currency gains.

We recorded a net foreign currency exchange loss of \$10.6 million in the first quarter 2009 and a net foreign currency gain of \$13.1 million in the first quarter 2008. During the first quarter 2009, the U.S. dollar strengthened against most of the currencies of the countries in which we operate, creating realized and unrealized foreign currency exchange losses. This compares to the first quarter 2008, when the U.S. dollar weakened against these currencies and we, therefore, recorded realized and unrealized foreign currency exchange gains.

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Our effective tax rates as reported and as adjusted are calculated below:

(dollar amounts in thousands)	Three Months Ended	
	2009	2008
	March 31,	
Income (loss) from continuing operations before income taxes	(6,576)	2,814
Income tax expense	5,317	10,087
Loss from continuing operations	<u>\$ (11,893)</u>	<u>\$ (7,273)</u>
Effective income tax rate	<u>(80.9%)</u>	<u>358.5%</u>
Income (loss) from continuing operations before income taxes	\$ (6,576)	\$ 2,814
Adjust: Foreign currency exchange gain (loss), net	(10,591)	13,077
Adjust: Goodwill and acquired intangible assets impairment	(9,884)	—
Adjust: Impairment loss on investment securities	—	(17,502)
Income from continuing operations before income taxes, foreign currency exchange gain (loss), net and impairment charges	<u>\$ 13,899</u>	<u>\$ 7,239</u>
Income tax expense	\$ 5,317	\$ 10,087
Adjust: Income tax expense (benefit) attributable to foreign currency exchange gain (loss), net	(470)	8,054
Income tax expense, as adjusted	<u>\$ 5,787</u>	<u>\$ 2,033</u>
Effective income tax rate, as adjusted	<u>41.6%</u>	<u>28.1%</u>

Our effective tax rates were (81%) and 359% for the three-month periods ended March 31, 2009 and 2008, respectively. The effective tax rates were significantly influenced by the goodwill and acquired intangible assets impairment charge and foreign currency exchange net loss for the first quarter 2009 and the impairment loss on investment securities and foreign currency exchange net gain for the first quarter 2008. Excluding foreign currency exchange results and the impairment charges from pre-tax income, as well as the related tax effects for these items, our effective tax rates were 41.6% and 28.1% for the three months ended March 31, 2009 and 2008, respectively.

The increase in the effective tax rate, as adjusted, for the first quarter 2009 compared to the same period in 2008 was primarily related to the loss of certain tax deductions in Spain as a result of the goodwill and acquired intangible assets impairment charges. Also, approximately \$3.5 million of contract termination fees were recorded in India which has a tax rate that is higher than our weighted average effective tax rate.

OTHER*Discontinued operations, net*

During the second quarter 2008, we decided to sell Essentis in order to focus our investments and resources on our transaction processing businesses. We are in the process of selling the business. Accordingly, Essentis's results of operations are shown as discontinued operations in the Unaudited Consolidated Statements of Operations for all periods presented.

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Net income attributable to noncontrolling interests

Net income attributable to noncontrolling interests was \$0.3 million and \$0.6 million for first quarter 2009 and 2008, respectively. Noncontrolling interests represents the elimination of net income or loss attributable to the minority shareholders' portion of our consolidated subsidiaries that are not wholly-owned. Our subsidiaries which are not wholly-owned are summarized in the table below:

Subsidiary	Percent Owned	Segment
Movilcarga	80%	Prepaid - Spain
e-pay SRL	51%	Prepaid - Italy
ATX	51%	Prepaid - various
Euronet China	75%	EFT - China

NET LOSS ATTRIBUTABLE TO EURONET WORLDWIDE, INC.

Net loss attributable to Euronet Worldwide, Inc. was \$12.3 million for the first quarter 2009 compared to \$8.6 million for the first quarter 2008. As more fully discussed above, the increased loss of \$3.7 million was primarily the result of the \$23.7 million increase in foreign currency losses and the \$3.5 million decrease in operating income. These were partly offset by the \$17.5 million first quarter 2008 unrealized loss on investment securities along with a \$4.8 million decrease in income tax expense, a \$0.8 million decrease in loss from discontinued operations and other items totaling \$0.4 million.

LIQUIDITY AND CAPITAL RESOURCES

Working capital

As of March 31, 2009, we had working capital, which is calculated as the difference between total current assets and total current liabilities, of \$80.1 million, compared to working capital of \$99.1 million as of December 31, 2008. Our ratio of current assets to current liabilities was 1.16 at March 31, 2009, compared to 1.17 as of December 31, 2008. The decrease in working capital was due primarily to the use of cash to reduce revolving credit facility borrowings.

We require substantial working capital to finance operations. The Money Transfer Segment funds the correspondent distribution network before receiving the benefit of amounts collected from customers by agents. Working capital needs increase due to weekends and international banking holidays. As a result, we may report more or less working capital for the Money Transfer Segment based solely upon the fiscal period ending on a particular day. As of March 31, 2009, working capital in the Money Transfer Segment was \$42.5 million. We expect that working capital needs will increase as we expand this business. The Prepaid Processing Segment produces positive working capital, but much of it is restricted in connection with the administration of its customer collection and vendor remittance activities. The EFT Processing Segment does not require substantial working capital.

Operating cash flow

Cash flows provided by operating activities were \$15.1 million for the first quarter 2009 compared to \$14.6 million for the first quarter 2008. The slight increase was primarily due to fluctuations in working capital associated with the timing of the settlement process with mobile operators in the Prepaid Processing Segment and improved operating results adjusted for non-cash items, partly offset by amounts paid to secure an exclusive, long-term distribution agreement with a vendor in Australia.

Investing activity cash flow

Cash flows used by investing activities were \$10.6 million for the first quarter 2009, compared to cash flows provided of \$13.5 million for the first quarter 2008. Our investing activities include \$6.6 million and \$10.0 million for purchases of property and equipment in the first quarter 2009 and 2008, respectively. Additionally, first quarter 2009 included \$3.3 million in cash used for acquisitions compared to \$1.8 million for the first quarter 2008. Our investing activities for the first quarter 2008 consisted of the return of \$26 million we placed in escrow in first quarter 2007 in connection with the agreement to acquire Envios de Valores La Nacional Corp. ("La Nacional"). On January 10, 2008, we entered into a settlement agreement with La Nacional and its stockholder evidencing the parties' mutual agreement not to consummate the acquisition, in exchange for payment by Euronet of a portion of the legal fees incurred by La Nacional. Finally, cash used for software development and other investing activities totaled \$0.6 million and \$0.8 million in the first quarter 2009 and 2008, respectively.

Financing activity cash flow

Cash flows used by financing activities were \$22.7 million during the first quarter 2009 compared to \$62.6 million during the first quarter 2008. Our financing activities for the first quarter of 2009 consisted primarily of net repayments of debt obligations of \$21.3 million

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compared to \$63.1 million in first quarter 2008. To support the short-term cash needs of our Money Transfer Segment, we generally borrow amounts under the revolving credit facility several times each month to fund the correspondent network in advance of collecting remittance amounts from the agency network. These borrowings are repaid over a very short period of time, generally within a few days. Primarily as a result of this, during the first quarter 2009 we had a total of \$90.4 million in borrowings and \$98.4 million in repayments under our revolving credit facility. During the first quarter 2009, we paid \$11.4 million for repayments and early retirements of debt obligations, and \$1.8 million for capital lease obligations. Additionally, we paid \$2.4 million of dividends to noncontrolling interests stockholders in the first quarter 2009. Expected future financing and investing cash requirements primarily depend on our acquisition activity and the related financing needs.

Other sources of capital

Credit Facility — To finance the acquisition of RIA in the second quarter 2007, we entered into a \$290 million secured credit facility consisting of a \$190 million seven-year term loan, which was fully drawn at closing, and a \$100 million five-year revolving credit facility (together, the “Credit Facility”). The \$190 million seven-year term loan bears interest at LIBOR plus 200 basis points or prime plus 100 basis points and requires that we repay 1% of the outstanding balance each year, with the remaining balance payable after seven years. We estimate that we will be able to repay the term loan prior to its maturity date through cash flows available from operations, provided our operating cash flows are not required for future business developments. Up front financing costs of \$4.8 million have been deferred and are being amortized over the terms of the respective loans.

During February 2009, we entered into Amendment No. 2 to the Credit Facility to, among other things, (i) provide us the right under the Credit Facility to (a) repurchase the remaining \$70 million of 1.625% Convertible Senior Debentures Due 2024 then outstanding and (b) repurchase our 3.5% Convertible Debentures Due 2025 prior to any repurchase date using proceeds of a qualifying refinancing, the proceeds of a qualifying equity issuance or shares of common stock; (ii) revise the definition of Consolidated EBITDA and the covenant regarding maintenance of Consolidated Net Worth to exclude the effect of non-cash charges for impairment of goodwill or other intangible assets for the periods ending December 31, 2008 and thereafter; and (iii) broaden or otherwise modify various definitions or provisions related to Indebtedness, Liens, Permitted Disposition, Debt Transactions, Investments and other matters. Additionally, the lenders acknowledged that we have sufficient liquidity with respect to the December 15, 2009 repurchase date for the 1.625% Convertible Senior Debentures. Furthermore, in February 2009, our Board of Directors authorized the repurchase of up to \$70 million of the 1.625% Convertible Senior Debentures, from time to time, in open market or privately negotiated purchases. We incurred costs of approximately \$1.5 million in connection with the amendment, which will be recognized as additional interest expense over the remaining term of the Credit Facility.

The \$100 million five-year revolving credit facility bears interest at LIBOR or prime plus a margin that adjusts each quarter based upon our Consolidated EBITDA ratio as defined in the Credit Facility agreement. We intend to use the revolving credit facility primarily to fund working capital requirements, which are expected to increase as we expand the Money Transfer business. Based on our current projected working capital requirements, we anticipate that our revolving credit facility will be sufficient to fund our working capital needs.

We may be required to repay our obligations under the Credit Facility six months before any potential repurchase dates, the first being October 15, 2012, under our \$175 million 3.5% Convertible Debentures Due 2025, unless we are able to demonstrate that either: (i) we could borrow unsubordinated funded debt equal to the principal amount of the applicable convertible debentures while remaining in compliance with the financial covenants in the Credit Facility or (ii) we will have sufficient liquidity to meet repayment requirements (as determined by the administrative agent and the lenders). The Credit Facility contains four financial covenants that we must meet as defined in the agreement: (1) total debt to EBITDA ratio, (2) senior secured debt to EBITDA ratio, (3) EBITDA to fixed charge coverage ratio and (4) minimum Consolidated Net Worth. These and other material terms and conditions applicable to the Credit Facility are described in the agreement governing the Credit Facility.

The term loan may be expanded by up to an additional \$150 million and the revolving credit facility can be expanded by up to an additional \$25 million, subject to satisfaction of certain conditions including pro forma debt covenant compliance.

As of March 31, 2009, we had borrowings of \$131.0 million outstanding against the term loan. We had borrowings of \$8.5 million and stand-by letters of credit of \$30.0 million outstanding against the revolving credit facility. The remaining \$61.5 million under the revolving credit facility (\$86.5 million if the facility were increased to \$125.0 million) was available for borrowing. Borrowings under the revolving credit facility are being used to fund short-term working capital requirements in the U.S. and India. Our weighted average interest rate under the revolving credit facility as of March 31, 2009 was 4.7%.

Short-term debt obligations — Short-term debt obligations at March 31, 2009 were primarily the \$57.0 million 1.625% Convertible Senior Debentures Due 2024 as the holders have the option to require us to repurchase their debentures at par on December 15, 2009, and the \$1.9 million annual repayment requirement under the term loan. Certain of our subsidiaries also have available credit lines and overdraft facilities to supplement short-term working capital requirements, when necessary, and there were no borrowings outstanding against these facilities as of March 31, 2009.

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We believe that the short-term debt obligations can be refinanced on terms acceptable to us. However, if acceptable refinancing options are not available, we believe that amounts due under these obligations can be funded through cash generated from operations, together with cash on hand or borrowings under our revolving credit facility.

Convertible debt— We have \$175 million in principal amount of 3.50% Convertible Debentures Due 2025 that are convertible into 4.3 million shares of Euronet Common Stock at a conversion price of \$40.48 per share upon the occurrence of certain events (relating to the closing prices of Euronet Common Stock exceeding certain thresholds for specified periods). The debentures may not be redeemed by us until October 20, 2012 but are redeemable at par at any time thereafter. Holders of the debentures have the option to require us to purchase their debentures at par on October 15, 2012, 2015 and 2020, or upon a change in control of the Company. On the maturity date, these debentures can be settled in cash or Euronet Common Stock, at our option, at predetermined conversion rates.

We also have \$59.2 million in principal amount of 1.625% Convertible Senior Debentures Due 2024 that are convertible into 1.8 million shares of Euronet Common Stock at a conversion price of \$33.63 per share upon the occurrence of certain events (relating to the closing prices of Euronet Common Stock exceeding certain thresholds for specified periods). The debentures may not be redeemed by us until December 20, 2009 but are redeemable at any time thereafter at par. Holders of the debentures have the option to require us to purchase their debentures at par on December 15, 2009, 2014 and 2019, and upon a change in control of the Company. Unless the price of our Common Stock appreciates substantially before December 2009, we believe it is likely that the holders of the debentures will exercise this option effective December 15, 2009. Based upon our current expectations, we believe we will have sufficient cash available to fund the potential \$59.2 million purchase price using our cash currently on hand, cash flows we expect to generate through December 2009 and amounts we expect to be available to borrow under our revolving credit facility. However, if our capital resources are insufficient to meet these obligations, we may be required to seek additional debt or equity financing.

Should holders of the convertible debentures require us to repurchase their debentures on the dates outlined above, we cannot guarantee that we will have sufficient cash on hand or have acceptable financing options available to us to fund these required repurchases. An inability to be able to finance these potential repayments could have an adverse impact on our operations. These terms and other material terms and conditions applicable to the convertible debentures are set forth in the indenture agreements governing these debentures.

Other uses of capital

Payment obligations related to acquisitions - We have potential contingent obligations to the former owner of the net assets of Movilcarga. Based upon presently available information, we do not believe any additional payments will be required. The seller disputed this conclusion and initiated arbitration as provided for in the purchase agreement. A global public accounting firm was engaged as an independent expert to review the results of the computation, but procedures for such review have never been commenced, principally because the seller is in a bankruptcy proceeding. Any additional payments, if ultimately determined to be owed the seller, will be recorded as additional goodwill and could be made in either cash or a combination of cash and Euronet Common Stock at our option.

In connection with the acquisition of Brodos Romania, we agreed to contingent consideration arrangements based on the achievement of certain performance criteria. If the criteria are achieved, during 2009 and 2010, we would have to pay a total of \$2.5 million in cash or 75,489 shares of Euronet Common Stock, at the option of the seller.

Capital expenditures and needs— Total capital expenditures for the first quarter 2009 were \$6.7 million. These capital expenditures were primarily for the purchase of ATMs to meet contractual requirements in Poland, India and China, the purchase and installation of ATMs in key under-penetrated markets, the purchase of POS terminals for the Prepaid Processing and Money Transfer Segments, and office, data center and company store computer equipment and software, including capital expenditures for the purchase and development of the necessary processing systems and capabilities to enter the cross-border merchant processing and acquiring business. Total capital expenditures for 2009 are currently estimated to be approximately \$35 million to \$45 million.

In the Prepaid Processing Segment, approximately 100,000 of the approximately 421,000 POS devices that we operate are Company-owned, with the remaining terminals being operated as integrated cash register devices of our major retail customers or owned by the retailers. As our Prepaid Processing Segment expands, we will continue to add terminals in certain independent retail locations at a price of approximately \$300 per terminal. We expect the proportion of owned terminals to total terminals operated to remain relatively constant.

At current and projected cash flow levels, we anticipate that cash generated from operations, together with cash on hand and amounts available under our revolving credit facility and other existing and potential future financing will be sufficient to meet our debt, leasing, contingent acquisition and capital expenditure obligations. If our capital resources are not sufficient to meet these obligations, we will seek to refinance our debt under terms acceptable to us. However, we can offer no assurances that we will be able to obtain favorable terms for the refinancing of any of our debt or other obligations. In the event we were to require additional debt financing in the future, the severe liquidity disruptions in the credit markets could materially impact our ability to obtain debt financing on reasonable terms. The inability to access debt financing on reasonable terms could materially impact our ability to make acquisitions, refinance existing indebtedness or effectively operate or materially expand our business in the future.

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Other trends and uncertainties

Cross border merchant processing and acquiring — In our EFT Processing Segment, we have entered the cross-border merchant processing and acquiring business, through the execution of an agreement with a large petrol retailer in Central Europe. Since the beginning of 2007, we have devoted significant resources, including capital expenditures of approximately \$7.8 million, to the ongoing investment in development of the necessary processing systems and capabilities to enter this business, which involves the purchase and design of hardware and software. Merchant acquiring involves processing credit and debit card transactions that are made on POS terminals, including authorization, settlement, and processing of settlement files. It will involve the assumption of credit risk, as the principal amount of transactions will be settled to merchants before settlements are received from card associations. We incurred \$1.0 million in operating losses related to this business in the first quarter 2009 and currently expect to incur approximately \$3.0 million to \$4.0 million in operating losses for the full year 2009.

Inflation and functional currencies

Generally, the countries in which we operate have experienced low and stable inflation in recent years. Therefore, the local currency in each of these markets is the functional currency. Currently, we do not believe that inflation will have a significant effect on our results of operations or financial position. We continually review inflation and the functional currency in each of the countries where we operate.

OFF BALANCE SHEET ARRANGEMENTS

We regularly grant guarantees of the obligations of our wholly-owned subsidiaries and we sometimes enter into agreements with unaffiliated third parties that contain indemnification provisions, the terms of which may vary depending on the negotiated terms of each respective agreement. Our liability under such indemnification provisions may be subject to time and materiality limitations, monetary caps and other conditions and defenses. As of March 31, 2009, there were no material changes from the disclosure in our Annual Report on Form 10-K for the year ended December 31, 2008. To date, we are not aware of any significant claims made by the indemnified parties or parties to whom we have provided guarantees on behalf of our subsidiaries and, accordingly, no liabilities have been recorded as of March 31, 2009. See also Note 10, Guarantees, to the Unaudited Consolidated Financial Statements.

CONTRACTUAL OBLIGATIONS

As of March 31, 2009, the only material change from the disclosure relating to contractual obligations contained in our Annual Report on Form 10-K for the year ended December 31, 2008, is the net reduction of \$19.4 million of principal on long-term debt through repayment of debt and repurchases of debentures.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In April 2009, the FASB issued FSP FAS 141(R)-1, "Accounting for Assets Acquired and Liabilities Assumed in a Business Combination That Arise from Contingencies." FSP FAS 141(R)-1 amends the requirements to measure contingencies acquired in a business combination at fair value, requiring that a contingency acquired in a business combination be initially measured at fair value on the acquisition date if fair value can be determined during the measurement period. Acquired contingencies whose fair value cannot be determined during the measurement period would be recognized if it is probable that an asset existed or liability had been incurred at the acquisition date and the amount for that asset or liability can be reasonably estimated. FSP FAS 141(R)-1 is effective for Euronet beginning January 1, 2009, concurrent with the adoption of SFAS No. 141(R), and it did not have a material impact on the Consolidated Financial Statements.

In April 2009, the FASB issued FSP FAS 107-1 and APB 28-1, "Interim Disclosures about Fair Value of Financial Instruments," which requires the annual fair value disclosures about financial instruments within the scope of FAS 107 to also be made in interim financial statements. FSP FAS 107-1 and APB 28-1 is effective for Euronet for the quarterly reporting period ending June 30, 2009. The Company's adoption of FSP FAS 107-1 and APB 28-1 is not expected to have a material impact on the Consolidated Financial Statements.

FORWARD-LOOKING STATEMENTS

This document contains statements that constitute forward-looking statements within the meaning of section 27A of the Securities Act of 1933 and section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical facts included in this document are forward-looking statements, including statements regarding the following:

- trends affecting our business plans, financing plans and requirements;
- trends affecting our business;

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- the adequacy of capital to meet our capital requirements and expansion plans;
- the assumptions underlying our business plans;
- Our ability to repay indebtedness;
- business strategy;
- government regulatory action;
- technological advances; and
- projected costs and revenues.

Although we believe that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to be correct. Forward-looking statements are typically identified by the words believe, expect, anticipate, intend, estimate and similar expressions.

Investors are cautioned that any forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may materially differ from those in the forward-looking statements as a result of various factors, including, but not limited to, those referred to above and as set forth and more fully described in Part I, Item 1A — Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2008.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest rate risk

As of March 31, 2009, our total debt outstanding was \$354.1 million. Of this amount, \$206.1 million, or 58% of our total debt obligations, relates to contingent convertible debentures having fixed coupon rates. Our \$175 million principal amount of contingent convertible debentures, issued in October 2005, accrue cash interest at a rate of 3.50% of the principal amount per annum. The \$59.2 million principal amount of contingent convertible debentures, issued in December 2004 accrue cash interest at a rate of 1.625% of the principal amount per annum. Based on quoted market prices, as of March 31, 2009, the fair value of our fixed rate convertible debentures was \$183.9 million, compared to a carrying value of \$206.1 million.

Through the use of interest rate swap agreements, \$50.0 million of our variable rate term debt has been effectively converted to a fixed rate of 7.3% through May 29, 2009. As of March 31, 2009, the unrealized loss on the interest rate swap agreements was \$0.4 million. Interest expense for our total \$256.1 million in fixed rate debt totals approximately \$21.3 million per year, or a weighted average interest rate of 8.3% annually. Additionally, approximately \$8.5 million, or 2% of our total debt obligations, relate to capitalized leases with fixed payment and interest terms that expire between 2009 and 2014.

After the interest rate swap agreement expires in the second quarter, the remaining \$139.5 million, or 39% of our total debt obligations, relates to debt that will accrue interest at variable rates. If we were to maintain these borrowings for one year, and maximize the potential borrowings available under the revolving credit facility for one year, including the \$25.0 million in potential additional expanded borrowings, a 1% increase in the applicable interest rate would result in additional interest expense to the Company of approximately \$2.3 million. This computation excludes the potential \$150.0 million in potential expanded term loan because of the limited circumstances under which the additional amounts would be available to us for borrowing.

Our excess cash is invested in instruments with original maturities of three months or less; therefore, as investments mature and are reinvested, the amount we earn will increase or decrease with changes in the underlying short term interest rates.

Foreign currency exchange rate risk

For the first quarter 2009, 73% of our revenues were generated in non-U.S. dollar countries compared to 75% for the first quarter 2008. We expect to continue generating a significant portion of our revenues in countries with currencies other than the U.S. dollar.

We are particularly vulnerable to fluctuations in exchange rates of the U.S. dollar to the currencies of countries in which we have significant operations, primarily to the euro, British pound, Australian dollar and Polish zloty. As of March 31, 2009, we estimate that a 10% fluctuation in these foreign currency exchange rates would have the combined annualized effect on reported net income and working capital of approximately \$25 to \$35 million. This effect is estimated by applying a 10% adjustment factor to our non-U.S. dollar results from operations, intercompany loans that generate foreign currency gains or losses and working capital balances that require translation from the respective functional currency to the U.S. dollar reporting currency. Additionally, we have other non-current, non-U.S. dollar assets and liabilities on our balance sheet that are translated to the U.S. dollar during consolidation. These items primarily represent goodwill and intangible assets recorded in connection with acquisitions in countries other than the U.S. We estimate that a 10% fluctuation in foreign currency exchange rates would have a non-cash impact on total comprehensive income of approximately \$45

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million to \$55 million as a result of the change in value of these items during translation to the U.S. dollar. For the fluctuations described above, a strengthening U.S. dollar produces a financial loss, while a weakening U.S. dollar produces a financial gain. We believe this quantitative measure has inherent limitations and does not take into account any governmental actions or changes in either customer purchasing patterns or our financing or operating strategies. Because a majority of our revenues and expenses are incurred in the functional currencies of our international operating entities, the profits we earn in foreign currencies are positively impacted by the weakening of the U.S. dollar and negatively impacted by the strengthening of the U.S. dollar. Additionally, our debt obligations are primarily in U.S. dollars, therefore, as foreign currency exchange rates fluctuate, the amount available for repayment of debt will also increase or decrease.

We are also exposed to foreign currency exchange rate risk in our Money Transfer Segment. A majority of the money transfer business involves receiving and disbursing different currencies, in which we earn a foreign currency spread based on the difference between buying currency at wholesale exchange rates and selling the currency to consumers at retail exchange rates. This spread provides some protection against currency fluctuations that occur while we are holding the foreign currency. Our exposure to changes in foreign currency exchange rates is limited by the fact that disbursement occurs for the majority of transactions shortly after they are initiated. Additionally, we enter into foreign currency forward contracts to help offset foreign currency exposure related to the notional value of money transfer transactions collected in currencies other than the U.S. dollar. As of March 31, 2009, we had foreign currency forward contracts outstanding with a notional value of \$41.1 million, primarily in euros that were not designated as hedges and mature in a weighted average of 2.8 days. The fair value of these forward contracts as of March 31, 2009 was an unrealized gain of approximately \$0.2 million, which was partially offset by the unrealized gain on the related foreign currency receivables.

ITEM 4. CONTROLS AND PROCEDURES

Our executive management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(b) under the Exchange Act as of March 31, 2009. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that the design and operation of these disclosure controls and procedures were effective as of such date to provide reasonable assurance that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

CHANGE IN INTERNAL CONTROLS

There has been no change in our internal control over financial reporting during the first quarter 2009 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is from time to time a party to litigation arising in the ordinary course of its business.

Currently, there are no legal proceedings that management believes, either individually or in the aggregate, would have a material adverse effect upon the consolidated results of operations or financial condition of the Company.

ITEM 1A. RISK FACTORS

You should carefully consider the risks described in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008 as updated in our subsequent filings with the SEC before making an investment decision. The risks and uncertainties described in our Annual Report on Form 10-K, as updated by any subsequent Quarterly Reports on Form 10-Q, are not the only ones facing our company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of the risks identified in our Annual Report on Form 10-K, as updated by any subsequent Quarterly Reports on Form 10-Q, actually occurs, our business, financial condition or results of operations could be materially adversely affected. In that case, the trading price of our Common Stock could decline substantially. This Quarterly Report also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors, including the risks described below and elsewhere in this Quarterly Report.

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Other than as set forth below, there have been no material changes from the risk factors previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2008, as filed with the SEC.

Risks Related to Our Business

Our prepaid mobile airtime top-up and money transfer businesses may be susceptible to fraud and/or credit risks occurring at the retailer and/or consumer level.

In our Prepaid Processing Segment, we contract with retailers who accept payment on our behalf, which we then transfer to a trust or other operating account for payment to mobile phone operators. In the event a retailer does not transfer to us payments that it receives for mobile airtime, whether as a result of fraud, insolvency or otherwise, we are responsible to the mobile phone operator for the cost of the airtime credited to the customer's mobile phone. We can provide no assurance that retailer fraud or insolvency will not increase in the future or that any proceeds we receive under our credit enhancement insurance policies will be adequate to cover losses resulting from retailer fraud, which could have a material adverse effect on our business, financial condition and results of operations.

With respect to our money transfer business, our business is primarily conducted through our agent network, which provides money transfer services directly to consumers at retail locations. Our agents collect funds directly from consumers and in turn we collect from the agents the proceeds due to us resulting from the money transfer transactions. Therefore, we have credit exposure to our agents. Additionally, our Company-owned stores transact a significant amount of business in cash. Although we have safeguards in place, cash transactions have a higher exposure to fraud and theft than other types of transactions. The failure of agents owing us significant amounts to remit funds to us or to repay such amounts, or the loss of cash in our stores could have a material adverse effect on our business, financial condition and results of operations.

Increases in taxes could negatively impact our operating results.

As a result of the current economic downturn, tax receipts have decreased and/or government spending has increased in many of the countries in which we operate. Consequently, governments may increase tax rates or implement new taxes in order to compensate for gaps between tax revenues and expenditures. Additionally, governments may prohibit or restrict the use of certain legal structures designed to minimize taxes. Any such tax increases, whether borne by us or our customers, could negatively impact our operating results or the demand for our products.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Stock repurchases

For the three months ended March 31, 2009, the Company purchased, in accordance with the 2006 Stock Incentive Plan (Amended and Restated), 861 shares of its Common Stock for participant income tax withholding in conjunction with the lapse of restrictions on stock awards, as requested by the participants. The following table sets forth information with respect to those shares:

<u>Period</u>	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid Per Share (1)</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</u>	<u>Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs</u>
January 1 — January 31	<u>861</u>	<u>\$ 11.61</u>	<u>—</u>	<u>—</u>

(1) The price paid per share is the closing price of the shares on the vesting date.

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ITEM 6. EXHIBITS

a) Exhibits

The exhibits that are required to be filed or incorporated herein by reference are listed on the Exhibit Index below.

EXHIBITS

Exhibit Index

<u>Exhibit</u>	<u>Description</u>
10.1	Employment Agreement dated December 2, 1997 between Euronet Services GmbH and Roger Heinz, Senior Vice President — Managing Director, Europe EFT Processing Segment (1) (2)
10.2	Amendment No. 2 to the Credit Agreement dated February 18, 2009 (execution copy) (1)
10.3	2006 Stock Incentive Plan, as amended (1) (2)
12.1	Computation of Ratio of Earnings to Fixed Charges (1)
31.1	Section 302 — Certification of Chief Executive Officer (1)
31.2	Section 302 — Certification of Chief Financial Officer (1)
32.1	Section 906 Certification of Chief Executive Officer (1)
32.2	Section 906 Certification of Chief Financial Officer (1)

(1) Filed herewith.

(2) Management contracts and compensatory plans and arrangements required to be filed as Exhibits pursuant to Item 15(a) of this report.

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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, thereunto duly authorized.

May 7, 2009

By: /s/ MICHAEL J. BROWN
 Michael J. Brown
 Chief Executive Officer

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

Manager Employment Agreement

between

Euronet Services GmbH
Johann-Friedrich-Böttger-Str. 23
63322 Rödermark
(hereinafter referred to as the "Company")

and

Roger Heinz
(hereinafter referred to as the "Employee")

Article 1
Employment

- (1) The Company's owners will, as soon as practical after the execution of this Agreement, designate the Employee, by way of resolution a member of management of the Company (Geschäftsführung). He shall conduct the Company's business in accordance with the Company's bylaws and the owner's directives.
 - (2) The Company can designate other managers. The Company's owners shall from time to time attribute duties between the managers.
 - (3) The Employee is authorized to act alone on behalf of the Company, provided that he shall comply with any directives of the Company or its owners concerning internal approval for certain acts. The Employer will furnish the Employee with a written job description and guidelines concerning requirements for corporate authorization by May 31.
 - (4) The Employee shall conduct the business of the Company in accordance with the law, the bylaws, the business plan and the owners' directives.
 - (5) Before undertaking extraordinary business measures, the Employee must obtain the prior written authorization of the Company's owners. The Company owners shall from time to time authorize in the business plan the undertaking of extraordinary business measures. The Company's owners shall retain the right to add to or modify its authorization, in the business plan, of such extraordinary business measures. The Employee acknowledges that a breach of any limitations established by the Company or its owners on his authority to manage the Company shall constitute a serious material breach which shall permit the Company to terminate for cause without notice (außerordentliche Kündigung).
 - (6) The Employee shall devote all of his professional efforts, knowledge and experience to the Company's business activity. The Employee must seek the prior written permission of the Company's owners before assuming other paid responsibilities.
 - (7) The Employee shall fulfill his responsibilities with the duty of care owed by a professional.
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Article 2
Term

- (1) This Agreement shall come into effect as soon as practicable following the execution of this Agreement, taking into account any notice period which is required for the termination the Employee's current position.
- (2) This Agreement shall remain in effect until December 31, 2000, and shall automatically renew at the end of this term for consecutive two year terms unless either party notifies the other party in writing of its intent not to renew this Agreement at least six months prior to the close of the initial or any subsequent two year period.
- (3) Notwithstanding paragraph 2 of this Article, this Agreement shall expire at the end of the calendar month during which the Employee becomes 65 years of age, unless both parties agree in writing to the continuation of this Agreement beyond that date.
- (4) The right to terminate this Agreement for serious material breach (außerordentliche Kündigung) remains intact. In the event the Employer wishes to terminate this Agreement for serious material breach, it shall give a warning notice and an opportunity for the Employee to respond to the Employer's concerns. Termination by the Employer shall be permitted only after the Employee has failed to remedy his conduct or performance in a manner which responds satisfactorily to the warning notice. The parties hereby agree that the Employee's failure to remedy his conduct or performance, within thirty days of the Employer's warning notice, in a manner which responds satisfactorily to the warning notice shall constitute a serious material breach ("wichtiger Grund") which shall entitle the Employer to terminate this Agreement without notice ("fristlose Kündigung") pursuant to Article 626 of the German Civil Code.
- (5) A recall of the Employee by the Company's owners through a written resolution shall bring this Agreement to an end at the earliest possible time permissible under this Article.
- (6) After notice by either party of its intention not to renew this Agreement, the Company is entitled to relieve immediately the Employee of his duties provided the Company continues to pay the Employee his contractual remuneration during the remainder of the term of this Agreement.
- (7) The termination or non-renewal of this Agreement must be notified to the other party by registered letter with return receipt requested. The Employee must notify any and all of the Company's owners in the event of his termination or non-renewal of this Agreement.

Article 3
Compensation

- (1) As compensation for his services, the Employee shall receive a fixed yearly salary in the amount of DM 200,000, in addition to which the Company shall pay the respective employer contribution on this remuneration due in connection with social security, health insurance, the state pension fund and unemployment insurance. The amount of compensation remaining after deduction of the employee contributions from this fixed salary will be paid in twelve equal installments at the end of each calendar month.
-

- (2) The Company will review the Employee's fixed remuneration in April, 1998 and every year thereafter. During this annual review, the Company shall take into consideration the Company's development, the Employee's personal performance and inflation.
- (3) In addition, the Employee may receive a bonus of up to DM 50,000 per year in the event targets for performance established by the Company's owners are met. The targets and the bonus structure based on such targets will be determined by the Company and confirmed in writing to the Employee in the beginning of each year, when annual targets for the Employee are established. For 1997, the bonus shall be allocated among the following targets:
 - 50% to the revenue target;
 - 20% to the general development of operations in Germany
 - 15% to the number of ATMs in the country;
 - 7.5% to transaction volumes on the ATMs;
 - 7.5% to the average amount of rent paid for ATM sites.
- (4) The amount attributable to each target met will be paid if such target is met. The measurement of performance against the targets will be made after the close of each calendar year, by January 31
- (5) In the event that the Employee becomes unable to perform his work responsibilities due to illness or other reasons beyond the Employee's control, the company will continue to pay the Employee the fixed compensation provided for in paragraph 1 hereof for a period of 3 months. Notwithstanding the above, such payments shall cease with the expiration of this Agreement. The amount of this compensation shall be reduced by any payments received by the Employee during this period of incapacity from the state health insurance or pension fund. In the event that the duration of incapacity exceeds six months, the Company's owners shall be entitled to reduce the bonus provided for in paragraph 3 hereof by a reasonable proportion. The Employee has no right to a bonus if he is incapacitated during an entire fiscal year.
- (6) In the event that the Employee should die during the term of this Agreement, the Company shall pay the Employee's widow the full fixed compensation for the calendar month during which the death occurred as well as for the 3 calendar months following thereafter, except that the Employee's widow shall not be entitled to such payments after the expiration of this Agreement. If an Initial Bonus is due at the end of the fiscal year in which the Employee shall die, the Company shall pay the Employee's widow that percentage of the Initial Bonus equal to that proportion of the fiscal year during which the Employee was alive.
- (7) The Company will insure the Employee against accidents pursuant to those terms customary for managers of companies of equivalent size and profitability. The precise terms of this insurance coverage will be agreed in a written schedule before the commencement of employment.
- (8) The Company shall have rights to options to stock in Euronet Services Inc. pursuant to the stock option plan adopted by the shareholders of that company.

Article 4 Vacation

The Employee shall have a right to an annual paid vacation of 31 working days. He shall take into consideration the Company's needs in scheduling this vacation.

Article 5
Reimbursement of Expenses/Automobile

- (1) The Company's guidelines shall determine the terms pursuant to which the Company shall reimburse travel expenses; such guidelines are deemed an integral part of this Agreement. In the event that travel costs exceed those lump-sum amounts allowed under German tax regulations, then the Employee must submit receipts therefor.
- (2) The Company shall make available to the Employee an automobile of his choice, provided that the lease payments for such automobile shall not exceed DM 2000, it being understood that this amount shall not include operating expenses (maintenance, insurance, etc.). The Employee is entitled to use this automobile for personal travel, but shall be responsible for the income tax due on the advantage derived from the private use of this automobile.
- (3) The Company shall pay moving and relocation expenses for the Employee's move from Warsaw to Frankfurt, including temporary accommodation expenses while finding permanent housing.
- (4) The Company shall continue the Employee's direct life insurance plan No. _____.

Article 6
Non-Competition

During the term of this Agreement, the Employee shall not compete with the Company nor participate, directly or indirectly in companies which compete with the Company or with which the Company does business. This restriction does not prevent the Employee from buying or holding publicly trade shares in such companies, to the extent that his participation does not exceed one percent of the respective company's share capital. The Employee's violation of the provisions of this Article shall constitute an important material breach which shall entitle the Company to terminate this Agreement without notice (außerordentliche Kündigung).

Article 7
Confidentiality

The Employee shall keep confidential with respect to third parties all matters relating to the Company (in particular business and operation secrets) as well as all customer information which he obtained during his employment with the Company; this obligation shall survive the termination or expiration to this Agreement. In addition, the Employee hereby undertakes to respect (1) all those obligations of confidentiality which the Company owes to Service Bank GmbH & Co KG pursuant to the Lease, Service, Data Processing, Software License and Software Service Agreement entered into between the Company and Service Bank GmbH & Co KG (attached as Exhibit 1 hereto) and (2) those obligations of bank secrecy owed to Service Bank GmbH & Co KG in connection the latter's banking business.

Article 8
Documentation

Upon termination of the Employee's employment relationship with the Company, or after his release from his duties in accordance with Article 2, paragraph 6 hereof, the Employee shall return immediately to the Company any and all documents, correspondence, drawings, drafts or other writings which, still in his possession, concern the activities of the Company. The Employee hereby acknowledges that he has no right to retain such documentation.

Article 9
Miscellaneous Provisions

- (1) Any and all modifications of this Agreement, including modifications of this Article, must be in writing.
- (2) This Agreement shall be governed by the law of the Federal Republic of Germany.
- (3) The applicable courts in Frankfurt am Main shall have exclusive jurisdiction over any and all disputes arising out of this Agreement.
- (4) 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 provision, with the 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.

Budapest, May 29, 1997

/s/ R. Heinz
Manager

/s/ Daniel R. Henry
Company

Job Description

This job description supplements the Employment Agreement dated May 29, 1997 (the "Employment Agreement") between Mr. Roger Heinz and Euronet Services GmbH ("Euronet" or the "Company").

As a manager of the Company, Mr. Heinz will be responsible for the establishment of the Company's operations in Germany, including: locating and contracting for ATM sites; negotiation of major supply agreements (ATM supply, telecommunications, etc.) to the extent not available from Euronet's group level relationships; negotiating and finalizing contracts with banks for the connection to the Company's ATM network; locating and equipping the Company's offices; hiring staff; maintenance of proper books and records for the Company in accordance with German law and with the procedures required by the Company's parent company, Euronet Services Inc. ("ESI"); compliance with accounting and tax reporting requirements and other regulations applicable to the Company under German law; and generally any other responsibilities normally attributed by law to the manager of a German company.

Mr. Heinz will perform his duties under the supervision of Michael Brown, CEO, and Dan Henry, COO, of ESI, as well as any other persons whom Mr. Brown or Mr. Henry may appoint to supervise the German operations of ESI or the Company. Mr. Heinz will comply with the accounting reporting procedures and other operational requirements imposed by ESI, as determined from time to time by ESI's accounting and legal departments. The Finance Manager of the Company will be appointed by the CFO of ESI and will report directly to him as well as to Mr. Heinz. Mr. Brown and/or Mr. Henry may recruit and appoint other persons for employment by the Company.

Mr. Heinz acknowledges that ESI is establishing guidelines and internal approval requirements regarding contractual undertakings and commitments which may be made on behalf of ESI and the Company, and he agrees to comply with such guidelines as in effect from time to time.

Given the size of the German market, as contemplated in Section 2 of the Employment Agreement, it is possible that additional managers will be appointed for the Company by ESI, and given functional or regional responsibility alongside Mr. Heinz.

December 02,1997

Acknowledged and Approved:

Euronet Services GmbH

/s/ Roger Heinz

Mr. Roger Heinz

By: /s/ Daniel R. Henry

Job Description

This job description supplements the Employment Agreement dated May 29, 1997 („the Employment Agreement“) between Mr. Roger Heinz and Euronet Services GmbH („Euronet“ or the „Company“).

As the Managing Director of the German Company, Mr. Heinz will be responsible for the establishment of the Company's operations in Germany, including: locating and contracting for ATM sites; negotiation of major supply agreements (ATM supply, telecommunications, etc.) to the extent not available from Euronet's group level relationships; negotiating and finalising contracts with banks for the connection to the Company's ATM network; locating and equipping the Company's offices; hiring/terminating staff including all other aspects of HR functions (i.e. setting up compensation and benefit functions); maintenance of proper books and records for the Company in accordance with German law and the procedures required by the Company's parent company, Euronet Services Inc. („ESI“); compliance with accounting and tax reporting requirements and other regulations applicable to the Company under German law; and generally any other responsibilities normally attributed by law to the manager of a German company.

Mr. Heinz will perform his duties under the supervision of Michael Brown, CEO, and Dan Henry, COO, of ESI, as well as any other persons whom Mr. Brown or Mr. Henry may appoint to supervise the German operations of ESI or the Company. Mr. Heinz will comply with the accounting and legal departments.

The Finance Manager of the Company will be appointed by the Managing Director in close co-operation and after consulting with the CFO of ESI to whom he will have a dotted line responsibility.

The Finance Manager of the Company, as well as any other staff to be hired will have an direct or an indirect reporting line to the Managing Director.

Mr. Brown and/or Mr. Henry may recruit and appoint other persons for employment by the Company *after having consulted with the Managing Director.*

Mr. Heinz acknowledges that ESI is establishing guidelines and internal approval requirements regarding contractual undertakings and commitments which may be made on behalf of ESI and the Company, and he agrees to comply with such guidelines as in effect from time to time.

Given the size of the German market as contemplated in Section 2 of the Employment Agreement, it is possible that additional managers will be appointed for the Company by ESI, whereby functional or regional responsibilities *will be consulted with the Managing Director.*

August 13th, 1997

Acknowledged and Approved:

Euronet Services GmbH

Dan Henry

Roger Heinz

Job Description

This job description supplements the Employment Agreement dated May 29, 1997 (the "Employment Agreement") between Mr. Roger Heinz and Euronet Services GmbH ("Euronet" or the "Company").

As a manager of the Company, Mr. Heinz will be responsible for the establishment of the Company's operations in Germany, including: locating and contracting for ATM sites; negotiation of major supply agreements (ATM supply, telecommunications, etc.) to the extent not available from Euronet's group level relationships; negotiating and finalizing contracts with banks for the connection to the Company's ATM network; locating and equipping the Company's offices; hiring staff; maintenance of proper books and records for the Company in accordance with German law and with the procedures required by the Company's parent company, Euronet Services Inc. ("ESI"); compliance with accounting and tax reporting requirements and other regulations applicable to the Company under German law; and generally any other responsibilities normally attributed by law to the manager of a German company.

Mr. Heinz will perform his duties under the supervision of Michael Brown, CEO, and Dan Henry, COO, of ESI, as well as any other persons whom Mr. Brown or Mr. Henry may appoint to supervise the German operations of ESI or the Company. Mr. Heinz will comply with the accounting reporting procedures and other operational requirements imposed by ESI, as determined from time to time by ESI's accounting and legal departments. The Finance Manager of the Company will be appointed by the CFO of ESI and will report directly to him. Mr. Brown and/or Mr. Henry may recruit and appoint other persons for employment by the Company.

Mr. Heinz acknowledges that ESI is establishing guidelines and internal approval requirements regarding contractual undertakings and commitments which may be made on behalf of ESI and the Company, and he agrees to comply with such guidelines as in effect from time to time.

Given the size of the German market, as contemplated in Section 2 of the Employment Agreement, it is possible that additional managers will be appointed for the Company by ESI, and given functional or regional responsibility alongside Mr. Heinz.

July __, 1997

Acknowledged and Approved:

Euronet Services GmbH

Mr. Roger Heinz

By: _____

AMENDMENT NO. 2

THIS AMENDMENT NO. 2, dated as of February 18, 2009 (this "Amendment"), of that certain Credit Agreement referenced below is by and among Euronet Worldwide, Inc., a Delaware corporation ("EWI"), certain Subsidiaries and Affiliates of EWI identified herein, as Borrowers and Guarantors, the undersigned Lenders, Bank of America, N.A., as Administrative Agent for Domestic Loan Obligations and F/X Obligations and, acting through its Mumbai Branch, as Administrative Agent for all India Obligations, and Bank of America, as Collateral Agent. Capitalized terms used but not otherwise defined herein shall have the meanings provided in the Credit Agreement.

WITNESSETH

WHEREAS, multicurrency revolving and institutional term loan facilities have been established in favor of the Borrowers pursuant to the terms of that certain Credit Agreement, dated as of April 4, 2007 (as amended, restated, extended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrowers named therein, the Guarantors named therein, the Lenders identified therein, Bank of America, N.A., as Administrative Agent for Domestic Loan Obligations and F/X Obligations and, acting through its Mumbai Branch, as Administrative Agent for all India Obligations, and Bank of America, as Collateral Agent;

WHEREAS, EWI has requested certain modifications to the Credit Agreement;

WHEREAS, the Lenders have agreed to the requested modifications on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Acknowledgment. Section 2.06(b)(vi) of the Credit Agreement provides for certain mandatory prepayments and termination of Commitments unless certain conditions are satisfied with respect to the Convertible Debentures, including demonstration by EWI of sufficient liquidity and pro forma compliance with the financial covenants. Acknowledgment is hereby given that EWI has satisfied the conditions in subclause (B) of Section 2.06(b)(vi) such that no mandatory prepayment is required in respect of the next Repurchase Date for the Convertible Debentures.

2. Amendments to the Credit Agreement. The Credit Agreement is amended as follows:

2.1 Section 1.01 (Definitions) is amended in the following respects:

(a) The definition of "Consolidated EBITDA" is amended to read as follows:

"Consolidated EBITDA" means, for any period for the Consolidated Group, without duplication, the sum of (i) operating income, plus (ii) depreciation, plus (iii) amortization, plus (iv) interest income from the operations of the Prepaid Processing Segment, plus (v) certain one-time non-cash charges with the consent of the Administrative Agent and the Required Lenders, plus (vi) non-cash expenses recognized pursuant to FASB Statement No. 123(R) (Share-Based Payments) plus (vii) net income from joint ventures and other minority interests owned by members of the Consolidated Group when and as earned and received plus (viii) to the extent deducted in the calculation of operating income, charges resulting from the proposed acquisition of MoneyGram International, Inc. in an aggregate amount not to exceed \$4 million plus (ix)

to the extent deducted in the calculation of operating income, one-time non-cash charges for impairment of goodwill or other intangible assets taken during the period ending December 31, 2008 and thereafter; provided that (A) appropriate adjustments will be made in subsequent periods where cash payments are subsequently made in respect of non-cash charges previously excluded under clauses (v) and (vi) and (B) such calculations to exclude the effect of extraordinary gains and losses and tax effects relating thereto Except as otherwise expressly provided, the applicable period shall be the four consecutive fiscal quarters ending as of the date of determination.

(b) The “except” clause in the definition of “Debt Transactions” is amended to read as follows:

, except for Funded Debt permitted to be incurred pursuant to clauses (a) through (o) of Section 8.03.

(c) Clause (f) of the definition of “Equity Transactions” is amended to read as follows:

(f) of Capital Stock the proceeds of which are used to make payments permitted on the Convertible Debentures in accordance with Section 8.10(b)(iii), Section 8.10(b)(iv) or the “Notwithstanding” sentence at the end of Section 8.10.

(d) The definition of “Permitted Disposition” is amended by deleting the “and” at the end of clause (b), relabeling clause (c) as clause (d), and adding a new clause (c) to read as follows:

(c) the contribution of all or any portion of the assets of, or the equity interests in, certain subsidiaries organized and operating in Spain (including Euronet Movilcarga S.L. and Euronet Telerecarga, S.L.) into a non-wholly owned joint venture otherwise permitted hereunder; and

2.2 In Section 2.06(b)(ii)(B) (Prepayments), the reference to “clause (b)” in the first parenthetical is amended to be a reference to “clause (b) or (c)”.

2.3 In Section 7.11 (Use of Proceeds), the proviso is amended to read as follows:

provided that, notwithstanding anything contained herein to the contrary, Credit Extensions may not be used for the repurchase or redemption of the Convertible Debentures (it being understood that Credit Extensions shall not be deemed to have been so used solely because Credit Extensions are outstanding at the time of such repurchases or redemptions).

2.4 Section 8.01 (Liens) is amended in the following respects:

(a) Subclause (m) is amended to read as follows:

(m) rights or Liens granted to (1) vendors or suppliers of products, content or services distributed or provided through processing networks of the Consolidated Group (including, without limitation, those that supply PIN’s, on-line mobile or long distance phone time (including, without limitation, telephone operators and other vendors or suppliers, including Transport for London; distributors of prepaid music, television and

other services; and issuers of gift cards and other stored value cards)) in the products or content supplied (including, without limitation, PIN inventory, PIN accounts receivable (including the rights and Liens of mobile operators in the Mobile Network Trust Arrangement) and any restricted cash accounts associated with the purchase or sale of those products or content or (2) correspondent payout agents to facilitate money transfers;

(b) Subclause (o) is amended to read as follows:

(o) cash collateral in an aggregate amount of up to €35 million to secure letters of credit or bank guarantees permitted by Section 8.03(l);

2.5 Section 8.02 (Investments) is amended in the following respects:

(a) Clause (i) is amended in the following respects:

(1) In subclause (i), the references to “\$25 million” are amended to read “\$50 million”; and

(2) Subclause (iii) is amended to read “Foreign Subsidiaries that are organized and operating under the laws of the Peoples Republic of China, whether or not wholly-owned and whether or not a Guarantor, in an aggregate principal amount not to exceed an amount equal to the remainder of \$50 million minus the aggregate amount of Indebtedness outstanding under Sections 8.03(e)(iii)(A) and 8.03(o)(iv)”.

(b) Clause (j) is amended to change the section reference at the end of the section from “Section 8.03(m)” to “Section 8.03(n)”.

(c) The existing subclause (m) is relabeled as subclause (n) and a new subclause (m) is added as follows:

(m) the contribution of all or any portion of the assets of, or the equity interests in, certain subsidiaries organized and operating in Spain (including Euronet Movilcarga, S.L. and Euronet Telerecarga, S.L.) into a non-wholly owned joint venture otherwise permitted hereunder; and

2.6 Section 8.03 (Indebtedness) is amended in the following respects:

(a) Subclause (iv) of clause (c) is amended to read as follows:

(iv) the covenants, terms and provisions of the indenture, note purchase agreement, credit agreement or other governing instrument will not be less favorable to EWI and the Consolidated Group, in any material respect, than the indenture governing the Convertible Subordinated Debentures; provided that the conversion rate may be less favorable to EWI and the Consolidated Group;

(b) Subclause (iii) of the proviso of clause (e) is amended to read as follows:

(iii) the aggregate principal amount of all such Indebtedness shall not exceed (A) in the case of members of the Consolidated Group organized and operating in the Peoples Republic of China, an amount, at any time, equal to the remainder of \$50 million minus the aggregate amount of Investments under Section 8.02(i)(iii) and the aggregate amount

of Indebtedness outstanding under Section 8.03(o)(iv), and (B) in the case of members of the Consolidated Group other than members that are organized and operating in the Peoples Republic of China, \$40 million at any time;

(c) Clause (l) is amended to read as follows:

(l) Indebtedness of up to €35 million under letters of credit or bank guaranties (net of cash collateral provided therefor) required by (1) vendors or suppliers of products, content or services distributed or provided through processing networks of the Consolidated Group (including, without limitation, those that supply PIN's, on-line mobile or long distance phone time (including, without limitation, telephone operators and other vendors or suppliers, including Transport for London; distributors of prepaid music, television and other services; and issuers of gift cards and other stored value cards)) in the products or content supplied (including, without limitation, PIN inventory, PIN accounts receivable (including the rights and Liens of mobile operators in the Mobile Network Trust Arrangement) and any restricted cash accounts associated with the purchase or sale of those products or content or (2) correspondent payout agents to facilitate money transfers;

(d) Clause (o) is amended to read as follows:

(o) other Funded Debt not contemplated in the foregoing clauses of this Section in an aggregate principal amount not to exceed (i) \$10 million, in the case of EWI, (ii) \$5 million, in the case of any member of the Consolidated Group other than EWI and members of the Consolidated Group that are organized and operating in the Peoples Republic of China, (iii) \$30 million in the aggregate for all members of the Consolidated Group other than EWI and members of the Consolidated Group that are organized and operating in the Peoples Republic of China, and (iv) an amount, at any time, equal to the remainder of \$50 million minus the aggregate amount of Investments under Section 8.02(i)(iii) and the aggregate amount of Indebtedness outstanding under Section 8.02(e)(iii)(A), in the aggregate for all members of the Consolidated Group that are organized and operating in the Peoples Republic of China; and

2.7 Clause (g) of Section 8.06 (Restricted Payments) is amended to read:

(g) EWI may redeem, retire, repurchase or acquire for value and otherwise make payments with respect to the Convertible Debentures pursuant to the terms and conditions set forth in Section 8.10.

2.8 Section 8.10 (Covenants Regarding Convertible Debentures and Other Subordinated Debt) is amended in the following respects:

(a) Clause (b) is amended as follows:

- (1) in subclause (iii) all references to the "Convertible Debentures" are amended to read "Convertible Subordinated Debentures";
- (2) the "and" at the end of subclause (ii) is deleted and an "and" is inserted at the end of subclause (iii); and

(3) a new clause (iv) is added providing “the redemption, retirement, repurchase, or acquisition for value of the Convertible Subordinated Debentures, at any time and from time to time, (A) in connection with a refinancing, refunding, renewal or extension of the Convertible Subordinated Debentures otherwise permitted under Section 8.03(c), (B) in exchange for Capital Stock of EWI issued directly to the holders of the Convertible Subordinated Debentures or (C) with the proceeds of an Equity Transaction permitted for such purpose hereunder.”

(b) The “Notwithstanding” sentence at the end of Section 8.10 is amended to read as follows:

“Notwithstanding the foregoing, EWI shall be permitted to redeem, repurchase, retire or acquire, at any time and from time to time, Convertible Senior Debentures (whether for cash and/or in exchange for Capital Stock of EWI) so long as no Default or Event of Default shall exist immediately before or immediately after giving effect to such redemption, repurchase, retirement or acquisition.”

2.9 Section 8.13(a) (Consolidated Net Worth) is amended to read as follows:

(a) Consolidated Net Worth. At any time, permit Consolidated Net Worth to be less than the sum of (i) 75% of Consolidated Net Worth (as established by the financial statements delivered pursuant to Section 7.01(b) for the fiscal quarter ending March 31, 2007) after giving effect to the RIA Acquisition on a Pro Forma Basis plus (ii) an amount equal to 50% of cumulative Consolidated Net Income (but not less than zero) from the end of the first fiscal quarter to occur after the Closing Date, plus (iii) an amount equal to 75% of net cash proceeds from Equity Transactions occurring after the Closing Date, minus (iv) one-time non-cash charges for impairment of goodwill or other intangible assets taken during the period ending December 31, 2008 and thereafter to the extent not included in the foregoing clause (ii) hereof.

2.10 The Domestic Security Agreement is amended such that (a) each reference in Section 5(k) and (l) thereof to a Patent, Trademark or Copyright is amended by inserting the word “material” immediately prior to such reference and (b) the portion of Schedule 1(b) (Intellectual Property) thereto relating to Patents is amended to read as attached hereto. Certain information on the version of that schedule delivered at closing was incomplete or inaccurate. The corrected schedule is provided with the intent to address and correct such items. Further, by execution of this Amendment, the Lenders waive any Default or Event of Default that exists, or may have existed, on account of the foregoing but that would not have existed had the amendments provided for by this Section 2.10 been in effect at the relevant time.

3. EWI’s Objection to FASB 141(R). As permitted by Section 1.03(c) of the Credit Agreement, EWI hereby objects to determining compliance with any financial ratio or requirement set forth in any Credit Documents under the computations required by FASB Statement No. 141(R) (Business Combinations) and the Lenders hereby acknowledge that such computations shall continue to be made on a basis consistent with the most recent financial statements delivered by EWI under Section 7.01(b).

4. Conditions Precedent. This Amendment shall be effective (such date on which this Amendment becomes effective, the “Amendment No. 2 Effectiveness Date”) immediately upon satisfaction of the following conditions:

(a) Executed Amendment. Receipt by the Administrative Agent of multiple counterparts of this Amendment duly executed by the Credit Parties, the Required Lenders and the Administrative Agent.

(b) Legal Opinions. Receipt by the Administrative Agent of favorable legal opinions of counsel for EWI and the other Domestic Credit Parties, in form and substance reasonably satisfactory to the Administrative Agent and the requisite Lenders.

(c) Organization Documents, Incumbency, Resolutions, Etc. Receipt by the Administrative Agent of the following, each of which shall be originals or facsimiles (followed promptly by originals), in form and substance satisfactory to the Administrative Agent:

(i) copies of the Organization Documents of each Domestic Credit Party certified to be true and complete as of a recent date by the appropriate Governmental Authority of the state or other jurisdiction of its incorporation or organization, where applicable, and certified by a secretary or assistant secretary of such Domestic Credit Party to be true and correct as of the date of this Amendment, unless a Responsible Officer of EWI certifies in a certificate that the Organization Documents previously delivered to the Administrative Agent in connection with the Credit Agreement have not been amended, supplemented or otherwise modified and remain in full force and effect as of the date hereof;

(ii) incumbency certificates identifying the Responsible Officers of the Domestic Credit Parties who are authorized to execute this Amendment and related documents and to act on the Domestic Credit Parties behalf in connection with this Amendment and the Credit Documents, unless a Responsible Officer of EWI certifies in a certificate that the incumbency certificates previously delivered to the Administrative Agent in connection with the Credit Agreement have not been amended, supplemented or otherwise modified and remain in full force and effect as of the date hereof.

(iii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Domestic Credit Party as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Amendment; and

(iv) such documents and certifications as the Administrative Agent may reasonably require to evidence that each Domestic Credit Party is duly organized or formed, and is validly existing, and in good standing in its state of organization or formation.

(d) Receipt by the Administrative Agent of (i) a fee, for the benefit of the Lenders consenting to this Amendment, in an amount equal to one half of one percent (0.50%) of the aggregate amount of such consenting Lenders' loans and commitments under the Credit Agreement and (ii) all other fees and expenses required to be paid on or before the Amendment No. 2 Effectiveness Date.

5. Effectiveness of Amendment. On and after the date hereof, all references to the Credit Agreement in each of the Credit Documents shall hereafter mean the Credit Agreement as amended by this Amendment. For purposes of clarification, all financial covenant calculations with respect to periods prior to the Amendment No. 2 Effectiveness Date will be made using the financial definitions and

covenants as amended by this Amendment. Except as specifically amended hereby or otherwise agreed, the Credit Agreement is hereby ratified and confirmed and shall remain in full force and effect according to its terms.

6. Representations and Warranties; Defaults. The Credit Parties hereby affirm each of the following:

(a) all necessary action to authorize the execution, delivery and performance of this Amendment has been taken;

(b) after giving effect to this Amendment, the representations and warranties set forth in the Credit Agreement and the other Credit Documents are true and correct in all material respects as of the date hereof (except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date, and except that for purposes of this Section 6, the representations and warranties contained in subsections (a) and (b) of Section 6.05 of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 7.01 of the Credit Agreement).

(c) except as waived in Section 2.10 of this Amendment, before and after giving effect to this Amendment, no Default or Event of Default shall exist; and

(d) except as expressly provided otherwise herein, the liens and security interests created and granted in the Credit Documents remain in full force and effect and this Amendment is not intended to adversely affect or impair such liens and security interests in any manner.

7. Full Force and Effect. Except as modified hereby, all of the terms and provisions of the Credit Agreement and the other Credit Documents (including schedules and exhibits thereto) shall remain in full force and effect.

8. Reaffirmation of Security Interests. The Credit Parties (a) affirm that each of the liens granted in or pursuant to the Credit Documents are valid and subsisting and (b) agree that this Amendment shall in no manner impair or otherwise adversely effect any of the liens granted in or pursuant to the Credit Documents.

9. Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and it shall not be necessary in making proof of this Amendment to produce or account for more than one such counterpart. Delivery by any party hereto of an executed counterpart of this Amendment by facsimile shall be effective as such party's original executed counterpart and shall constitute a representation that such party's original executed counterpart will be delivered.

10. Fees and Expenses. The Credit Parties agree to pay all reasonable costs and expenses of the Administrative Agent in connection with the preparation, execution and delivery of this Amendment, including the reasonable fees and expenses of Moore & Van Allen, PLLC.

11. Governing Law. This Amendment shall be governed by, and construed in accordance with, the law of the State of New York.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

DOMESTIC BORROWERS:

EURONET WORLDWIDE, INC.

By: /s/ Rick Weller

Name: Rick L. Weller

Title: EVP & CFO

EURONET PAYMENTS & REMITTANCE, INC.

By: /s/ Eric Mettemeyer

Name: Eric Mettemeyer

Title: Treasurer

RIA ENVIA, INC.

By: /s/ Juan Bianchi

Name: Juan C. Bianchi

Title: President & CEO

CONTINENTAL EXCHANGE SOLUTIONS, INC.

By: /s/ Juan Bianchi

Name: Juan C. Bianchi

Title: President & CEO

DOMESTIC GUARANTORS:

EURONET WORLDWIDE, INC.

By: /s/ Rick Weller

Name: Rick L. Weller

Title: EVP & CFO

EURONET PAYMENTS & REMITTANCE, INC.

By: /s/ Eric Mettemeyer

Name: Eric Mettemeyer

Title: Treasurer

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

EURONET USA, INC.

By: /s/ Jeff Newman
Name: Jeff Newman
Title: Vice President & Secretary

PAYSPOT, INC.

By: /s/ Eric Mettemeyer
Name: Eric Mettemeyer
Title: President

RIA ENVIA, INC.

By: /s/ Juan Bianchi
Name: Juan C. Bianchi
Title: President & CEO

CONTINENTAL EXCHANGE SOLUTIONS, INC.

By: /s/ Juan Bianchi
Name: Juan C. Bianchi
Title: President & CEO

RIA TELECOMMUNICATIONS OF NEW YORK, INC.

By: /s/ Juan Bianchi
Name: Juan C. Bianchi
Title: President & CEO

F/X BORROWERS:

EFT SERVICES HOLDINGS BV

By: /s/ Jeff Newman
Name: Jeff Newman
Title: EVP, Euronet Worldwide, Inc., Managing Director

DELTA EURONET GmbH

By: /s/ Roger Heinz
Name: Roger Heinz
Title: SVP, Managing Director EEFT

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

E-PAY HOLDINGS LTD

By: /s/ Jeff Newman

Name: Jeff Newman

Title: Director

E/X GUARANTORS:

EFT SERVICES HOLDINGS BV

By: /s/ Jeff Newman

Name: Jeff Newman

Title: EVP Euronet Worldwide, Inc., Managing Director

DELTA EURONET GmbH

By: /s/ Roger Heinz

Name: Roger Heinz

Title: SVP, Managing Director EEFT

E-PAY HOLDINGS LTD

By: /s/ Jeff Newman

Name: Jeff Newman

Title: EVP Euronet Worldwide, Inc., Managing Director

RIA FINANCIAL SERVICES AUSTRALIA PTY LTD

By: /s/ Juan Bianchi

Name: Juan C. Bianchi

Title: Director

E-PAY AUSTRALIA PTY LIMITED

By: /s/ Gareth Gumbley

Name: Gareth Gumbley

Title: Director, SVP

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

E-PAY AUSTRALIA HOLDINGS PTY LTD

By: /s/ Gareth Gumbley

Name: Gareth Gumbley

Title: Director, SVP

EURONET SERVICES GmbH

By: /s/ Roger Heinz

Name: Roger Heinz

Title: SVP, Managing Director EEFT

RIA ENVIA FINANCIAL SERVICES GmbH

By: /s/ Wolf-Dieter Weschke

Name: Wolf-Dieter Weschke

Title: Managing Director

**TRANSACT ELEKTRONISCHE
ZAHLUNGSSYSTEME GmbH**

By: /s/ Marc Ehler

Name: Marc Ehler

Title: Managing Director

**EURONET BANKTECHNIKAI SZOLGÁLTATÓ
KORLÁTOLT
FELELŐSSÉGŰ TÁRSASÁG**

By: /s/ Erika Schalkhammer

Name: Erika Schalkhammer

Title: Managing Director/Country Manager

**EURONET ADMINISZTRÁCIÓS SZOLGÁLTATÓ
KORLÁTOLT
FELELŐSSÉGŰ TÁRSASÁG**

By: /s/ Va'Rady-Szabo Bence

Name: Bence Va'Rady-Szabo

Title: Managing Director, EEFT Finance Director

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

EURONET PAY & TRANSACTION SERVICES S.R.L.

By: /s/ Giuseppe Di Marco

Name: Giuseppe Di Marco

Title: Managing Director

E-PAY NEW ZEALAND LIMITED

By: /s/ Gareth Gumbley

Name: Gareth Gumbley

Title: Director, SVP

EURONET TELERECARGA, S.L. SOCIEDAD UNIPERSONAL

By: /s/ Jesus Sanchez Rios

Name: Jesus Sanchez Rios

Title: Sole Administrator

E-PAY LIMITED

By: /s/ A. JT Westlake

Name: Anthony JT Westlake

Title: Director

RIA FINANCIAL SERVICES LIMITED

By: /s/ Marcela Gonzalez

Name: Marcela Gonzalez

Title: Director

OMEGA LOGIC LIMITED

By: /s/ Jeff Newman

Name: Jeff Newman

Title: Director

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

EURONET ESSENTIS LIMITED

By: /s/ Antony Brown

Name: Antony Brown

Title: Director

ENVIA TELECOMUNICACIONES, S.A.

By: /s/ Sebastian Plubins

Name: Sebastian Plubins

Title: General Director

EURONET BUSINESS HOLDINGS S.L.

By: /s/ Jesus Sanchez Rios

Name: Jesus Sanchez Rios

Title: Sole Administrator

RIA SPAIN HOLDINGS, S.L.

By: /s/ Sebastian Plubins

Name: Sebastian Plubins

Title: General Director

BANKOMAT 24/EURONET SP.Z.O.O.

By: /s/ Marek Szafirski

Name: Marek Szafirski

Title: President

INDIA BORROWER:

EURONET SERVICES INDIA PVT LTD.

By: /s/ Jeff Newman

Name: Jeff Newman

Title: Director

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

ADMINISTRATIVE AGENT
(FOR DOMESTIC LOAN
OBLIGATIONS AND
F/X OBLIGATIONS):

BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ Michael Brashler

Name: Michael Brashler

Title: Vice President

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

ADMINISTRATIVE AGENT
(FOR INDIA OBLIGATIONS):

BANK OF AMERICA, N.A., acting through its Mumbai Branch, as
Administrative Agent for all India related credit facilities

By: /s/ Uday Nair
Name: Uday Nair
Title: VP, Corporate Debt Products

LENDERS:

BANK OF AMERICA, N.A.,
as Domestic L/C Issuer, F/X L/C Issuer, Domestic Swingline Lender and as a
Lender

By: /s/ Jeffrey P. Yoakum
Name: Jeffrey P. Yoakum
Title: Vice President

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

BANK OF AMERICA, N.A., acting through its Mumbai Branch, as India
Revolving Lender and India L/C Issuer

By: /s/ Uday Nair

Name: Uday Nair

Title: VP, Corporate Debt Products

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

BANK OF KANSAS CITY, N.A.

By: /s/ Matthew J. Mason

Name: Matthew J. Mason

Title: Vice President

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

**CALIFORNIA BANK & TRUST, A CALIFORNIA BANKING
CORPORATION**

By: /s/ Ursula St. Geme

Name: Ursula St. Geme

Title: Vice President

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

CITIBANK, N.A.

By: /s/ Scott Miller
Name: Scott Miller
Title: Vice President

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

HARRINGTON BANK, A DIVISION OF LOS PADRES BANK

By: /s/ Gregory L. Sweeney

Name: Gregory L. Sweeney

Title: Sr. Vice President

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

KEYBANK NATIONAL ASSOCIATION

By: /s/ David A. Wild

Name: David A. Wild

Title: Vice President

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

LLOYDS TSB BANK PLC

By: /s/ Windsor R. Davies

Name: Windsor R. Davies

Title: Managing Director

By: /s/ Carlos E. Lopez

Name: Carlos E. Lopez

Title: Associate Director

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

NATIONAL CITY BANK

By: /s/ Michael Leong

Name: Michel Leong

Title: Vice President

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Kari E. Niemann

Name: Kari E. Niemann

Title: Assistant Vice President

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

GENERAL ELECTRIC CAPITAL CORPORATION

By: /s/ Jeffrey Skinner

Name: Jeffrey Skinner

Title: Duly Authorized Signatory

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

STATE BANK OF INDIA

By: /s/ Prabodh Parikh

Name: Prabodh Parikh

Title: Vice President & Head (Credit)

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

ABCLO 2007-1, LTD.

By: /s/ Alliance Bernstein L.P., as manager

Name: Michael E. Sohr

Title: Senior Vice President

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

AIB DEBT MANAGEMENT LIMITED

By: /s/ Joseph Augustini

Name: Joseph Augustini

Title: Senior Vice President

Investment Advisor to

AIB Debt Management, Limited

By: /s/ Shane O'Driscoll

Name: Shane O'Driscoll

Title: Assistant Vice President

Investment Advisor to

AIB Debt Management, Limited

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

AMMC VIII, LIMITED

By: American Money Management Corp., As Collateral Manager

By: /s/ Chester M. Eng

Name: Chester M. Eng

Title: Senior Vice President

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

ATLANTIS FUNDING LTD.

By: INVESCO Senior Secured Management, Inc.
As Collateral Manager

By: /s/ Angela Gambardella

Name: Angela Gambardella

Title: Authorized Signatory

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

ARTUS LOAN FUND 2007-1, LTD.

BABSON CLO LTD. 2008-II

By: Babson Capital Management LLC as Collateral
Manager

By: /s/ Arthur McMahon

Name: Arthur McMahon

Title: Director

VINASCA CLO, LTD.

By: Babson Capital Management LLC as Collateral
Servicer

By: /s/ Arthur McMahon

Name: Arthur McMahon

Title: Director

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

BAKER STREET FUNDING CLO 2005-I LTD.

By: Seix Investment Advisors LLC, as
Collateral Manager

BAKER STREET CLO II LTD.

By: Seix Investment Advisors LLC, as
Collateral Manager

GRAND HORN CLO LTD.

By: Seix Investment Advisors LLC, as
Collateral Manager

By: /s/ George Goudelias

Name: George Goudelias

Title: Managing Director

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

CAVALRY CLO I, LTD.

By: Regiment Capital Management, LLC
As its Investment Advisor

By: Regiment Capital Advisors, LP its Manager and pursuant to delegated
authority

By: Regiment Capital Advisors, LLC
its General Partner

By: /s/ Mark A. Brostowski

Name: Mark A. Brostowski

Title: Authorized Signatory

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

CIFC FUNDING 2007 - III, LTD.

By: /s/ Nga Tran

Name: Nga Tran

Title: Head of Institutional Relationships

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

COLUMBUSNOVA CLO LTD. 2007-I

COLUMBUSNOVA CLO IV LTD. 2007-II

By: /s/ Benjamin Peterson

Name: Benjamin Peterson

Title: Associate Director

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

CONFLUENT 3 LIMITED

By: Morgan Stanley Investment Management Inc.
As Investment Manager

**MORGAN STANLEY INVESTMENT
MANAGEMENT CROTON, LTD.**

By: Morgan Stanley Investment Management Inc. as
Collateral Manager

MSIM PECONIC BAY, LTD.

By: Morgan Stanley Investment Management Inc. as
Interim Collateral Manager

QUALCOMM GLOBAL TRADING, INC.

By: Morgan Stanley Investment Management Inc. as
Investment Manager

**ZODIAC FUND - MORGAN STANLEY US
SENIOR LOAN FUND**

By: Morgan Stanley Investment Management Inc. as
Investment Manager

By: /s/ John Hayes

Name: John Hayes

Title: Executive Director

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

CORNERSTONE CLO LTD.

By: Stone Tower Debt Advisors LLC,
As its Collateral Manager

GRANITE VENTURES I LTD.

By: Stone Tower Debt Advisors LLC,
As its Collateral Manager

RAMPART CLO 2006-1 LTD.

By: Stone Tower Debt Advisors LLC,
As its Collateral Manager

RAMPART CLO 2007 LTD.

By: Stone Tower Debt Advisors LLC,
As its Collateral Manager

STONE TOWER CLO III LTD.

By: Stone Tower Debt Advisors LLC,
As its Collateral Manager

STONE TOWER CLO IV LTD.

By: Stone Tower Debt Advisors LLC,
As its Collateral Manager

STONE TOWER CLO V LTD.

By: Stone Tower Debt Advisors LLC,
As its Collateral Manager

STONE TOWER CLO VI LTD.

By: Stone Tower Debt Advisors LLC,
As its Collateral Manager

STONE TOWER CLO VII LTD.

By: Stone Tower Debt Advisors LLC,
As its Collateral Manager

By: /s/ Michael W. DelPercio

Name: Michael W. DelPercio

Title: Authorized Signatory

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

DRYDEN XVIII LEVERAGED LOAN 2007 LTD.

By: Prudential Investment Management, Inc. as Collateral Manager

DRYDEN XI — LEVERAGED LOAN CDO 2006

By: Prudential Investment Management, Inc. as Collateral Manager

By: /s/ Stephen J. Collins

Name: Stephen J. Collins

Title: VP

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

EAGLE MASTER FUND LTD.

By: Citigroup Alternative Investments LLC,
As Investment Manager for and on behalf of
Eagle Master Fund Ltd.

REGATA FUNDING LTD.

By: Citigroup Alternative Investments LLC,
Attorney-in-fact

By: /s/ Robert O'Brien

Name: Robert O'Brien

Title: VP

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

GALAXY IV CLO, LTD.

By: AIG Global Investment Corp.
Its Collateral Manager

GALAXY V CLO, LTD.

By: AIG Global Investment Corp.
Its Collateral Manager

GALAXY VIII CLO, LTD.

By: AIG Global Investment Corp.
Its Collateral Manager

SATURN CLO, LTD.

By: AIG Global Investment Corp.
As Collateral Manager

AMERICAN INTERNATIONAL GROUP, INC.

By: AIG Global Investment Corp.
Its Investment Advisor

By: /s/ Chang W. Chung

Name: Chang W. Chung

Title: Vice President

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

**GOLDMAN SACHS ASSET MANAGEMENT CLO,
PUBLIC LIMITED COMPANY**

By: Goldman Sachs Asset Manager, L.P., as Manager

By: /s/ John Mack

Name: John Mack

Title: Vice President

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

GULF STREAM-COMPASS CLO 2005-II LTD.

By: Gulf Stream Asset Management LLC.
As Collateral Manager

GULF STREAM-COMPASS CLO 2007 LTD.

By: Gulf Stream Asset Management LLC.
As Collateral Manager

By: /s/ Barry Love _____

Name: Barry Love

Title: Chief Credit Officer

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

KINGSLAND V, LTD.

By: Kingsland Capital Management, LLC.
As Manager

By: /s/ Joyce C. DeLucca

Name: Joyce C. DeLucca

Title: Authorized Officer

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

FEINGOLD O'KEEFE CAPITAL, LLC

As Collateral Manager for

Lime Street CLO, Ltd.

By: /s/ Scott D'Orsi

Name: Scott D'Orsi

Title: Portfolio Manager

EURONET WORLDWIDE, INC.

AMENDMENT NO. 2

MOUNTAIN CAPITAL CLO III LTD.

MOUNTAIN CAPITAL CLO VI LTD.

By: /s/ Candace Ebanks

Name: Candace Ebanks

Title: Director

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

OCTAGON INVESTMENT PARTNERS V, LTD.

By: OCTAGON CREDIT INVESTORS, LLC
AS PORTFOLIO MANAGER

OCTAGON INVESTMENT PARTNERS VI, LTD.

By: OCTAGON CREDIT INVESTORS, LLC
AS COLLATERAL MANAGER

OCTAGON INVESTMENT PARTNERS VII, LTD.

By: OCTAGON CREDIT INVESTORS, LLC
AS COLLATERAL MANAGER

OCTAGON INVESTMENT PARTNERS VIII, LTD.

By: OCTAGON CREDIT INVESTORS, LLC
AS COLLATERAL MANAGER

OCTAGON INVESTMENT PARTNERS XI, LTD.

By: OCTAGON CREDIT INVESTORS, LLC
AS COLLATERAL MANAGER

HAMLET II, LTD.

By: OCTAGON CREDIT INVESTORS, LLC
AS PORTFOLIO MANAGER

By: /s/ Margaret B. Harvey

Name: Margaret B. Harvey

Title: Senior Director

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

PPM GRAYHAWK CLO, LTD.

By: PPM AMERICA, INC., AS COLLATERAL MANAGER

By: /s/ David C. Wagner

Name: David C. Wagner

Title: Managing Director

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

ROSEDALE CLO II LTD.

By: Princeton Advisory Group, Inc.
The Collateral Manager

By: /s/ Troy Isaksen

Name: Troy Isaksen

Title: Sr. Credit Analyst

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

**THE SUMITOMO TRUST & BANKING CO., LTD.
NEW YORK BRANCH**

By: /s/ Frances E. Wynne _____

Name: Frances E. Wynne

Title: Senior Director

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

TRALEE CDO I, LTD.

By: Par-Four Investment Management, LLC
As Collateral Manager

By: /s/ Edward Labrenz

Name: Edward Labrenz

Title: Authorized Signatory

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

WHITEHORSE V, LTD.

By: Whitehorse Capital Partners, L.P.

As Collateral Manager

By: WhiteRock Asset Advisor, L.L.C., its G.P.

By: /s/ Ethan Underwood

Name: Ethan Underwood

Title: Manager

EURONET WORLDWIDE, INC.
AMENDMENT NO. 2

Schedule 1(b)

Intellectual Property

Patent	U.S. Patents (as of 2/5/09)	Recorded Date	Inventors	PCT filed
Methods and Systems for Transferring Funds	6,736,314	18-May 2004		18-May 2004

License Agreements:

(1) License Agreement, entered into on June 30, 2004 between TGIP, Inc., a Texas corporation and Call Processing, Inc., to use U.S. Patent Nos. 5,511,114; 5,577,109; 5,721,768 and 6,502,745.

(2) PaySpot, Inc., a Delaware corporation, entered into a License Agreement with EWI Holdings, Inc., a Delaware corporation and unaffiliated third party, dated as of January 30, 2007 whereby PaySpot was granted a license by EWI Holdings, Inc. to use US Patent No. 6,526,130 and US Patent Application No. 10/316603.

Schedule 1(b)

Foreign Patents (as of 2/5/09)

Euronet Foreign Patents and Applications

In the name of Euronet Worldwide Inc.

“Multifunctional Mobile Banking System”

Filed **5th March 2001** as international application no. PCT/US01/06922 (publication no. WO 02/07320)

Claiming priority date of **8th August 2000** from US application no. 09/634984

Page White & Farrer ref. 307571

Country	Application No.	Patent No.
Australia	2001241977	2001241977
Canada	2418991	
China	1817033.1	
Czech Republic	2003-1107	
European Patent	1913300.8	
Hong Kong	3105586.6	
Croatia	P20030164A	
Hungary	P0301709	
Indonesia	W00200300240	
India	130/MUMNP/2003	
New Zealand	523880	523880
Poland	P365196	
Serbia	P-92/03	

“Financial Transaction system”

Filed **5th March 2001** as international application no. PCT/US01/06965 (publication no. WO 02/021416)

Claiming priority date of **7th September 2000** from US application no. 09/657478

Page White & Farrer ref. 307572

Country	Application No.	Patent No.
Australia	2001245430	2001245430
Canada	2421308	
China	1818516.9	

Country	Application No.	Patent No.
Czech Republic	2003-1131	
European Patent	1918342.5	
Hong Kong	3109454.7	
Croatia	P20030254A	
Hungary	P0302122	
Indonesia	W00200300478	
India	249/MUMNP/2003	
New Zealand	524435	524435
Poland	P365173	
Serbia	P-173/03	

“System and Method for Purchasing Goods and Services through Financial Data Network Access Points”

Filed **6th February 2001** as international application no. PCT/US01/40024 (publication no. WO 02/027629)

Claiming priority date of **28th September 2000** from US application no. 09/670826

Page White & Farrer ref. 307573

Country	Application No.	Patent No.
Australia	2001247953	2001247953
Canada	2424037	
China	1819540.7	
Czech Republic	2003-1053	
European Patent	1920951.9	
Hong Kong	4100232.4	
Croatia	P20030325A	
Hungary	P0302552	
Indonesia	W00200300639	
India	341/MUMNP/2003	
New Zealand	546571	546571
Poland	P366045	
Serbia	P-237/03	

“System and Method for Purchasing Goods and Services through Financial Data Network Access Points over a Point of Sale Network”

Filed **14th March 2003** as international application no. PCT/US03/07988 (publication no. WO 03/079159)

Claiming priority date of **14th March 2002** from US application no. 60/363884

Page White & Farrer ref. 306877

Country	Application No.	Patent No.
Australia	2003218178	
Canada	2479179	
China	3808393	
European Patent	3714169.4	
Hong Kong	5102043.8	
Croatia	P20040957A	
Indonesia	W-00200401972	
India	2304/CHENP/2004	
New Zealand	546789	546789
Poland	P-373282	
Serbia	P-901/04	
Russian Federation	2004130461	2323477
South Africa	2004/7341	2004/7341

**EURONET WORLDWIDE, INC.
2006 STOCK INCENTIVE PLAN
(Amended and Restated)**

(As Amended by the Board in April, 2009)

EURONET WORLDWIDE, INC.
2006 STOCK INCENTIVE PLAN
(Amended and Restated)

I. INTRODUCTION

- 1.01 *Establishment.* Euronet Worldwide, Inc., a corporation organized and existing under the laws of the state of Delaware (the “Company”), established effective May 18, 2006 (the “Effective Date”) the Euronet Worldwide, Inc. 2006 Stock Incentive Plan (the “Plan”) for certain current or prospective directors, officers, key employees or outside consultants of the Company and its affiliates.
- 1.02 *Purpose.* The purpose of this Plan is to encourage Participants to acquire a proprietary and vested interest in the growth and performance of the Company. The Plan is also designed to assist the Company in attracting and retaining employees, non-employee directors and other Participants by providing them with the opportunity to participate in the success and profitability of the Company.
- 1.03 *Duration.* The Plan shall commence on the Effective Date and shall remain in effect, subject to the right of the Board to amend or terminate the Plan at any time pursuant to Section 15 hereof, until all Shares subject to it shall have been issued, purchased or acquired according to the Plan’s provisions. Unless the Plan shall be reapproved by the stockholders of the Company and the Board renews the continuation of the Plan, no Awards shall be issued pursuant to the Plan after the tenth (10th) anniversary of the Plan’s Effective Date.

II. DEFINITIONS

- 2.01 The following terms shall have the meanings set forth below.
- (a) “1933 Act” means the Securities Act of 1933, as amended. Reference to a specific section of the 1933 Act or regulation thereunder shall include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing, or superseding such section or regulation.
- (b) “1934 Act” means the Securities Exchange Act of 1934, as amended. Reference to a specific section of the 1934 Act or regulation thereunder shall include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing, or superseding such section or regulation.
- (c) “Affiliate” of the Company means any person, corporation, partnership, association or other business or professional entity that directly, or indirectly through one or more intermediaries, Controls or is Controlled by, or is under common Control with the Company.
-

- (d) “*Award*” means a grant made under this Plan in any form which may include but is not limited to Stock Options, Restricted Stock, Restricted Stock Units, Performance Shares, Bonus Shares, Stock Appreciation Rights, Performance Awards and Performance Units.
- (e) “*Award Agreement*” means a written agreement or instrument between the Company and a Holder evidencing an Award.
- (f) “*Beneficiary*” means the person, persons, trust or trusts which have been designated by a Holder in his or her most recent written beneficiary designation filed with the Company to receive the benefits specified under this Plan upon the death of the Holder, or, if there is no designated Beneficiary or surviving designated Beneficiary, then the person, persons, trust or trusts entitled by will or the laws of descent and distribution to receive such benefits.
- (g) “*Board*” means the Board of Directors of the Company.
- (h) “*Bonus Shares*” means the Shares granted to a Participant in accordance with Section 10.
 - (i) “*Cause*” means, unless otherwise defined in an Award Agreement,
 - (i) Participant’s conviction of, plea of guilty to, or plea of nolo contendere to a felony or other crime that involves fraud or dishonesty,
 - (ii) any willful action or omission by a Participant which would constitute grounds for immediate dismissal under the employment policies of the Company by which Participant is employed, including but not limited to intoxication with alcohol or illegal drugs while on the premises of the Company, or violation of sexual harassment laws or the internal sexual harassment policy of the Company by which Participant is employed,
 - (iii) Participant’s habitual neglect of duties, including but not limited to repeated absences from work without reasonable excuse, or
 - (iv) Participant’s willful and intentional material misconduct in the performance of his duties that results in financial detriment to the Company; provided, however, that for purposes of clauses (ii), (iii) and (iv), Cause shall not include any one or more of the following: bad judgment, negligence or any act or omission believed by the Participant in good faith to have been in or not opposed to the interest of the Company (without intent of the Participant to gain, directly or indirectly, a profit to which the Participant was not legally entitled). A Participant who agrees to resign from his affiliation with the Company in lieu of being terminated for Cause may be deemed to have been terminated for Cause for purposes of this Plan.

- (j) “*Change in Control*” means the first to occur of the following events:
- (i) Any Person is or becomes the Beneficial Owner (within the meaning set forth in Rule 13d-3 under the 1934 Act), directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates) representing 50% or more of the combined voting power of the Company’s then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (x) of paragraph (iii) of this Section 2.01(j); or
 - (ii) The following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the Effective Date, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company’s stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended; or
 - (iii) There is consummated a merger or consolidation of the Company with any other corporation, OTHER THAN (x) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company at least 50% of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (y) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates other than in connection with the acquisition by the Company or its Affiliates of a business) representing 50% or more of the combined voting power of the Company’s then outstanding securities; or
 - (iv) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company’s assets, other than a sale or disposition by the Company of all

or substantially all of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the Company's common stock immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the Company's assets immediately following such transaction or series of transactions.

- (k) "*Code*" means the Internal Revenue Code of 1986, as it may be amended from time to time, and the rules and regulations promulgated thereunder.
- (l) "*Committee*" means (i) the Board, or (ii) one or more committees of the Board to whom the Board has delegated all or part of its authority under this Plan.
- (m) "*Company*" means Euronet Worldwide, Inc., a Delaware corporation, and any successor thereto.
- (n) "*Control*" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.
- (o) "*Covered Employee*" means an Employee that meets the definition of "covered employee" under section 162(m)(3) of the Code, or any successor provision thereto.
- (p) "*Date of Grant*" or "*Grant Date*" means, with respect to any Award, the date as of which such Award is granted under the Plan.
- (q) "*Disabled*" or "*Disability*" means an individual (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than 3 months under a Company-sponsored accident and health plan. Notwithstanding the above, with respect to an Incentive Stock Option and the period after time following a separation from service a Holder has to exercise such Incentive Stock Option, "disabled" shall have the same meaning as defined in Code section 22(e)(3).

- (r) “*Effective Date*” means May 18, 2006, such date being the date this Plan was originally approved by the Company’s stockholders.
- (s) “*Eligible Employees*” means key employees (including, without limitations, officers and directors who are also employees) of the Company or an Affiliate upon whose judgment, initiative and efforts the Company is, or will be, important to the successful conduct of its business.
- (t) “*Executive Officer*” means (i) the president of the Company, any vice president of the Company in charge of a principal business unit, division or function (such as sales, administration, or finance), any other officer who performs a policy making function or any other person who performs similar policy making functions for the Company and (ii) Executive Officers (as defined in part (i) of this definition) of subsidiaries of the Company who perform policy making functions for the Company.
- (u) “*Fair Market Value*” means, as of any date, the value of the Stock determined in good faith, from time to time, by the Committee in its sole discretion and the Committee may adopt such formulas as in its opinion shall reflect the true fair market value of such stock from time to time and may rely on such independent advice with respect to such fair market value as the Committee shall deem appropriate. In the event that the Shares of the Company are traded on a national securities exchange, the Committee may determine that the Fair Market Value of the Stock shall be based upon the last sale before or the first sale after the Grant Date, the closing price on the trading day before or the trading day of the grant, or any other reasonable basis using actual transactions in such Stock as reported in The Wall Street Journal and consistently applied. The determination of Fair Market Value also may be based upon an average selling price during a specified period that is within 30 days before or 30 days after the Grant Date, provided that the commitment to grant the stock right based on such valuation method must be irrevocable before the beginning of the specified period, and such valuation method must be used consistently for grants of stock rights under the same and substantially similar programs.
- (v) “*Freestanding SAR*” means any SAR that is granted independently of any Option.
- (w) “*Good Reason*” shall mean any of the following events, which has not been either consented to in advance by the Participant in writing or cured by the Company within a reasonable period of time not to exceed 20 days after the Participant provides written notice thereof: (i) the requirement that the Participant’s principal service for the Company be performed more than 30 miles from the Participant’s primary office as of the effective date of a Change in Control, (ii) other than as part of an across-the-board reduction affecting all similarly-situated employees, a material reduction in the Participant’s base compensation in effect immediately before the Change in Control; (iii) other than as part of an across-the-board reduction affecting all similarly-situated employees, the failure by the Company to continue to provide the Participant with the same level of overall compensation

and benefits provided immediately before the Change in Control, or the taking of any action by the Company which would directly or indirectly reduce any of such benefits or deprive the Participant of any material fringe benefit; (iv) the assignment to the Participant of duties and responsibilities materially different from those associated with his position immediately before the Change in Control; or (v) a material diminution or reduction, on or after a Change in Control, in the Participant's responsibilities or authority, including reporting responsibilities in connection with the Participant's service with the Company.

- (x) "*Holder*" means a Participant, Beneficiary or Permitted Transferee who is in possession of an Award Agreement representing an Award that (i) in the case of a Participant has been granted to such individual, (ii) in the case of a Beneficiary has transferred to such person under the laws of descent and distribution or (iii) in the case of a Permitted Transferee, has been transferred to such person as permitted by the Committee, and such Award Agreement has not expired, been canceled or terminated.
- (y) "*Incentive Stock Option*" means any Option designated as such and granted in accordance with the requirements of section 422 of the Code or any successor provisions thereto.
- (z) "*Nonqualified Stock Option*" means any Option to purchase Shares that is not an Incentive Stock Option.
- (aa) "*Option*" means a right to purchase Stock at a stated price for a specified period of time. Such definition includes both Nonqualified Stock Options and Incentive Stock Options.
- (bb) "*Option Agreement*" or "*Option Award Agreement*" means a written agreement or instrument between the Company and a Holder evidencing an Option.
- (cc) "*Option Exercise Price*" means the price at which Shares subject to an Option may be purchased, determined in accordance with Section 6.02(b).
- (dd) "*Option Holder*" shall have the meaning as set forth in Section 6.02. For the avoidance of any doubt, in situations where the Option has been transferred to a Permitted Transferee or passed to a Beneficiary in accordance with the laws of descent and distribution, the Option Holder will not be the same person as the Holder of the Option.
- (ee) "*Participant*" means a Service Provider of the Company designated by the Committee from time to time during the term of the Plan to receive one or more Awards under the Plan.
- (ff) "*Performance Award*" means any Award that will be issued or granted, or become vested or payable, as the case may be, upon the achievement of certain

performance goals (as described in Section 17) to a Participant pursuant to Section 17.

- (gg) “*Performance Period*” means the period of time as specified by the Committee over which Performance Units are to be earned.
- (hh) “*Performance Shares*” means an Award made pursuant to Section 9 which entitles a Holder to receive Shares, their cash equivalent, or a combination thereof based on the achievement of performance targets during a Performance Period.
- (ii) “*Performance Units*” means an Award made pursuant to Section 9 which entitles a Holder to receive cash, Stock or a combination thereof based on the achievement of performance targets during a Performance Period.
- (jj) “*Person*” shall have the meaning ascribed to such term in Section 3(a)(9) of the 1934 Act and used in Sections 13(d) and 14(d) thereof, including “group” as defined in Section 13(d) thereof.
- (kk) “*Plan*” means the Euronet Worldwide, Inc. 2006 Stock Incentive Plan, as set forth in this instrument and as hereafter amended from time to time.
- (ll) “*Plan Year*” means each 12-month period beginning January 1 and ending the following December 31, except that for the first year of the Plan it shall begin on the Original Effective Date and extend to December 31 of that year.
- (mm) “*Restricted Stock*” means Stock granted under Section 8 that is subject those restrictions set forth therein and the Award Agreement.
- (nn) “*Restricted Stock Unit*” means an Award granted under Section 8 evidencing the Holder’s right to receive a Share (or cash payment equal to the Fair Market Value of a Share) at some future date.
- (oo) “*Rule 16b-3*” means Rule 16b-3 promulgated under the 1934 Act, and any future regulation amending, supplementing, or superseding such regulation.
- (pp) “*SAR*” or “*Stock Appreciation Right*” means an Award, granted either alone or in connection with an Option, that is designated as a SAR pursuant to Section 7.
- (qq) “*SAR Holder*” shall have the meaning as set forth in Section 7.02.
- (rr) “*Section 16 Person*” means a Person who is subject to obligations under section 16 of the 1934 Act with respect to transactions involving equity securities of the Company.
- (ss) “*Service Provider*” means an Eligible Employee, non-employee director, officer, or outside consultant of the Company or any Subsidiary, as well as to any prospective director, officer, employee, or outside consultant of the Company or any Subsidiary.

- (tt) “Share” means a share of Stock.
- (uu) “Stock” means authorized and issued or unissued common stock of the Company, at such par value as may be established from time to time.
- (vv) “Subsidiary” means (i) in the case of an Incentive Stock Option a “subsidiary corporation,” whether now or hereafter existing, as defined in section 424(f) of the Code, and (ii) in the case of any other type of Award, in addition to a subsidiary corporation as defined in (i), a limited liability company, partnership or other entity in which the Company controls fifty percent (50%) or more of the voting power or equity interests.
- (ww) “Tandem SAR” means a SAR which is granted in connection with, or related to, an Option, and which requires forfeiture of the right to purchase an equal number of Shares under the related Option upon the exercise of such SAR; or alternatively, which requires the cancellation of an equal amount of SARs upon the purchase of the Shares subject to the Option.
- (xx) “Vested Option” means any Option, or portion thereof, which is fully exercisable by the Holder. Vested Options remain exercisable only for that period of time as provided for under this Plan and any applicable Option Award Agreement. Once a Vested Option is no longer exercisable after otherwise having been exercisable, the Option shall become null and void.

2.02 *Gender and Number.* Except when otherwise indicated by the context, the masculine gender shall also include the feminine gender, and the definition of any term herein in the singular shall also include the plural.

III. PLAN ADMINISTRATION

- 3.01 *Composition of Committee.* The Plan shall be administered by the Committee. To the extent the Board considers it desirable for transactions relating to Awards to be eligible to qualify for an exemption under Rule 16b-3, the Committee shall consist of two or more directors of the Company, all of whom qualify as “non-employee directors” within the meaning of Rule 16b-3. To the extent the Board considers it desirable for compensation delivered pursuant to Awards to be eligible to qualify for an exemption from the limit on tax deductibility of compensation under section 162(m) of the Code, the Committee shall consist of two or more directors of the Company, all of whom shall qualify as “outside directors” within the meaning of Code section 162(m).
- 3.02 *Authority of Committee.* Subject to the terms of the Plan and applicable law, and in addition to other express powers and authorizations conferred on the Committee by the Plan, the Committee shall have full power and authority to:
- (a) select the Service Providers to whom Awards may from time to time be granted hereunder;

- (b) determine the type or types of Awards to be granted to eligible Service Providers;
- (c) determine the number of Shares to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with, Awards;
- (d) determine the terms and conditions of any Award;
- (e) determine whether, and to what extent, and under what circumstances Awards may be settled or exercised in cash, Shares, other securities, other Awards or other property;
- (f) determine whether, and to what extent, and under what circumstance Awards may be canceled, forfeited, or suspended and the method or methods by which Awards may be settled, exercised, canceled, forfeited, or suspended;
- (g) correct any defect, supply an omission, reconcile any inconsistency and otherwise interpret and administer the Plan and any instrument or Award Agreement relating to the Plan or any Award hereunder;
- (h) accelerate the exercisability of any Option, the vesting of any Restricted Shares or otherwise remove any restriction on any Award such that the Award becomes fully payable;
- (i) modify and amend the Plan, establish, amend, suspend, or waive such rules, regulations and procedures of the Plan, and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and
- (j) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

3.03 *Committee Delegation.* The Committee may delegate to any member of the Board or committee of Board members such of its powers as it deems appropriate, including the power to sub-delegate, except that only a member of the Board (or a committee thereof) may grant Awards from time to time to specified categories of Service Providers in amounts and on terms to be specified by the Board; provided that no such grants shall be made other than by the Board or the Committee to individuals who are then Section 16 Persons or other than by the Committee to individuals who are then or are deemed likely to become a “covered employee” within the meaning of Code section 162(m). A majority of the members of the Committee may determine its actions and fix the time and place of its meetings.

3.04 *Determination Under the Plan.* Unless otherwise expressly provided in the Plan, all designations, determinations, adjustments, interpretations, and other decisions under or with respect to the Plan, any Award or Award Agreement shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive, and binding upon all persons, including the Company, any Participant, any Holder, and any

stockholder. No member of the Committee shall be liable for any action, determination or interpretation made in good faith, and all members of the Committee shall, in addition to their rights as directors, be fully protected by the Company with respect to any such action, determination or interpretation.

IV. STOCK SUBJECT TO THE PLAN

- 4.01 *Number of Shares.* Subject to adjustment as provided in Section 4.03 and subject to the maximum amount of Shares that may be granted to an individual in a calendar year as set forth in Section 5.05, no more than a total of Four Million (4,000,000) Shares are authorized for issuance under the Plan (the "Maximum Limitation") in accordance with the provisions of the Plan and subject to such restrictions or other provisions as the Committee may from time to time deem necessary. Any Shares issued hereunder may consist, in whole or in part, of authorized and unissued shares or treasury shares. The Shares may be divided among the various Plan components as the Committee shall determine; provided, however, the maximum number of Shares that may be issued pursuant to Incentive Stock Options shall be the Maximum Limitation. Shares that are subject to an underlying Award and Shares that are issued pursuant to the exercise of an Award shall be applied to reduce the maximum number of Shares remaining available for use under the Plan. The Company shall at all times during the term of the Plan and while any Awards are outstanding retain as authorized and unissued Stock, or as treasury Stock, at least the number of Shares from time to time required under the provisions of the Plan, or otherwise assure itself of its ability to perform its obligations hereunder.
- 4.02 *Unused and Forfeited Stock.* Any Shares that are subject to an Award under this Plan that are not used because the terms and conditions of the Award are not met, including any Shares that are subject to an Award that expires or is terminated for any reason, any Shares that are used for full or partial payment of the purchase price of Shares with respect to which an Option is exercised and any Shares retained by the Company pursuant to Section 16.02 shall automatically become available for use under the Plan. Notwithstanding the foregoing, any Shares used for full or partial payment of the purchase price of the Shares with respect to which an Option is exercised and any Shares retained by the Company pursuant to Section 16.02 that were originally Incentive Stock Option Shares must still be considered as having been granted for purposes of determining whether the Share limitation provided for in Section 4.01 has been reached for purposes of Incentive Stock Option grants.
- 4.03 *Adjustment in Authorized Shares.* If, without the receipt of consideration therefore by the Company, the Company shall at any time increase or decrease the number of its outstanding Shares or change in any way the rights and privileges of such Shares such as, but not limited to, the payment of a stock dividend or any other distribution upon such Shares payable in Stock, or through a stock split, subdivision, consolidation, combination, reclassification or recapitalization involving the Stock, such that an adjustment is necessary in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then in relation to the Shares that are affected by one or more of the above events, the numbers, rights and

privileges of (i) the Shares as to which Awards may be granted under the Plan, (ii) the exercise or purchase price of each outstanding Award, and (iii) the Shares then included in each outstanding Award granted hereunder, shall be increased, decreased or changed in like manner, as if the Shares underlying the Award had been issued and outstanding, fully paid and non assessable at the time of such occurrence. The manner in which Awards are adjusted pursuant to this Section 4.03 is to be determined by the Board or the Committee; provided that all adjustments must be determined by the Board or Committee in good faith, and must be effectuated so as to preserve the value that any Participant has in outstanding Awards as of the time of the event giving rise to any potential dilution or enlargement of rights.

4.04 *General Adjustment Rules.*

- (a) If any adjustment or substitution provided for in this Section 4 shall result in the creation of a fractional Share under any Award, such fractional Share shall be rounded to the nearest whole Share and fractional Shares shall not be issued.
- (b) In the case of any such substitution or adjustment affecting an Option or a SAR (including a Nonqualified Stock Option) such substitution or adjustments shall be made in a manner that is in accordance with the substitution and assumption rules set forth in Treasury Regulations 1.424-1 and the applicable guidance relating to Code section 409A.

V. PARTICIPATION

- 5.01 *Basis of Grant.* Participants in the Plan shall be those Service Providers, who, in the judgment of the Committee, are performing, or during the term of their incentive arrangement will perform, important services in the management, operation and development of the Company, and significantly contribute, or are expected to significantly contribute, to the achievement of long-term corporate economic objectives. Participants may also include Service Providers who, in the Committee's discretion, are entitled to receive Awards as an inducement to perform services for the Company or any Subsidiary; provided that an Award Agreement may contain terms and conditions providing for the termination of such inducement Award in the event that such Service Provider is not retained to perform services for the Company with the period specified therein.
- 5.02 *Types of Grants; Limits.* Participants may be granted from time to time one or more Awards; provided, however, that the grant of each such Award shall be separately approved by the Committee or its designee, and receipt of one such Award shall not result in the automatic receipt of any other Award. Written notice shall be given to such Person, specifying the terms, conditions, right and duties related to such Award. Under no circumstance shall Incentive Stock Options be granted to (i) non-employee directors, (ii) Consultants, (iii) any prospective non-employee director, employee or consultant, or (iv) any person not permitted to receive Incentive Stock Options under the Code.

- 5.03 *Award Agreements.* Each Participant shall enter into an Award Agreement(s) with the Company, in such form as the Committee shall determine and which is consistent with the provisions of the Plan, specifying such terms, conditions, rights and duties. Unless otherwise explicitly stated in the Award Agreement, Awards shall be deemed to be granted as of the date specified in the grant resolution of the Committee, which date shall be the date of any related agreement(s) with the Participant. Unless explicitly provided for in a particular Award Agreement that the terms of the Plan are being superseded, in the event of any inconsistency between the provisions of the Plan and any such Award Agreement(s) entered into hereunder, the provisions of the Plan shall govern.
- 5.04 *Restrictive Covenants.* The Committee may, in its sole and absolute discretion, place certain restrictive covenants in an Award Agreement requiring the Participant to agree to refrain from certain actions. Such Restrictive Covenants, if contained in the Award Agreement, will be binding on the Participant.
- 5.05 *Maximum Annual Award.* The maximum number of Shares with respect to which an Award or Awards may be granted to any Participant in any one taxable year of the Company (the "Maximum Annual Participant Award") shall not exceed Four Hundred Thousand (400,000) Shares (increased, proportionately, in the event of any stock split or stock dividend with respect to the Shares). The Maximum Annual Participant Award shall include any Bonus Shares that are paid to a Participant in that taxable year pursuant to the achievement of one or more established and objective performance goals under the Company's Executive Annual Incentive Plan or pursuant to any other Company-sponsored compensation plan or program. If an Option is in tandem with a SAR, such that the exercise of the Option or SAR with respect to a Share cancels the tandem SAR or Option right, respectively, with respect to each Share, the tandem Option and SAR rights with respect to each Share shall be counted as covering but one Share for purposes of the Maximum Annual Participant Award.

VI. STOCK OPTIONS

- 6.01 *Grant of Options.* A Participant may be granted one or more Options. The Committee in its sole discretion shall designate whether an Option is an Incentive Stock Option or a Nonqualified Stock Option. The Committee may grant both an Incentive Stock Option and a Nonqualified Stock Option to the same Participant at the same time or at different times. Incentive Stock Options and Nonqualified Stock Options, whether granted at the same or different times, shall be deemed to have been awarded in separate grants, shall be clearly identified, and in no event shall the exercise of one Option affect the right to exercise any other Option or affect the number of Shares for which any other Option may be exercised.
- 6.02 *Option Agreements.* Each Option granted under the Plan shall be evidenced by a written Option Award Agreement which shall be entered into by the Company and the Participant to whom the Option is granted (the "Option Holder"), and which shall contain, or be subject to, the following terms and conditions, as well as such other terms and conditions not inconsistent therewith, as the Committee may consider appropriate in each case.

- (a) *Number of Shares.* Each Option Award Agreement shall state that it covers a specified number of Shares, as determined by the Committee. To the extent that the aggregate Fair Market Value of Shares with respect to which Options designated as Incentive Stock Options are exercisable for the first time by any Option Holder during any calendar year exceeds \$100,000 or, if different, the maximum limitation in effect at the time of grant under section 422(d) of the Code, or any successor provision, such Options in excess of such limit shall be treated as Nonqualified Stock Options. The foregoing shall be applied by taking Options into account in the order in which they were granted. For the purposes of the foregoing, the Fair Market Value of any Share shall be determined as of the time the Option with respect to such Share is granted. In the event the foregoing results in a portion of an Option designated as an Incentive Stock Option exceeding the \$100,000 limitation, only such excess shall be treated as a Nonqualified Stock Option.
- (b) *Price.* Each Option Award Agreement shall state the Option Exercise Price at which each Share covered by an Option may be purchased. Such Option Exercise Price shall be determined in each case by the Committee; provided, however, that the Option Exercise Price for each Share covered by an Incentive Stock Option shall not be less than the Fair Market Value of the Stock on the Option's Grant Date and provided further that the Incentive Stock Option granted to an Eligible Employee who then owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any parent or Subsidiary corporation of the Company must be at least 110% of the Fair Market Value of the Stock subject to the Incentive Stock Option on the Option's Grant Date.
- (c) *Duration of Options.* Each Option Award Agreement shall state the period of time, determined by the Committee, within which the Option may be exercised by the Option Holder (the "Option Period"). The Option Period must expire, in all cases, not more than ten years from the Option's Grant Date; provided, however, that the Option Period of an Incentive Stock Option granted to an Eligible Employee who then owns Stock possessing more than 10% of the total combined voting power of all classes of Stock of the Company must expire not more than five years from the Option's Grant Date. Each Option Award Agreement shall also state the periods of time, if any, as determined by the Committee, when incremental portions of each Option shall become exercisable. If any Option or portion thereof is not exercised during its Option Period, such unexercised portion shall be deemed to have been forfeited and have no further force or effect. Due to Code section 409A's treatment of an extension or renewal of an Option as the granting of a new Option, the Committee shall not extend or renew the term of an Option without the consent of the Holder.
- (d) *Termination of Service, Death, Disability, etc.* Each Option Agreement shall state the period of time, if any, determined by the Committee, within which the Vested Option may be exercised after an Option Holder ceases to be a Service Provider on account of the Participant's death, Disability, voluntary resignation, removal

from the Board or the Company having terminated such Option Holder's employment with or without Cause. Unless an Option Award Agreement provides otherwise, a Participant's change in status between serving as an employee and/or director will not be considered a cessation of the Participant as a Service Provider for purposes of any Option expiration period under the Plan.

- (e) *Transferability.* Except as otherwise determined by the Committee, Options shall not be transferable by the Option Holder except by will or pursuant to the laws of descent and distribution. Each Vested Option shall be exercisable during the Option Holder's lifetime only by him or her, or in the event of Disability or incapacity, by his or her guardian or legal representative. Shares issuable pursuant to any Option shall be delivered only to or for the account of the Option Holder, or in the event of Disability or incapacity, to his or her guardian or legal representative.
- (f) *Exercise, Payments, etc.*
 - (i) Unless otherwise provided in the Option Award Agreement, each Vested Option may be exercised by delivery to the Corporate Secretary of the Company a written notice specifying the number of Shares with respect to which such Option is exercised and payment of the Option Exercise Price. Such notice shall be in a form satisfactory to the Committee or its designee and shall specify the particular Vested Option that is being exercised and the number of Shares with respect to which the Vested Option is being exercised. The exercise of the Vested Option shall be deemed effective upon receipt of such notice by the Corporate Secretary and payment to the Company. The purchase of such Stock shall take place at the principal offices of the Company upon delivery of such notice, at which time the purchase price of the Stock shall be paid in full by any of the methods or any combination of the methods set forth in (ii) below.
 - (ii) The Option Exercise Price may be paid by any of the following methods:
 1. Cash or Certified bank check;
 2. By delivery to the Company of a number of Shares then owned by the Holder, the Fair Market Value of which equals the purchase price of the Stock purchased pursuant to the Vested Option,; provided, however, that Shares used for this purpose must have been held by the Holder for such minimum period of time as may be established from time to time by the Committee; and provided further that the Fair Market Value of any Shares delivered in payment of the purchase price upon exercise of the Options shall be the Fair Market Value as of the exercise date, which shall be the date of delivery of the certificates for the Stock used as payment of the Option Exercise Price.

In lieu of actually surrendering to the Company a number of Shares then owned by the Holder, the Committee may, in its discretion permit the Holder to submit to the Company a statement affirming ownership by the Holder of such number of Shares and request that such Shares, although not actually surrendered, be deemed to have been surrendered by the Holder as payment of the exercise price.

3. For any Holder other than an Executive Officer or except as otherwise prohibited by the Committee, by payment through a broker in accordance with procedures permitted by Regulation T of the Federal Reserve Board.
 4. For any Nonqualified Stock Option, by a “net exercise” arrangement pursuant to which the Company will not require a payment of the Option Exercise Price but will reduce the number of Shares of Stock upon the exercise by the largest number of whole shares that has a Fair Market Value on the date of exercise that does not exceed the aggregate Option Exercise Price.
 5. Any combination of the consideration provided in the foregoing subsections (1), (2), (3) and (4).
- (iii) The Company shall not guarantee a third-party loan obtained by a Holder to pay part or the entire Option Exercise Price of the Shares.
- (g) *Date of Grant.* An option shall be considered as having been granted on the date the Committee or its delegate completes the corporate action necessary to create a legally binding right constituting the option, as set forth under the applicable Treasury Regulations issued under Section 409A.
- (h) *Withholding.*
- (i) *Nonqualified Stock Options.* Upon any exercise of a Nonqualified Stock Options, the Option Holder shall make appropriate arrangements with the Company to provide for the minimum amount of additional withholding required by applicable federal and state income tax and payroll laws, including payment of such taxes through delivery of Stock or by withholding Stock to be issued under the Option, as provided in Section 16.
 - (ii) *Incentive Stock Options.* In the event that an Option Holder makes a disposition (as defined in section 424(c) of the Code) of any Stock acquired pursuant to the exercise of an Incentive Stock Option prior to the later of (a) the expiration of two years from the date on which the Incentive Stock Option was granted or (b) the expiration of one year from the date on which the Option was exercised, the Participant shall send

written notice to the Company at its principal office (Attention: Corporate Secretary) of the date of such disposition, the number of shares disposed of, the amount of proceeds received from such disposition, and any other information relating to such disposition as the Company may reasonably request. The Option Holder shall, in the event of such a disposition, make appropriate arrangements with the Company to provide for the amount of additional withholding, if any, required by applicable Federal and state income tax laws.

- (i) *Adjustment of Options.* Subject to the limitations set forth below and those contained in Sections 6, 13.04 and 15, the Committee may make any adjustment in the Option Exercise Price, the number of Shares subject to, or the terms of, an outstanding Option and a subsequent granting of an Option by amendment or by substitution of an outstanding Option. Such amendment, substitution, or re-grant may result in terms and conditions (including Option Exercise Price, number of Shares covered, vesting schedule or exercise period) that differ from the terms and conditions of the original Option. The Committee may not, however, adversely affect the rights of any Option Holder to previously granted Options without the consent of such Option Holder. If such action is affected by the amendment, the effective date of such amendment shall be the date of the original grant. Any adjustment, modification, extension or renewal of an Option shall be effected such that the Option is either exempt from, or is compliant with, Code section 409A.

6.03 *Stockholder Privileges.* No Holder shall have any rights as a stockholder with respect to any Shares covered by an Option until the Holder becomes the holder of record of such Stock, and no adjustments shall be made for dividends or other distributions or other rights as to which there is a record date preceding the date such Holder becomes the holder of record of such Stock, except as provided in Section 4.

VII. STOCK APPRECIATION RIGHTS

7.01 *Grant of SARs.* Subject to the terms and conditions of this Plan, a SAR may be granted to a Participant at any time and from time to time as shall be determined by the Committee in its sole discretion. The Committee may grant Freestanding SARs or Tandem SARs, or any combination thereof.

- (a) *Number of Shares.* The Committee shall have complete discretion to determine the number of SARs granted to any Participant, subject to the limitations imposed in this Plan and by applicable law.
- (b) *Exercise Price and Other Terms.* The Committee, subject to the provisions of this Plan, shall have complete discretion to determine the terms and conditions of SARs granted under this Plan. The exercise price per Share of Tandem SARs shall equal the exercise price per Share of the related Option. In no event shall a SAR granted to a Section 16 Person become exercisable until at least six (6)

months after the Date of Grant or such shorter period as may be permissible while maintaining compliance with Rule 16b-3.

- 7.02 *SAR Award Agreement.* Each SAR granted under the Plan shall be evidenced by a written SAR Award Agreement which shall be entered into by the Company and the Participant to whom the SAR is granted (the "SAR Holder"), and which shall specify the exercise price per share, the terms of the SAR, the conditions of exercise, and such other terms and conditions as the Committee in its sole discretion shall determine.
- 7.03 *Exercise of Tandem SARs.* Tandem SARs may be exercised for all or part of the Shares subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option. A Tandem SAR may be exercised only with respect to the Shares for which its related Option is then exercisable. With respect to a Tandem SAR granted in connection with an Incentive Stock Option: (a) the Tandem SAR shall expire no later than the expiration of the underlying Incentive Stock Option; (b) the value of the payout with respect to the Tandem SAR shall be for no more than one hundred percent (100%) of the difference between the Exercise Price per Share of the underlying Incentive Stock Option and the Fair Market Value per Share of the Shares subject to the underlying Incentive Stock Option at the time the Tandem SAR is exercised; and (c) the Tandem SAR shall be exercisable only when the Fair Market Value per Share of the Shares subject to the Incentive Stock Option exceeds the per share Option Price per Share of the Incentive Stock Option.
- 7.04 *Exercise of Freestanding SARs.* Freestanding SARs shall be exercisable on such terms and conditions as the Committee in its sole discretion shall determine; provided, however, that no Freestanding SAR granted to a Section 16 Person shall be exercisable until at least six (6) months after the Date of Grant or such shorter period as may be permissible while maintaining compliance with Rule 16b-3.
- 7.05 *Expiration of SARs.* A SAR granted under this Plan shall expire on the date set forth in the SAR Award Agreement, which date shall be determined by the Committee in its sole discretion. Unless otherwise specifically provided for in the SAR Award Agreement, a Freestanding SAR granted under this Plan shall terminate according to the same rules under which a Nonqualified Stock Option would terminate in the event of a SAR Holder's termination of employment, death or Disability as provided for in the SAR Award Agreement. Unless otherwise specifically provided for in the SAR Award agreement, a Tandem SAR granted under this Plan shall be exercisable at such time or times and only to the extent that the related Option is exercisable. The Tandem SAR shall terminate and no longer be exercisable upon the termination or exercise of the related Options, except that Tandem SARs granted with respect to less than the full number of shares covered by a related Option shall not be reduced until the exercise or termination of the related Option exceeds the number of Shares not covered by the SARs.
- 7.06 *Payment of SAR Amount.* Upon exercise of a SAR, a Holder shall be entitled to receive payment from the Company in an amount determined by multiplying (i) the positive difference between the Fair Market Value of a Share on the date of exercise over the exercise price per Share by (ii) the number of Shares with respect to which the SAR is

exercised. The payment upon a SAR exercise may be in whole Shares of equivalent value, cash, or a combination of whole Shares and cash. Fractional Shares shall be rounded down to the nearest whole Share.

VIII. AWARDS OF RESTRICTED STOCK AND RESTRICTED STOCK UNITS

- 8.01 *Restricted Stock Awards Granted by Committee.* Coincident with or following designation for participation in the Plan and subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Restricted Stock to any Service Provider in such amounts as the Committee shall determine.
- 8.02 *Restricted Stock Unit Awards Granted by Committee.* Coincident with or following designation for participation in the Plan and subject to the terms and provisions of the Plan, the Committee may grant a Service Provider Restricted Stock Units, in connection with or separate from a grant of Restricted Stock. Upon the vesting of Restricted Stock Units, the Holder shall be entitled to receive the full value of the Restricted Stock Units payable in either Shares or cash.
- 8.03 *Restrictions.* A Holder's right to retain Shares of Restricted Stock or be paid with respect to Restricted Stock Units shall be subject to such restrictions, including but not limited to, him or her continuing to perform as a Service Provider for a restriction period specified by the Committee, or the attainment of specified performance goals and objectives, as may be established by the Committee with respect to such Award. The Committee may in its sole discretion require different periods of service or different performance goals and objectives with respect to (i) different Holders, (ii) different Restricted Stock or Restricted Stock Unit Awards, or (iii) separate, designated portions of the Shares constituting a Restricted Stock Award. Any grant of Restricted Stock or Restricted Stock Units shall contain terms such that the Award is either exempt from Code section 409A or complies with such section.
- 8.04 *Privileges of a Stockholder, Transferability.* Unless otherwise provided in the Award Agreement, a Participant shall have all voting, dividend, liquidation and other rights with respect to Shares of Restricted Stock, provided however that any dividends paid on Shares of Restricted Stock prior to such Shares becoming vested shall be held in escrow by the Company and subject to the same restrictions on transferability and forfeitability as the underlying Shares of Restricted Stock. Any voting, dividend, liquidation or other rights shall accrue to the benefit of a Holder only with respect to Shares of Restricted Stock held by, or for the benefit of, the Holder on the record date of any such dividend or voting date. A Participant's right to sell, encumber or otherwise transfer such Restricted Stock shall, in addition to the restrictions otherwise provided for in the Award Agreement, be subject to the limitations of Section 12.02 hereof. The Committee may determine that a Holder of Restricted Stock Units is entitled to receive dividend equivalent payments on such units. If the Committee determines that Restricted Stock Units shall receive dividend equivalent payments, such feature will be specified in the applicable Award Agreement. Restricted Stock Units shall not have any voting rights.

- 8.05 *Enforcement of Restrictions.* The Committee may in its sole discretion require one or more of the following methods of enforcing the restrictions referred to in Sections 8.03 and 8.04:
- (a) placing a legend on the stock certificates, or the Restricted Stock Unit Award Agreement, as applicable, referring to restrictions;
 - (b) requiring the Holder to keep the stock certificates, duly endorsed, in the custody of the Company while the restrictions remain in effect;
 - (c) requiring that the stock certificates, duly endorsed, be held in the custody of a third party nominee selected by the Company who will hold such Shares of Restricted Stock on behalf of the Holder while the restrictions remain in effect; or
 - (d) inserting a provision into the Restricted Stock Award Agreement prohibiting assignment of such Award Agreement until the terms and conditions or restrictions contained therein have been satisfied or released, as applicable.
- 8.06 *Termination of Service, Death, Disability, etc.* Except as otherwise provided in an Award Agreement, in the event of the death or Disability of a Participant, all service period and other restrictions applicable to Restricted Stock Awards then held by him or her shall lapse, and such Awards shall become fully nonforfeitable. Subject to Section 11 and except as otherwise provided in an Award Agreement, in the event a Participant ceases to be a Service Provider for any other reason, any Restricted Stock Awards as to which the service period or other vesting conditions have not been satisfied shall be forfeited.

IX. PERFORMANCE SHARES AND PERFORMANCE UNITS

- 9.01 *Awards Granted by Committee.* Coincident with or following designation for participation in the Plan, a Participant may be granted Performance Shares or Performance Units.
- 9.02 *Amount of Award.* The Committee shall establish a maximum amount of a Holder's Award, which amount shall be denominated in Shares in the case of Performance Shares or in dollars in the case of Performance Units.
- 9.03 *Communication of Award.* Written notice of the maximum amount of a Holder's Award and the Performance Period determined by Committee shall be given to a Participant as soon as practicable after approval of the Award by the Committee.
- 9.04 *Amount of Award Payable.* The Committee shall establish maximum and minimum performance targets to be achieved during the applicable Performance Period. Performance targets established by the Committee shall relate to corporate, group, unit or individual performance and may be established in terms of (i) specified levels of earnings per share from continuing operations, (ii) operating income, (iii) revenues, (iv) gross margin, (v) return on operating assets (whether all assets or designated assets), (vi)

return on equity, (vii) economic value added, (viii) stock price appreciation, (ix) total stockholder return (measured in terms of stock price appreciation and dividend growth), (x) net income, (xi) debt reduction, (xii) cost control, or (xiii) such other measures or standards determined by the Committee. Multiple performance targets may be used and the components of multiple performance targets may be given the same or different weighting in determining the amount of an Award earned, and may relate to absolute performance or relative performance measured against other groups, units, individual or entities. Achievement of the maximum performance target shall entitle the Holder to payment (subject to Sections 9.05, 9.06 and 9.07) at the full or maximum amount specified with respect to the Award: provided, however, that notwithstanding any other provisions of this Plan, in the case of an Award of Performance Shares the Committee in its discretion may establish an upper limit on the amount payable (whether in cash or Stock) as a result of the achievement of the maximum performance target. The Committee may also establish that a portion of a full or maximum amount of a Holder's Award will be paid (subject to Section 9.05, 9.06 and 9.07) for performance which exceeds the minimum performance target but falls below the maximum performance target applicable to such Award.

- 9.05 *Adjustments.* At any time prior to payment of a Performance Share or Performance Unit Award, the Committee may adjust previously established performance targets or other terms and conditions to reflect events such as changes in law, regulations, or accounting practice, or mergers acquisitions or divestitures.
- 9.06 *Payment of Awards.* Following the conclusion of each Performance Period, the Committee shall determine the extent to which performance targets have been attained, and the satisfaction of any other terms and conditions with respect to an Award relating to such Performance Period. The Committee shall determine what, if any, payment is due with respect to an Award and whether such payment shall be made in cash, Stock or some combination, as determined by the Committee. Payment shall be made in a lump sum, during the calendar year that first follows the end of the calendar year in which the applicable Performance Period ends.
- 9.07 *Termination of Employment.* If a Participant ceases to be a Service Provider for any reason other than having been terminated for Cause after the end of a Performance Period yet before receiving payment as provided for in Section 9.06, the Holder (or the Holder's Beneficiaries) shall be entitled to receive the full amount of such payment. If a Holder ceases to be a Service Provider before the end of a Performance Period by reason of his or her death or Disability, the Performance Period for such Holder for the purpose of determining the amount of the Award payable shall end at the end of the calendar quarter immediately preceding the date on which such Holder ceased to be a Service Provider. The amount of an Award payable to a Holder to whom the preceding sentence is applicable shall be paid in a lump sum, during the calendar year that first follows the end of the calendar year in which the applicable Performance Period would have ended but for the Holder's cessation as a Service Provider and shall be that fraction of the Award computed pursuant to the preceding sentence the numerator of which is the number of calendar quarters during the Performance Period during all of which said Holder was a

Service Provider and the denominator of which is the number of full calendar quarters in the Performance Period. In the event a Holder is terminated as a Service Provider for Cause, either before the end of the Performance Period or after the end of the Performance Period but prior to the amount of the Award having been paid, the Holder's participation in the Plan shall cease, all outstanding Awards of Performance Shares or Performance Units to such Participant and any right to receive the payment for any Awards (whether or not any Performance Period has been completed) shall be canceled.

X. BONUS SHARES

Subject to the terms of the Plan, the Committee may grant Bonus Shares to any Participant in such amount and upon such terms and at any time and from time to time as shall be determined by the Committee. The Committee may grant such Bonus Shares in connection with or pursuant to another Company-sponsored compensation plan or program.

XI. REORGANIZATION, CHANGE IN CONTROL OR LIQUIDATION

- 11.01 Except as otherwise provided in an Award Agreement or other agreement approved by the Committee to which any Participant is a party, in the event that within the period commencing on a Change in Control and ending on the first anniversary of the Change in Control, a Participant resigns for Good Reason or the Company terminates the Participant's employment other than for cause, each Option, share of Restricted Stock and/or other Award shall without regard to any vesting schedule, restriction or performance target, automatically become fully exercisable, fully vested or fully payable, as the case may be, as of the date of such termination of employment; provided, however, to the extent required by Code section 409A, if the Participant was a "specified employee" as defined under Code section 409A as of the time of such Participant's separation from service, no share of Restricted Stock or other Award shall become payable until six months and one day from the effective date of such Participant's separation from service.
- 11.02 In addition to the foregoing, in the event the Company undergoes a Change in Control or in the event of a corporate merger, consolidation, major acquisition of property (or stock), separation, reorganization or liquidation in which the Company is a party and in which a Change in Control does not occur, the Committee, or the board of directors of any corporation assuming the obligations of the Company, shall have the full power and discretion to take any one or more of the following actions:
- (a) Without reducing the economic value of outstanding Awards, prescribe and amend the terms and conditions for the exercise of, or settlement of, outstanding Awards granted hereunder;
 - (b) Remove restrictions on Restricted Stock, Restricted Stock Units or, as applicable, Performance Award;

- (c) Provide that Options or SARs granted hereunder must be exercised in connection with the closing of such transactions, and that if not so exercised such Options or SARs will expire; or
- (d) Cause any Award then outstanding to be assumed, or new rights of equivalent economic value substituted therefore, by the acquiring or surviving corporation.

Any such determinations by the Committee may be made generally with respect to all Participants, or may be made on a case-by-case basis with respect to particular Participants. Notwithstanding the foregoing, any transaction undertaken for the purpose of reincorporating the Company under the laws of another jurisdiction, if such transaction does not materially affect the beneficial ownership of the Company's Shares, such transaction shall not constitute a merger, consolidation, major acquisition of property for stock, separation, reorganization, liquidation, or Change in Control.

XII. RIGHTS OF EMPLOYEES; PARTICIPANTS

- 12.01 *Employment.* Nothing contained in the Plan or in any Award granted under the Plan shall confer upon any Participant any right with respect to the continuation of his or her services as a Service Provider or interfere in any way with the right of the Company, subject to the terms of any separate employment or consulting agreement to the contrary, at any time to terminate such services or to increase or decrease the compensation of the Participant from the rate in existence at the time of the grant of an Award. Whether an authorized leave of absence, or absence in military or government service, shall constitute a termination of Participant's services as a Service Provider shall be determined by the Committee at the time.
- 12.02 *Nontransferability.* Except as provided in Section 12.03, no right or interest of any Holder in an Award granted pursuant to the Plan shall be assignable or transferable during the lifetime of the Participant, either voluntarily or involuntarily, or be subjected to any lien, directly or indirectly, by operation of law, or otherwise, including execution, levy, garnishment, attachment, pledge or bankruptcy. In the event of a Participant's death, a Holder's rights and interests in all Awards shall, to the extent not otherwise prohibited hereunder, be transferable by testamentary will or the laws of descent and distribution, and payment of any amounts due under the Plan shall be made to, and exercise of any Options or SARs may be made by, the Holder's legal representatives, heirs or legatees. If, in the opinion of the Committee, a person entitled to payments or to exercise rights with respect to the Plan is disabled from caring for his or her affairs because of a mental condition, physical condition or age, payment due such person may be made to, and such rights shall be exercised by, such person's guardian, conservator, or other legal personal representative upon furnishing the Committee with evidence satisfactory to the Committee of such status. "Transfers" shall not be deemed to include transfers to the Company or "cashless exercise" procedures with third parties who provide financing for the purpose of (or who otherwise facilitate) the exercise of Awards consistent with applicable laws and the authorization of the Committee.

12.03 *Permitted Transfers.* Pursuant to conditions and procedures established by the Committee from time to time, the Committee may permit Awards to be transferred to, exercised by and paid to certain persons or entities related to a Participant, including but not limited to members of the Participant's immediate family, charitable institutions, or trusts or other entities whose beneficiaries or beneficial owners are members of the Participant's immediate family and/or charitable institutions (a "Permitted Transferee"). In the case of initial Awards, at the request of the Participant, the Committee may permit the naming of the related person or entity as the Award recipient. Any permitted transfer shall be subject to the condition that the Committee receive evidence satisfactory to it that the transfer is being made for estate and/or tax planning purposes on a gratuitous or donative basis and without consideration (other than nominal consideration). Notwithstanding the foregoing, Incentive Stock Options shall only be transferable to the extent permitted in section 422 of the Code, or such successor provision thereto, and the treasury regulations thereunder.

XIII. GENERAL RESTRICTIONS

13.01 *Investment Representations.* The Company may require any person to whom an Option or other Award is granted, as a condition of exercising such Option or receiving Stock under the Award, to give written assurances in substance and form satisfactory to the Company and its counsel to the effect that such person is acquiring the Stock subject to the Option or the Award for his own account for investment and not with any present intention of selling or otherwise distributing the same, and to such other effects as the Company deems necessary or appropriate in order to comply with federal and applicable state securities laws. Legends evidencing such restrictions may be placed on the certificates evidencing the Stock.

13.02 *Compliance with Securities Laws.*

- (a) Each Award shall be subject to the requirement that, if at any time counsel to the Company shall determine that the listing, registration or qualification of the Shares subject to such Award upon any securities exchange or under any state or federal law, or the consent or approval of any governmental or regulatory body, is necessary as a condition of, or in connection with, the issuance or purchase of Shares thereunder, such Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Committee. Nothing herein shall be deemed to require the Company to apply for or to obtain such listing, registration or qualification.
- (b) Each Holder who is a director or an Executive Officer is restricted from taking any action with respect to any Award if such action would result in a (i) violation of Section 306 of the Sarbanes-Oxley Act of 2002, and the regulations promulgated thereunder, whether or not such law and regulations are applicable to the Company, or (ii) any policies adopted by the Company restricting transactions in the Stock.

- 13.03 *Stock Restriction Agreement.* The Committee may provide that Shares issuable upon the exercise of an Option shall, under certain conditions, be subject to restrictions whereby the Company has (i) a right of first refusal with respect to such shares, (ii) specific rights or limitations with respect to the Participant's ability to vote such shares, or (iii) a right or obligation to repurchase all or a portion of such shares, which restrictions may survive a Participant's cessation or termination as a Service Provider.
- 13.04 *Prohibition on Repricing.* Except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares), the terms of outstanding Options or SARs may not be amended to reduce the exercise price of outstanding Options or SARs or cancel outstanding Options or SARs in exchange for other Options or SARs with an exercise price that is less than the exercise price of the original Options or SARs without stockholder approval.

XIV. OTHER EMPLOYEE BENEFITS

The amount of any compensation deemed to be received by a Participant as a result of the exercise of an Option or the grant, payment or vesting of any other Award shall not constitute "earnings" with respect to which any other benefits of such Participant are determined, including without limitation benefits under (a) any pension, profit sharing, life insurance or salary continuation plan or other employee benefit plan of the Company or (b) any agreement between the Company and the Participant, except as such plan or agreement shall otherwise expressly provide.

XV. PLAN AMENDMENT, MODIFICATION AND TERMINATION

- 15.01 *Amendment, Modification, and Termination.* The Board may at any time terminate, and from time to time may amend or modify, the Plan; provided, however, that no amendment or modification may become effective without approval of the amendment or modification by the stockholders if stockholder approval is required to enable the Plan to satisfy any applicable statutory or regulatory requirements, to comply with the requirements for listing on any exchange where the Shares are listed, or if the Company, on the advice of counsel, determines that stockholder approval is otherwise necessary or desirable.
- 15.02 *Adjustment Upon Certain Unusual or Nonrecurring Events.* The Board may make adjustments in the terms and conditions of Awards in recognition of unusual or nonrecurring events (including the events described in Section 4.03) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles, whenever the Board determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.
- 15.03 *Awards Previously Granted.* Notwithstanding any other provision of the Plan to the contrary (but subject to Section 2.01(i) and Section 15.02), no termination, amendment or

modification of the Plan shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Holder of such Award.

XVI. WITHHOLDING

- 16.01 *Withholding Requirement.* The Company's obligations to deliver Shares upon the exercise of an Option, or upon the vesting of any other Award, shall be subject to the Holder's satisfaction of all applicable federal, state and local income and other tax withholding requirements.
- 16.02 *Withholding with Stock.* For Eligible Employees, the Company may permit the Holder to pay all minimum required amounts of tax withholding, or any part thereof, by electing to transfer to the Company, or to have the Company withhold from Shares otherwise issuable to the Holder, Shares having a value not to exceed the minimum amount required to be withheld under federal, state or local law or such lesser amount as may be elected by the Holder. For non-employees, including non-employee directors, the Company may also permit the Holder to transfer to the Company or have the Company withhold from Shares otherwise issuable to the Holder, an amount of Shares determined by the Holder necessary to cover applicable federal, state or local income or self-employment taxes relating to the exercise, vesting or payment of the Award. All elections shall be subject to the approval or disapproval of the Committee or its delegate. The value of Shares to be withheld shall be based on the Fair Market Value of the Stock on the date that the amount of tax to be withheld is to be determined (the "Tax Date"), as determined by the Committee. Any such elections by Holder to have Shares withheld for this purpose will be subject to the following restrictions:
- (a) All elections must be made prior to the Tax Date;
 - (b) All elections shall be irrevocable; and
 - (c) If the Holder is an officer or director of the Company within the meaning of Section 16 of the 1934 Act ("Section 16"), the Holder must satisfy the requirements of such Section 16 and any applicable rules thereunder with respect to the use of Stock to satisfy such tax withholding obligation.

XVII. SECTION 162(m) PROVISIONS

- 17.01 *Limitations.* Notwithstanding any other provision of this Plan, if the Committee determines at the time any Award is granted to a Participant that such Participant is, or is likely to be at the time he or she recognizes income for federal income tax purposes in connection with such Award, a Covered Employee, then the Committee may provide that this Section 17 is applicable to such Performance Award.
- 17.02 *Performance Goals.* If a Performance Award is subject to this Section 17, then the lapsing of restrictions thereon and the distribution of cash, Shares or other property pursuant thereto, as applicable, shall be subject to the achievement of one or more

objective performance goals established by the Committee, which shall be based on the attainment of one or any combination of the following:

- (a) Earnings (either in the aggregate or on a per-Share basis);
- (b) Growth or rate of growth in earnings (either in the aggregate or on a per Share basis);
- (c) Net income or loss (either in the aggregate or on a per-Share basis);
- (d) Cash flow provided by operations, either in the aggregate or on a per-Share basis;
- (e) Growth or rate of growth in cash flow (either in the aggregate or on a per Share basis);
- (f) Free cash flow (either in the aggregate on a per-Share basis);
- (g) Reductions in expense levels, determined either on a Corporation-wide basis or in respect of any one or more business units;
- (h) Operating and maintenance cost management and employee productivity;
- (i) Stockholder returns (including return on assets, investments, equity, or gross sales);
- (j) Return measures (including return on assets, equity, or sales);
- (k) Growth or rate of growth in return measures (including return on assets, equity, or sales);
- (l) Share price (including attainment of a specified per-Share price during the Incentive Period; growth measures and total stockholder return or attainment by the Shares of a specified price for a specified period of time);
- (m) Strategic business criteria, consisting of one or more objectives based on meeting specified revenue, market share, market penetration, geographic business expansion goals, objectively identified project milestones, production volume levels, cost targets, and goals relating to acquisitions or divestitures; and/or
- (n) Achievement of business or operational goals such as market share and/or business development;

provided that applicable incentive goals may be applied on a pre- or post-tax basis; and provided further that the Committee may, when the applicable incentive goals are established, provide that the formula for such goals may include or exclude items to measure specific objectives, such as losses from discontinued operations, extraordinary gains or losses, the cumulative effect of accounting changes, acquisitions or divestitures, foreign exchange impacts and any unusual, nonrecurring gain or loss. In addition to the

foregoing performance goals, the performance goals shall also include any performance goals which are set forth in the Company's Executive Annual Incentive Plan, if any, which has been approved by the Company's stockholders, which are incorporated herein by reference. Such performance goals shall be set by the Committee within the time period prescribed by, and shall otherwise comply with the requirements of, section 162(m) of the Code and the regulations thereunder.

- 17.03 *Adjustments.* Notwithstanding any provision of the Plan other than Section 4.03 or Section 11, with respect to any Award that is subject to Section 17, the Committee may not adjust upwards the amount payable pursuant to such Award, nor may it waive the achievement of the applicable performance goals except in the case of the death or disability of the Participant.
- 17.04 *Other Restrictions.* The Committee shall have the power to impose such other restrictions on Awards subject to this Section 17 as it may deem necessary or appropriate to insure that such Awards satisfy all requirements for "performance-based compensation" within the meaning of section 162(m)(4)(B) of the Code or any successor thereto.

XVIII. NONEXCLUSIVITY OF THE PLAN

- 18.01 Neither the adoption of the Plan by the Board nor the submission of the Plan to stockholders of the Company for approval shall be construed as creating any limitations on the power or authority of the Board to continue to maintain or adopt such other or additional incentive or other compensation arrangements of whatever nature as the Board may deem necessary or desirable or preclude or limit the continuation of any other plan, practice or arrangement for the payment of compensation or fringe benefits to employees, or non-employee directors generally, or to any class or group of employees, or non-employee directors, which the Company now has lawfully put into effect, including, without limitation, any retirement, pension, savings and stock purchase plan, insurance, death and disability benefits and executive short-term incentive plans.

XIX. REQUIREMENTS OF LAW

- 19.01 *Requirements of Law.* The issuance of Stock and the payment of cash pursuant to the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or stock exchanges as may be required. Notwithstanding any provision of the Plan or any Award, Holders shall not be entitled to exercise, or receive benefits under any Award, and the Company shall not be obligated to deliver any Shares or other benefits to a Holder, if such exercise or delivery would constitute a violation by the Holder or the Company of any applicable law or regulation.
- 19.02 *Code Section 409A.* This Plan is intended to meet or to be exempt from the requirements of Code section 409A, and shall be administered, construed and interpreted in a manner that is in accordance with and in furtherance of such intent. Any provision of this Plan that would cause an Award to fail to satisfy Code section 409A or, if applicable, an exemption from the requirements of that Section, shall be amended (in a manner that as

closely as practicable achieves the original intent of this Plan) to comply with Code section 409A or any such exemption on a timely basis, which may be made on a retroactive basis, in accordance with regulations and other guidance issued under Code section 409A.

19.03 *Rule 16b-3.* Transactions under the Plan and to the extent even applicable, within the scope of Rule 16b-3 are intended to comply with all applicable conditions of Rule 16b-3. To the extent any provision of the Plan or any action by the Committee under the Plan fails to so comply, such provision or action shall, without further action by any person, be deemed to be automatically amended to the extent necessary to effect compliance with Rule 16b-3; provided, however, that if such provision or action cannot be amended to effect such compliance, such provision or action shall be deemed null and void to the extent permitted by law and deemed advisable by the Committee.

19.04 *Governing Law.* The Plan and all agreements hereunder shall be construed in accordance with and governed by the laws of the State of Delaware without giving effect to the principles of the conflict of laws to the contrary.

EURONET WORLDWIDE, INC.
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(Unaudited)

(dollar amounts in thousands)	Three Months Ended	
	March 31,	
	2009	2008
Pretax income (loss) from continuing operations before adjustment for income from unconsolidated subsidiaries	\$ (7,094)	\$ 2,571
Add:		
Fixed charges	8,279	10,928
Adjusted pretax income	<u>\$ 1,185</u>	<u>\$ 13,499</u>
Fixed charges:		
Interest expense	\$ 7,067	\$ 9,888
Estimate of interest within rental expense	<u>1,212</u>	<u>1,040</u>
Total fixed charges	<u>\$ 8,279</u>	<u>\$ 10,928</u>
Ratio of earnings to fixed charges	(1)	1.2

(1) Adjusted pretax income was inadequate to cover fixed charges by \$7.1 million for the three months ended March 31, 2009.

CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER

I, Michael J. Brown, Chairman and Chief Executive Officer, certify that:

- 1) I have reviewed this Quarterly Report on Form 10-Q of Euronet Worldwide, Inc.;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2009

/s/ MICHAEL J. BROWN

Michael J. Brown
Chief Executive Officer

CERTIFICATIONS OF CHIEF FINANCIAL OFFICER

I, Rick L. Weller, Chief Financial Officer, certify that:

- 1) I have reviewed this Quarterly Report on Form 10-Q of Euronet Worldwide, Inc.;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2009

/s/ RICK L. WELLER

Rick L. Weller
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Euronet Worldwide, Inc. (the "Company") for the period ended March 31, 2009 filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ MICHAEL J. BROWN

Michael J. Brown
Chief Executive Officer

May 7, 2009

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Euronet Worldwide, Inc. (the "Company") for the period ended March 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ RICK L. WELLER

Rick L. Weller
Chief Financial Officer

May 7, 2009