

**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 June 30, 2006

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 66211
(Address of principal executive offices)

(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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

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 July 31, 2006 was 37,233,066 shares.

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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	June 30, 2006 (unaudited)	December 31, 2005 (1)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 232,723	\$ 219,932
Restricted cash	87,375	73,942
Inventory — PINs and other	32,580	25,595
Trade accounts receivable, net of allowances for doubtful accounts of \$2,217 at June 30, 2006 and \$1,995 at December 31, 2005	148,756	166,451
Deferred income taxes, net	3,410	1,812
Prepaid expenses and other current assets	26,393	21,211
Total current assets	531,237	508,943
Property and equipment, net of accumulated depreciation of \$77,536 at June 30, 2006 and \$66,644 at December 31, 2005	50,075	44,852
Goodwill	274,208	267,195
Acquired intangible assets, net of accumulated amortization of \$16,205 at June 30, 2006 and \$11,918 at December 31, 2005	50,502	50,724
Deferred income taxes	6,553	6,994
Other assets, net of accumulated amortization of \$8,788 at June 30, 2006 and \$7,721 at December 31, 2005	15,189	15,644
Total assets	\$ 927,764	\$ 894,352
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 184,773	\$ 202,655
Accrued expenses and other current liabilities	80,938	77,101
Current portion of capital lease obligations	6,180	5,431
Short-term debt obligations and current maturities of long-term debt obligations	12,803	22,893
Income taxes payable	10,164	8,207
Deferred income taxes	3,261	3,023
Deferred revenue	9,800	8,013
Total current liabilities	307,919	327,323
Debt obligations, net of current portion	324,328	315,000
Capital lease obligations, net of current portion	13,713	12,229
Deferred income taxes	24,508	25,157
Other long-term liabilities	1,842	1,161
Minority interest	7,446	7,129
Total liabilities	679,756	687,999
Stockholders' equity:		
Preferred Stock, \$0.02 par value. Authorized 10,000,000 shares; none issued	—	—
Common Stock, \$0.02 par value. Authorized 90,000,000 shares at June 30, 2006 and 60,000,000 shares at December 31, 2005; issued and outstanding 37,204,682 shares at June 30, 2006 and 35,776,431 at December 31, 2005	745	717
Additional paid-in-capital	331,828	312,025
Treasury stock	(196)	(196)
Subscriptions receivable	(313)	(124)
Accumulated deficit	(84,309)	(104,787)
Restricted reserve	796	776
Accumulated other comprehensive loss	(543)	(2,058)
Total stockholders' equity	248,008	206,353
Total liabilities and stockholders' equity	\$ 927,764	\$ 894,352

See accompanying notes to the unaudited consolidated financial statements.

(1) Adjusted to include the retroactively applied effects of SFAS No. 123R share-based compensation expense; see Note 1 — General, Note 2, Significant Accounting Policies and Practices and Note 7 — Stock Plans to the unaudited consolidated financial statements.

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

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2006</u>	<u>2005 (1)</u>	<u>2006</u>	<u>2005 (1)</u>
Revenues:				
EFT Processing	\$ 32,418	\$ 26,041	\$ 62,286	\$ 49,930
Prepaid Processing	114,185	102,480	225,146	191,861
Software Solutions	<u>7,200</u>	<u>3,724</u>	<u>13,341</u>	<u>7,660</u>
Total revenues	<u>153,803</u>	<u>132,245</u>	<u>300,773</u>	<u>249,451</u>
Operating expenses:				
Direct operating costs	105,761	92,157	207,114	174,529
Salaries and benefits	19,454	14,979	37,488	28,183
Selling, general and administrative	9,277	8,197	17,713	14,335
Depreciation and amortization	<u>7,063</u>	<u>5,645</u>	<u>13,882</u>	<u>10,670</u>
Total operating expenses	<u>141,555</u>	<u>120,978</u>	<u>276,197</u>	<u>227,717</u>
Operating income	<u>12,248</u>	<u>11,267</u>	<u>24,576</u>	<u>21,734</u>
Other income (expense):				
Interest income	3,387	1,105	6,109	2,312
Interest expense	(3,656)	(1,617)	(7,253)	(3,205)
Income from unconsolidated affiliates	187	407	358	652
Foreign exchange gain (loss), net	<u>2,772</u>	<u>(4,715)</u>	<u>4,330</u>	<u>(7,557)</u>
Other income (expense), net	<u>2,690</u>	<u>(4,820)</u>	<u>3,544</u>	<u>(7,798)</u>
Income before income taxes and minority interest	<u>14,938</u>	<u>6,447</u>	<u>28,120</u>	<u>13,936</u>
Income tax expense	(3,599)	(3,471)	(7,169)	(7,301)
Minority interest	<u>(212)</u>	<u>(313)</u>	<u>(473)</u>	<u>(401)</u>
Net income	<u>11,127</u>	<u>2,663</u>	<u>20,478</u>	<u>6,234</u>
Translation adjustment	2,118	(3,621)	1,515	(5,582)
Comprehensive income (loss)	<u>\$ 13,245</u>	<u>\$ (958)</u>	<u>\$ 21,993</u>	<u>\$ 652</u>
Earnings per share — basic:				
Earnings per share	<u>\$ 0.30</u>	<u>\$ 0.08</u>	<u>\$ 0.56</u>	<u>\$ 0.18</u>
Basic weighted average shares outstanding	<u>37,030,289</u>	<u>35,129,878</u>	<u>36,792,719</u>	<u>34,506,665</u>
Earnings per share — diluted (see Note 3):				
Earnings per share	<u>\$ 0.28</u>	<u>\$ 0.07</u>	<u>\$ 0.52</u>	<u>\$ 0.17</u>
Diluted weighted average shares outstanding	<u>42,748,030</u>	<u>37,318,188</u>	<u>42,413,623</u>	<u>36,608,589</u>

See accompanying notes to the unaudited consolidated financial statements.

- (1) Adjusted to include the retroactively applied effects of SFAS No. 123R share-based compensation expense; see Note 1 — General, Note 2, Significant Accounting Policies and Practices and Note 7 — Stock Plans to the unaudited consolidated financial statements.

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

	<u>Six Months Ended June 30,</u>	
	<u>2006</u>	<u>2005 (1)</u>
Net income	\$ 20,478	\$ 6,234
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	13,882	10,670
Share-based compensation	3,838	2,687
Unrealized foreign exchange (gain) loss, net	(3,685)	6,913
Gain on disposal of property and equipment	(189)	(97)
Deferred income tax expense (benefit)	(2,318)	667
Income assigned to minority interest	473	401
Income from unconsolidated affiliates	(358)	(652)
Amortization of debt issuance expense	1,131	639
Changes in working capital, net of amounts acquired:		
Income taxes payable	2,019	(164)
Restricted cash	(10,279)	(15,460)
Inventory — PINs and other	(6,826)	(11,261)
Trade accounts receivable	22,381	(10,366)
Prepaid expenses and other current assets	(3,759)	(11,813)
Trade accounts payable	(27,042)	48,013
Deferred revenue	2,025	(3,711)
Accrued expenses and other current liabilities	4,091	(1,339)
Other, net	(251)	(1,156)
Net cash provided by operating activities	<u>15,611</u>	<u>20,205</u>
Cash flows from investing activities:		
Acquisitions, net of cash acquired	(2,312)	(99,410)
Proceeds from sale of property and equipment	669	318
Purchases of property and equipment	(10,818)	(7,851)
Purchases of other long-term assets	(1,526)	(1,199)
Net cash used in investing activities	<u>(13,987)</u>	<u>(108,142)</u>
Cash flows from financing activities:		
Proceeds from issuance of shares	11,685	5,419
Net borrowings on short-term debt obligations and revolving credit agreements	505	15,208
Repayment of capital lease obligations	(3,084)	(2,761)
Other, net	(180)	(746)
Net cash provided by financing activities	<u>8,926</u>	<u>17,120</u>
Effect of exchange differences on cash	<u>2,241</u>	<u>(3,048)</u>
Increase (decrease) in cash and cash equivalents	12,791	(73,865)
Cash and cash equivalents at beginning of period	<u>219,932</u>	<u>124,198</u>
Cash and cash equivalents at end of period	<u>\$ 232,723</u>	<u>\$ 50,333</u>
Interest paid during the period	\$ 6,245	\$ 2,484
Income taxes paid during the period	5,237	7,619

See accompanying notes to the unaudited consolidated financial statements.

- (1) Adjusted to include the retroactively applied effects of SFAS No. 123R share-based compensation expense; see Note 1 — General, Note 2, Significant Accounting Policies and Practices and Note 7 — Stock Plans to the unaudited consolidated financial statements.

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

(1) GENERAL

Basis of presentation

The accompanying unaudited consolidated financial statements of Euronet Worldwide, Inc. and its subsidiaries (“Euronet” or the “Company”) have been prepared from the records of the Company, in conformity with U.S. generally accepted accounting principles and pursuant to the rules and regulations of the Securities and Exchange Commission. 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 June 30, 2006, the results of its operations for the three- and six-month periods ended June 30, 2006 and 2005 and cash flows for the six-month periods ended June 30, 2006 and 2005.

The unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements of Euronet for the year ended December 31, 2005, including the notes thereto, set forth in the Company’s Form 10-K. Certain prior year amounts have been reclassified to conform to the current period consolidated financial statement presentation.

The Company adopted the provisions of Statement of Financial Accounting Standards (“SFAS”) No. 123(R), “Share-Based Payment,” (“SFAS No. 123R”) on January 1, 2006. The Company elected to adopt SFAS No. 123R utilizing the modified retrospective application method and, accordingly, financial statement amounts for the prior periods presented in this Form 10-Q have been adjusted to reflect the fair value method of expensing prescribed by SFAS No. 123R. See Note 2 — Significant Accounting Policies and Practices and Note 7 — Stock Plans for further discussion.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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- and six-month periods ended June 30, 2006 are not necessarily indicative of the results to be expected for the full year ending December 31, 2006.

(2) SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

Share-based compensation

Effective January 1, 2006, the Company adopted the provisions of SFAS No. 123R, which is a revision of SFAS No. 123, “Accounting for Stock-Based Compensation,” and supersedes Accounting Principles Board (“APB”) Opinion No. 25, “Accounting for Stock Issued to Employees.” SFAS No. 123R requires the determination of the fair value of the share-based compensation at the grant date and the recognition of the related expense over the period in which the share-based compensation vests (“requisite service period”). The Company elected to adopt the modified retrospective application method as provided by SFAS No. 123R and, accordingly, financial statement amounts for the prior periods presented in this Form 10-Q have been adjusted to reflect the fair value method of expensing prescribed by SFAS No. 123R. The Company believes that this method achieves the highest level of clarity and comparability among the presented periods.

As a result of adopting SFAS No. 123R, the Company’s deferred tax assets related to U.S. Federal and state net operating loss carryforwards, reported for U.S. GAAP purposes, and deferred compensation, increased by an estimated \$8.1 million as of December 31, 2005. The Company’s initial estimate remains preliminary while management completes its analysis. However, since the Company records a valuation allowance for its entire U.S. net deferred tax asset position, upon adoption of SFAS No. 123R, the amount of net deferred tax assets did not, and is not expected to, change. The Company has chosen to use the Black-Scholes pricing model for the determination of fair value for future stock option grants. The amount of future compensation expense related to restricted share awards will continue to be based on the share price at the grant date. Share-based compensation expense is generally recognized as an expense of the Corporate division on a “straight-line” basis over the requisite service period. For awards with performance conditions, expense is recognized on a “graded attribution method.” The graded attribution method results in expense recognition on a straight-line basis over the requisite service period for each separately vesting portion of an award, as if the award was, in-substance, multiple awards. See Note 7 — Stock Plans for further disclosure.

For a description of other significant accounting policies of the Company, see Note 3 to the Audited Consolidated Financial Statements as of and for the year ended December 31, 2005, set forth in the Company’s Annual Report on Form 10-K.

Recent accounting pronouncements

In July 2006, the Financial Accounting Standards Board (“FASB”) issued FASB Interpretation No. 48 (“FIN 48”), “Accounting for Uncertainty in Income Taxes.” FIN 48 is an interpretation of SFAS No. 109, “Accounting for Income Taxes,” and seeks to reduce the diversity in practice associated with certain aspects of the measurement and recognition related to accounting for income taxes. This

interpretation also requires expanded disclosure with respect to uncertain tax positions. The provisions of FIN 48 will be effective for the Company beginning January 1, 2007. The Company is in the process of determining the effect, if any, that the adoption of FIN 48 will have on its financial statements.

(3) EARNINGS PER SHARE

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

(dollar amounts in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005 (1)	2006	2005 (1)
Basic weighted average shares outstanding	37,030,289	35,129,878	36,792,719	34,506,665
Additional shares from assumed conversion of 1.625% convertible debentures	4,162,950	—	4,162,950	—
Weighted average shares issuable in connection with acquisition obligations (See Note 4 - Acquisitions)	91,285	—	73,028	—
Incremental shares from assumed conversion of stock options and restricted stock (1)	1,463,506	2,188,310	1,384,926	2,101,924
Potentially diluted weighted average shares outstanding	42,748,030	37,318,188	42,413,623	36,608,589
Net income	\$ 11,127	\$ 2,663	\$ 20,478	\$ 6,234
Add: interest expense of 1.625% convertible debentures	797	—	1,594	—
Earnings available to common stockholders	\$ 11,924	\$ 2,663	\$ 22,072	\$ 6,234

(1) As a result of the adoption of SFAS No. 123R, the computation of incremental shares from the assumed conversion of stock options changed. The amount previously reported for the three- and six-month periods ended June 30, 2005 was 2,615,396 and 2,514,894 incremental shares, respectively, from the conversion of stock options.

For the three- and six-month periods ended June 30, 2006 and 2005, the average market price of Euronet common stock exceeded the exercise price of all stock options outstanding.

The Company has \$140 million of 1.625% convertible debentures due 2024 and \$175 million 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 4.2 million shares of Common Stock for the \$140 million 1.625% issue, and 4.3 million shares of Common Stock for the \$175 million 3.50% issue, initially in December 2009 and October 2012, respectively, or earlier 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 net income 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% convertible debentures was dilutive for the three- and six-month periods ended June 30, 2006 and anti-dilutive for the three- and six-month periods ended June 30, 2005. Accordingly, the impact has been included in the above computation of potentially diluted weighted average shares outstanding for the three- and six-month periods ended June 30, 2006 and excluded from the above computation for the three- and six-month periods ended June 30, 2005. Under the if-converted method, the assumed conversion of the 3.50% convertible debentures, issued October 2005, was anti-dilutive for the three- and six-month periods ended June 30, 2006 and, accordingly, the impact has been excluded from the above computation of potentially dilutive weighted average shares outstanding. The 3.50% convertible debentures were not outstanding for the three- and six-month periods ended June 30, 2005.

(4) ACQUISITIONS

In accordance with SFAS No. 141, "Business Combinations," the Company allocates the purchase price of its acquisitions to the tangible assets, liabilities and intangible assets acquired based on estimated fair values. The excess purchase price over those fair values is recorded as goodwill. The fair value assigned to intangible assets acquired is supported by valuations using estimates and assumptions provided by management. For certain large or unique acquisitions management engaged an appraiser to assist in the valuation.

2006 Acquisitions:

In January 2006, the Company completed the acquisition of the assets of Essentis Limited (“Essentis”) for approximately \$3.0 million, which was comprised of \$0.9 million in cash and approximately \$2.1 million in assumed liabilities. Essentis is a U.K. company that owns a card issuing and merchant acquiring software package that will enhance Euronet’s outsourcing and software offerings to banks. Essentis is reported in the Company’s Software Solutions Segment. The Company’s allocation of the purchase price to the fair values of acquired tangible and intangible assets is preliminary and remains so while management completes its valuation of the fair value of the net assets acquired. The following table summarizes the estimated allocation of the purchase price to the fair values of the acquired tangible and intangible assets at the acquisition date:

(dollar amounts in thousands)	Estimated Life	Essentis
Property and equipment	various	\$ 573
Software	5 years	2,467
Assets acquired		<u>\$ 3,040</u>

There are no potential additional purchase price or escrow arrangements associated with the acquisition of Essentis.

2005 Acquisitions:

During 2005, the Company completed seven acquisitions for an aggregate purchase price of approximately \$119.1 million. The Company’s allocation of the purchase price to the fair values of acquired tangible and intangible assets for certain acquisitions are preliminary and remain so while management completes its valuation of the fair value of the net assets acquired. The following table summarizes the allocation of the purchase price, including \$2.9 million paid in prior years for acquisitions accounted for as step acquisitions, to the fair values of the acquired tangible and intangible assets at the acquisition dates.

(dollar amounts in thousands)	Estimated Life	Telerecarga	Other Acquisitions	Total
Current assets		\$ —	\$ 3,841	\$ 3,841
Property and equipment	various	1,415	1,412	2,827
Customer relationships	8 or 9 years	10,295	14,703	24,998
Software	5 years	655	900	1,555
Patent	7 years	—	1,699	1,699
Trade name	2 years	254	—	254
Non-compete agreements	5 years	147	—	147
Deferred income tax asset		—	1,055	1,055
Goodwill	Indefinite	42,144	53,513	95,657
Assets acquired		54,910	77,123	132,033
Current liabilities		—	(687)	(687)
Deferred income tax liability		(3,892)	(5,442)	(9,334)
Net assets acquired		<u>\$ 51,018</u>	<u>\$ 70,994</u>	<u>\$ 122,012</u>

Acquisition of Telerecarga S.L.

In March 2005, to supplement the Company’s prepaid processing business in Spain, Euronet purchased 100% of the assets of Telerecarga S.L. (“Telerecarga”), a Spanish company that distributes prepaid mobile airtime and other prepaid products via Point of Sale (“POS”) terminals throughout Spain. The purchase price of €38.1 million (approximately \$51.0 million) was settled through the assumption of €25.4 million (approximately \$34.0 million) in liabilities and cash payments of €12.7 million (approximately \$17.0 million).

Other acquisitions

During 2005, Euronet completed six other acquisitions described below for a total purchase price of \$68.1 million, comprised of \$39.6 million in cash, 864,131 shares of Euronet Common Stock, valued at \$23.6 million and \$4.9 million in liabilities assumed. Additionally, the purchase price for acquisitions accounted for as step acquisitions, in accordance with SFAS No. 141, include \$2.9 million paid in prior years.

- In December 2005, EFT Services Holding B.V. (a wholly-owned subsidiary of Euronet) purchased 6.25% of Euronet Services Private Limited, the Company's subsidiary in India ("Euronet India"), increasing its share ownership of Euronet India to 100%. Euronet India is included in the Company's EFT Processing Segment and, since the Company's ownership share previously exceeded 50%, has been a consolidated subsidiary since inception.
- In two separate transactions, one in April 2005 and one in December 2005, EFT Services Holding B.V. (a wholly-owned subsidiary of Euronet) purchased an additional 64% of Europlanet a.d. ("Europlanet"), a Serbian company, increasing its share ownership in Europlanet to 100%. Europlanet is an ATM and card processor that owns, operates and manages a network of ATMs and POS terminals. Upon obtaining a controlling interest in April 2005, Euronet began consolidating Europlanet's financial position and results of operations. Euronet's \$0.2 million share of dividends declared prior to acquiring a controlling ownership share of Europlanet was recognized as income from unconsolidated affiliates during 2005.
- In October 2005, Euronet EFT Services Hellas EPE (a wholly-owned subsidiary of Euronet) acquired all of the share capital of Instreamline S.A. ("Instreamline"), a Greek company that provides card processing services in addition to debit card and transaction gateway switching services in Greece and the Balkan region. Instreamline will complement the Company's EFT Processing Segment. Subsequent to the acquisition, Instreamline was renamed Euronet Card Services Greece.
- In May 2005, Euronet acquired all of the outstanding membership interests in Continental Transfer, LLC and a wholly-owned subsidiary, TelecommUSA, Limited ("TelecommUSA"), a company based in North Carolina. TelecommUSA provides money transfer services, primarily to consumers in the U.S. to destinations in Latin America, and bill payment services within the U.S. This acquisition launched the Company's money transfer and bill payment business.
- In March 2005, to enhance the Company's U.S. prepaid processing business, PaySpot (a wholly-owned subsidiary of Euronet) purchased substantially all of the assets of Dynamic Telecom, Inc. ("Dynamic Telecom"), a company based in Iowa. Dynamic Telecom's distribution network in convenience store chains throughout the U.S. provides several types of prepaid products including wireless, long distance and gift cards via POS terminals.
- In March 2005, the Company exercised its option to acquire an additional 41% of the shares of ATX Software, Ltd. ("ATX") and increased its share ownership in ATX to 51%. Euronet originally acquired a 10% share in ATX in May 2004. Euronet's \$0.1 million share of dividends declared prior to acquiring the additional 41% ownership share of ATX was recognized as income from unconsolidated affiliates during 2005. Upon the increase in ownership from 10% to 51%, Euronet consolidated ATX's financial position and results of operations.

In connection with these six acquisitions, \$3.5 million in cash remains in escrow. This cash has been reflected in the purchase price allocation because the Company has determined beyond a reasonable doubt that the performance criteria will be met. During the six-month period ending June 30, 2006, the Company issued 109,542 shares of Euronet Common Stock, valued at \$4.1 million, in settlement of contingent payment arrangements associated with the Company's 2005 acquisitions. This settlement was recorded as an increase in goodwill.

Pro Forma results:

The following unaudited pro forma financial information presents the condensed combined results of operations of Euronet for the three- and six-month periods ended June 30, 2006 and 2005, as if the acquisitions described above had occurred January 1, 2005. An adjustment was made to the combined results of operations, reflecting amortization of purchased intangible assets, net of tax, which would have been recorded if the acquisitions had occurred on January 1, 2005. The unaudited pro forma financial information is not intended to represent, or be indicative of, the consolidated results of operations or financial condition of Euronet that would have been reported had the acquisitions been completed as of the beginning of the periods presented. Moreover, the unaudited pro forma financial information should not be considered as representative of the future consolidated results of operations or financial condition of Euronet.

(amounts in thousands, except per share data)	Pro Forma for the Three Months Ended June 30,		Pro Forma for the Six Months Ended June 30,	
	2006	2005	2006	2005
Revenues	\$153,803	\$137,221	\$300,773	\$268,704
Operating income	\$ 12,248	\$ 9,370	\$ 24,576	\$ 18,680
Net income	\$ 11,127	\$ 1,302	\$ 20,478	\$ 3,803
Per share data:				
Earnings per share-basic	\$ 0.30	\$ 0.04	\$ 0.56	\$ 0.11
Earnings per share-diluted	\$ 0.28	\$ 0.03	\$ 0.52	\$ 0.10

(5) GOODWILL AND INTANGIBLE ASSETS

Intangible assets are carried at amortized cost, and goodwill, which is not amortized, is carried at cost. Intangible assets and goodwill are evaluated for impairment annually or more frequently if there is an indication of impairment. Goodwill represents the excess of the purchase price of the acquired businesses over the fair value of the underlying net tangible and intangible assets acquired. A summary of intangible assets and goodwill activity for the six-month period ended June 30, 2006, is presented below:

(in thousands):	Amortizable Intangible Assets	Goodwill	Total Intangible Assets
Balance as of January 1, 2006	\$ 50,724	\$ 267,195	\$ 317,919
Increases (decreases):			
Acquisition of Essentis	2,467	—	2,467
Earn-out payment related to Dynamic Telecom acquisition	—	4,126	4,126
Adjustments to other 2005 acquisitions	232	(611)	(379)
Amortization	(4,134)	—	(4,134)
Other (primarily changes in foreign currency exchange rates)	1,213	3,498	4,711
Balance as of June 30, 2006	<u>\$ 50,502</u>	<u>\$ 274,208</u>	<u>\$ 324,710</u>

Estimated annual amortization expense on intangible assets with finite lives, before income taxes, as of June 30, 2006 is expected to be \$8.3 million for 2006, \$8.3 million for 2007, \$8.1 million for 2008, \$8.1 million for 2009, \$8.0 million for 2010 and \$6.1 million for 2011.

(6) DEBT OBLIGATIONS

A summary of the activity for the six-month period ended June 30, 2006 for all debt obligations is presented below:

(in thousands)	Revolving Credit Facilities	Other Debt Obligations	Capital Leases	1.625% Convertible Debentures Due 2024	3.50% Convertible Debentures Due 2025	Total
Balance at January 1, 2006	\$ 7,343	\$ 15,550	\$ 17,660	\$ 140,000	\$ 175,000	\$ 355,553
Increases (decreases):						
Indebtedness incurred	7,146	1,548	5,204	—	—	13,898
Repayments	(7,919)	(2,040)	(4,000)	—	—	(13,959)
Capital lease interest accrued	—	—	916	—	—	916
Foreign exchange loss	123	380	113	—	—	616
Balance at June 30, 2006	6,693	15,438	19,893	140,000	175,000	357,024
Less — current maturities	—	(12,803)	(6,180)	—	—	(18,983)
Long-term obligations at June 30, 2006	<u>\$ 6,693</u>	<u>\$ 2,635</u>	<u>\$ 13,713</u>	<u>\$ 140,000</u>	<u>\$ 175,000</u>	<u>\$ 338,041</u>

During the second quarter 2006 the Company amended its October 2004, \$50 million revolving credit agreement to extend the maturity date to May 26, 2009 and established a new credit facility in India maturing on May 26, 2009. The amended facility also increased the number of participating financial institutions from one to three. The credit agreement, as amended, comprises the following:

- A \$10 million facility is to be used by the Company and certain U.S. subsidiaries (the “U.S. facility”) and drawn in U.S. dollars. This facility bears interest at either (i) the prime rate plus an applicable margin specified in the respective agreement, or (ii) a fixed rate equal to the U.S. dollar London Interbank Offered Rate (“LIBOR”), plus an applicable margin set forth in the agreement, and varies based on a consolidated funded debt to earnings before interest, taxes, depreciation and amortization (“EBITDA”) ratio, adjusted for certain other items as defined in the agreements. Fixed rate borrowings are made with maturities of one month, two months or three months. The U.S. facility is secured by approximately 65% of the share capital of Euronet Services Holding B.V. and the share capital of a majority of the Company’s U.S. subsidiaries.
- A \$30 million facility for use by the Company and certain European subsidiaries (the “European facility”). The European facility is a multi-currency facility that may be drawn in any combination of U.S. dollar, euro or British pound denominations. U.S. dollar draws are subject to interest charges similar to the \$10 million U.S. facility described above. Borrowings in euro or

British pounds bear interest at a rate fixed to the Euro Interbank Offered Rate (“EURIBOR”) or LIBOR rate, respectively, plus a margin that varies based on a consolidated debt to EBITDA ratio, plus ancillary costs. Fixed rate borrowings are made with maturities of one month, two months or three months. Borrowings under this facility are secured by the share capital of e-pay Ltd., Euronet Services GmbH, Transact GmbH and Delta Euronet GmbH, and are secured and guaranteed by a majority of the Company’s U.S. subsidiaries.

- A \$10 million facility, to be drawn in Indian rupees, for use by the Company’s Indian subsidiary (the “Rupee facility”). Borrowings under the Rupee facility either (i) bear interest at a floating rate equal to the Indian prime lending rate or the Mumbai Interbank Offered Rate (“MIBOR”), plus an applicable margin, or (ii) at a fixed MIBOR rate plus an applicable margin. Fixed rate borrowings are made with maturities of one month, two months or three months. Borrowings under this facility are unsecured and guaranteed by Euronet Worldwide, Inc.

The agreement allows the Company to elect to increase the aggregate commitments under the credit facility from \$50 million to \$65 million. The borrowings under the agreement may be used to refinance debt, for working capital needs, for permitted acquisitions and for other general corporate purposes. The agreement places certain restrictions on use of the facility to finance investments in, or operations of, “money services businesses” such as those engaged in money transfer activities. The agreement contains customary events of cross-default and covenants related to limitations on indebtedness and the maintenance of certain financial ratios. Total debt issuance costs of \$0.3 million are being amortized over three years.

As of June 30, 2006, there were borrowings of \$6.7 million and stand-by letters of credit of \$5.6 million outstanding against these facilities. As a result of the amendment to the revolving credit facility described above, borrowings under the facilities are classified as long-term debt obligations in the unaudited consolidated balance sheet as of June 30, 2006.

(7) STOCK PLANS

The Company has established, and shareholders have approved, a share compensation plan (the “SCP”) that allows the Company to grant restricted shares, or options to purchase shares, of its Common Stock to certain current and prospective key employees, directors and consultants of the Company. These awards generally vest over periods ranging from three to seven years from the date of grant and are generally exercisable during the shorter of a ten-year term or the term of employment or consulting arrangements with the Company. As of June 30, 2006, the Company reserved 13,663,991 shares of Common Stock, including 4,000,000 approved during the three-month period ended June 30, 2006, of which 9,497,340 have been awarded to employees.

(a) Adoption of SFAS No. 123R

As discussed in Note 1 and Note 2, the Company elected to adopt SFAS No. 123R under the modified retrospective application method applied to all periods for which SFAS No 123 was effective. Accordingly, financial statement amounts for the prior periods presented in this Form 10-Q have been adjusted to reflect the fair value method of expensing prescribed by SFAS No. 123R. The following table outlines the impact of adopting SFAS No. 123R on previously reported results:

<u>(in thousands, except per share data)</u>	<u>As Previously Reported</u>	<u>Impact of Adoption</u>	<u>As Adjusted</u>
For Three Months Ended June 30, 2005:			
Income before income taxes and minority interest	\$ 7,702	\$ (1,255)	\$ 6,447
Net income	\$ 3,918	\$ (1,255)	\$ 2,663
Earnings per share:			
Basic	\$ 0.11	\$ (0.03)	\$ 0.08
Diluted	\$ 0.10	\$ (0.03)	\$ 0.07
For Six Months Ended June 30, 2005:			
Income before income taxes and minority interest	\$ 16,446	\$ (2,510)	\$ 13,936
Net income	\$ 8,744	\$ (2,510)	\$ 6,234
Earnings per share:			
Basic	\$ 0.25	\$ (0.07)	\$ 0.18
Diluted	\$ 0.24	\$ (0.07)	\$ 0.17
As of December 31, 2005:			
Additional paid-in capital	\$ 279,307	\$ 32,718	\$ 312,025
Accumulated deficit	\$ (72,069)	\$ (32,718)	\$ (104,787)

Changes to the Company's consolidated statement of cash flows for the six-month period ended June 30, 2005 for the adoption of SFAS No. 123R were limited to the impact on net income shown above and the offsetting adjustment for share-based compensation as a non-cash expense.

The Company's consolidated statements of income and comprehensive income includes share-based compensation expense of \$1.9 million and \$1.3 million for the three-month periods ended June 30, 2006 and 2005, respectively, and \$3.8 million and \$2.7 million for the six-month periods ended June 30, 2006 and 2005, respectively. This is recorded as salaries and benefits expense. Of these amounts, approximately \$0.1 million and \$0.2 million was recorded as expense of the Company's business segments during the six-month periods ended June 30, 2006 and 2005, respectively. The Company recorded a tax benefit of \$0.1 million and \$0.2 million during the three- and six-month periods ended June 30, 2006, respectively, for the portion of this expense that relates to foreign tax jurisdictions in which an income tax benefit is expected to be derived. The Company did not record a tax benefit for the three- and six-month periods ended June 30, 2005.

(b) Stock options

Summary stock options activity is presented in the table below:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value (thousands)
Outstanding at January 1, 2006	3,803,261	\$ 11.91	6.2 years	\$ 60,439
Exercised	(1,273,026)	8.56		\$ 30,262
Forfeited	(75,914)	19.08		\$ 2,608
Outstanding at June 30, 2006	<u>2,454,321</u>	\$ 13.51	6.3 years	\$ 61,016
Exercisable at January 1, 2006	<u>2,142,090</u>	\$ 8.75	5.2 years	\$ 40,807
Exercisable at June 30, 2006	<u>1,283,158</u>	\$ 10.92	5.7 years	\$ 35,227

There were no options granted during the six-month period ended June 30, 2006. The Company received cash of \$10.9 million in connection with stock options exercised during the six-month period ended June 30, 2006. As of June 30, 2006, unrecognized compensation expense related to nonvested stock options totaled \$5.2 million and will be recognized over the next 30 months, with an overall weighted average period of one year.

(c) Restricted stock

Restricted stock awards vest based on the achievement of time-based service conditions and/or performance-based conditions. For certain awards, vesting is based on the achievement of one or more than one condition of an award with multiple time-based and/or performance-based conditions. The assumed annual forfeiture rate for restricted stock awards is 5%.

During the six-month period ended June 30, 2006, 240,000 restricted shares were granted, 20,100 restricted shares were forfeited and 9,763 restricted shares vested. A summary of restricted stock outstanding as of June 30, 2006 is presented in the table below:

(dollar amounts in thousands)	Number of Shares	Weighted Average Remaining Vesting Period (years)	Aggregate Intrinsic Value	Unrecognized Compensation Cost on Unvested Shares
Restricted stock vesting based on continued employment	317,270	5.6	\$12,174	\$ 8,276
Restricted stock vesting based on achievement of performance criteria	435,930	5.0	\$16,727	\$11,705

(d) Employee stock purchase plans

In 2003, the Company established a qualified Employee Stock Purchase Plan (the "ESPP"), which allows qualified employees (as defined by the plan documents) to participate in the purchase of rights to purchase designated shares of the Company's Common Stock at a price equal to the lower of 85% of the closing price at the beginning or end of each quarterly offering period. The Company reserved 500,000 shares of Common Stock for purchase under the ESPP. Pursuant to the ESPP, during the six-month period ended June 30, 2006 the Company issued 23,112 rights to purchase shares of Common Stock at an average price per share of \$26.59. The following table provides the weighted average fair value of the ESPP stock purchase rights during the six-month period ended June 30, 2006 and the assumptions used to calculate the fair value using the Black-Scholes pricing model:

	Six Months Ended June 30, 2006
Volatility	32.1%
Risk-free interest rates	4.0%
Dividend yield	0.0%
Expected lives	3 months
Weighted-average fair value (per share)	\$5.36

(8) BUSINESS SEGMENT INFORMATION

The Company operates in three principal business segments.

- 1) Through the EFT Processing Segment, the Company processes transactions for a network of ATMs and POS terminals across Europe, Asia and Africa. The Company provides comprehensive electronic payment solutions consisting of ATM network participation, outsourced ATM and POS management solutions and electronic recharge services (for prepaid mobile airtime purchases via ATM or directly from the handset).
- 2) Through the Prepaid Processing Segment, the Company provides prepaid processing, or top-up services, for prepaid mobile airtime and other prepaid products. The Company operates a network of POS terminals providing electronic processing of prepaid mobile airtime services in the U.S., Europe, Africa and Asia Pacific. This segment includes the results of Euronet Payments & Remittance, Inc., a licensed money transfer and bill payment company.
- 3) Through the Software Solutions Segment, the Company offers a suite of integrated electronic financial transaction ("EFT") software solutions for electronic payment and transaction delivery systems.

In addition, in its administrative division, "Corporate Services, Eliminations and Other," the Company accounts for non-operating results, certain intercompany eliminations and the costs of providing corporate and other administrative services to the three business segments. These services are not directly identifiable with the Company's business segments. During the second quarter and first half of 2006 the Company's Software Solutions Segment recorded intersegment revenues of \$0.6 million in relation to software and services provided to EFT Processing Segment entities. Salaries and benefits expense related to share-based compensation is generally recorded as a corporate expense.

The following tables present the segment results of the Company's operations for the three- and six-month periods ended June 30, 2006 and 2005:

(in thousands)	For the Three Months Ended June 30, 2006				
	EFT Processing	Prepaid Processing	Software Solutions	Corporate Services, Eliminations and Other	Consolidated
Total revenues	\$ 32,418	\$ 114,185	\$ 7,762	\$ (562)	\$ 153,803
Operating expenses:					
Direct operating costs	13,591	91,770	400	—	105,761
Salaries and benefits	4,983	6,205	4,458	3,808	19,454
Selling, general and administrative	2,835	4,537	1,090	815	9,277
Depreciation and amortization	3,018	3,552	448	45	7,063
Total operating expenses	24,427	106,064	6,396	4,668	141,555
Operating income (loss)	7,991	8,121	1,366	(5,230)	12,248
Other income (expense):					
Interest income	103	1,051	23	2,210	3,387
Interest expense	(700)	(338)	(14)	(2,604)	(3,654)
Income (loss) from unconsolidated affiliates	(631)	356	—	462	187
Foreign exchange gain, net	—	—	—	2,772	2,772
Total other income (expense)	(1,228)	1,069	9	2,840	2,690
Income (loss) before income taxes and minority interest	\$ 6,763	\$ 9,190	\$ 1,375	\$ (2,390)	\$ 14,938

(in thousands)	For the Three Months Ended June 30, 2005				
	EFT Processing	Prepaid Processing	Software Solutions	Corporate Services, Eliminations and Other (1)	Consolidated
Total revenues	\$ 26,041	\$ 102,480	\$ 3,724	\$ —	\$ 132,245
Operating expenses:					
Direct operating costs	10,756	81,053	348	—	92,157
Salaries and benefits	4,169	6,030	2,152	2,628	14,979
Selling, general and administrative	2,447	4,105	186	1,459	8,197
Depreciation and amortization	2,415	2,956	259	15	5,645
Total operating expenses	19,787	94,144	2,945	4,102	120,978
Operating income (loss)	6,254	8,336	779	(4,102)	11,267
Other income (expense):					
Interest income	60	889	—	156	1,105
Interest expense	(521)	(132)	—	(964)	(1,617)
Income from unconsolidated affiliates	202	205	—	—	407
Foreign exchange loss, net	—	—	—	(4,715)	(4,715)
Total other income (expense)	(259)	962	—	(5,523)	(4,820)
Income (loss) before income taxes and minority interest	\$ 5,995	\$ 9,298	\$ 779	\$ (9,625)	\$ 6,447

For the Six Months Ended June 30, 2006

<u>(in thousands)</u>	<u>EFT Processing</u>	<u>Prepaid Processing</u>	<u>Software Solutions</u>	<u>Corporate Services, Eliminations and Other</u>	<u>Consolidated</u>
Total revenues	\$ 62,286	\$ 225,146	\$ 13,916	\$ (575)	\$ 300,773
Operating expenses:					
Direct operating costs	26,017	180,257	840	—	207,114
Salaries and benefits	9,297	12,489	8,382	7,320	37,488
Selling, general and administrative	5,589	8,383	2,068	1,673	17,713
Depreciation and amortization	5,963	6,936	895	88	13,882
Total operating expenses	46,866	208,065	12,185	9,081	276,197
Operating income (loss)	15,420	17,081	1,731	(9,656)	24,576
Other income (expense):					
Interest income	165	2,029	24	3,891	6,109
Interest expense	(1,343)	(704)	(14)	(5,192)	(7,253)
Income (loss) from unconsolidated affiliates	(810)	706	—	462	358
Foreign exchange gain, net	—	—	—	4,330	4,330
Total other income (expense)	(1,988)	2,031	10	3,491	3,544
Income (loss) before income taxes and minority interest	\$ 13,432	\$ 19,112	\$ 1,741	\$ (6,165)	\$ 28,120
Total assets as of June 30, 2006	\$ 139,758	\$ 588,463	\$ 15,863	\$ 183,680	\$ 927,764

For the Six Months Ended June 30, 2005

<u>(in thousands)</u>	<u>EFT Processing</u>	<u>Prepaid Processing</u>	<u>Software Solutions</u>	<u>Corporate Services, Eliminations and Other (1)</u>	<u>Consolidated</u>
Total revenues	\$ 49,930	\$ 191,861	\$ 7,660	\$ —	\$ 249,451
Operating expenses:					
Direct operating costs	21,590	152,332	607	—	174,529
Salaries and benefits	7,872	10,933	4,279	5,099	28,183
Selling, general and administrative	3,755	7,225	576	2,779	14,335
Depreciation and amortization	4,880	5,199	541	50	10,670
Total operating expenses	38,097	175,689	6,003	7,928	227,717
Operating income (loss)	11,833	16,172	1,657	(7,928)	21,734
Other income (expense):					
Interest income	106	1,798	—	408	2,312
Interest expense	(1,090)	(286)	—	(1,829)	(3,205)
Income from unconsolidated affiliates	202	318	—	132	652
Foreign exchange loss, net	—	—	—	(7,557)	(7,557)
Total other income (expense)	(782)	1,830	—	(8,846)	(7,798)
Income (loss) before income taxes and minority interest	\$ 11,051	\$ 18,002	\$ 1,657	\$ (16,774)	\$ 13,936
Total assets as of December 31, 2005	\$ 124,772	\$ 477,893	\$ 6,308	\$ 285,379	\$ 894,352

(1) As discussed previously, in connection with the adoption of SFAS No. 123R, the Company adjusted its previously reported results to include the impact of share-based compensation expense.

(9) CONTINGENCIES

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

During 2005, a former cash supply contractor in Central Europe (the "Contractor") claimed that the Company owed it approximately \$2.0 million for the provision of cash during the fourth quarter 1999 and first quarter 2000 that has not been returned. This claim, based on events that purportedly occurred over five years ago, was made more than a year after the Company had terminated its business with the Contractor and established a cash supply agreement with another supplier. In the first quarter 2006, the Contractor initiated legal action in Budapest, Hungary regarding the claim. Management expects the Company to prevail in defending itself in this matter and, accordingly has not recorded any liability or expense related to this claim. The Company will continue to monitor and assess this claim until ultimate resolution.

Currently, there are no other 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.

(10) GUARANTEES

As of June 30, 2006, the Company had \$26.7 million of bank guarantees issued on its behalf, of which \$12.0 million are collateralized by cash deposits held by the respective issuing banks.

Euronet Worldwide, Inc. regularly grants guarantees of the obligations of its wholly-owned subsidiaries. As of June 30, 2006, the Company had granted guarantees in the following amounts:

- Cash in various ATM networks — \$18.8 million over the terms of the cash supply agreements.
- Commercial obligations of the Company's Australian Prepaid Processing subsidiary, including PIN inventory held on consignment with our customers, to a maximum of approximately \$45 million.
- Other vendor supply agreements — \$17.8 million over the term of the vendor agreements.

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 obligations is not stated in the agreements. Our liability under such indemnification provision may be subject to time and materiality limitations, monetary caps and other conditions and defenses. Such indemnity obligations include the following:

- 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 our vendors and into 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
- In connection with the Company's entry into the money transfer business, the Company has issued surety bonds in compliance with licensing requirements of those states.

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 June 30, 2006 and December 31, 2005.

(11) INCOME TAXES

The Company's effective tax rate, after consideration of minority interest, was 24% and 57% for the three-month periods ended June 30, 2006 and 2005, respectively, and was 26% and 54% for the six-month periods ended June 30, 2006 and 2005, respectively. The improvement in the effective tax rate largely relates to the impact of foreign currency exchange gains or losses. Since the Company is in a net operating loss position for its U.S. operations and, accordingly has valuation allowances to reserve for net deferred tax assets, tax benefit or expense associated with foreign currency gains or losses incurred by its U.S. entities is not currently recognized.

(12) EXPIRATION OF PREFERENTIAL COMMISSION RATES IN SPAIN

Under arrangements with a major mobile operator, the Spanish subsidiaries of Euronet received a preferred, exclusive distributor commission on sales of prepaid mobile airtime; the preferential commission under this arrangement expired in May 2006 leaving in place a lower, non-exclusive commission. The Company chose to only pass through a portion of this reduction to its retailers to reduce the risk of losing any retail accounts. Accordingly, as a result of the expiration of the preferred commission, revenues and margins in the second quarter 2006 were reduced by approximately \$1.1 million.

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. ("Euronet" or the "Company") is a leading electronic transaction processor, offering ATM and POS outsourcing services, integrated electronic financial transaction ("EFT") software, network gateways and electronic prepaid top-up services to financial institutions, mobile operators and retailers, as well as electronic consumer money transfer and bill payment services. We operate the largest independent pan-European ATM network, the largest national shared ATM network in India, and we are one of the largest providers of prepaid mobile airtime processing.

We operate in three principal business segments:

- An EFT Processing Segment, in which we process transactions for a network of 7,866 ATMs and more than 38,000 POS terminals across Europe, Asia and Africa. We provide comprehensive electronic payment solutions consisting of ATM network participation, outsourced ATM and POS management solutions, credit card outsourcing and electronic recharge services (for prepaid mobile airtime via an ATM or directly from the handset).
- A Prepaid Processing Segment, through which we provide distribution of prepaid mobile airtime and other prepaid products and collections services for various prepaid products, cards and services. We operate a network of more than 259,000 POS terminals providing electronic processing of prepaid mobile airtime top-up services in the U.S., Europe, Africa and Asia Pacific. This segment also includes Euronet Payments & Remittance, Inc. ("Euronet Payments & Remittance"), which resulted from the 2005 acquisition of TelecommUSA, and provides money transfer services to customers from the U.S. to destinations in Latin America, and bill payment services to customers within the U.S.
- A Software Solutions Segment, through which we offer a suite of integrated EFT software solutions for electronic payment and transaction delivery systems.

We have seven processing centers in Europe, two in Asia and one in the U.S., and we have 17 principal offices in Europe, four in the Asia-Pacific region, four in the U.S. and one in the Middle East. Our executive offices are located in Leawood, Kansas, USA. With approximately 84% 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 (for more discussion, see Item 7A — Quantitative and Qualitative Disclosure About Market Risk, and Part I, Item 1A — Risk Factors in the Company's Annual Report of Form 10-K for the year ended December 31, 2005).

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 — Revenue in the EFT Processing Segment, which represents approximately 21% of total consolidated revenue for the first half of 2006, is 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.

On 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.

For the first half of 2006, approximately 26% of total segment revenue was derived from ATMs we owned (excluding those leased by us in connection with outsourcing agreements, as discussed below) and the remainder was primarily derived from ATMs that we operate for banks on an outsourced basis. The percentage of revenues we generate from our proprietary network of ATMs has fallen significantly during the past three years. We believe this shift from a largely proprietary, Euronet-owned ATM network, to a greater focus on ATMs operated under outsourcing agreements will continue to provide lower total revenues, but higher marginal returns on investment. This is because we bear all costs of owning and operating ATMs on our proprietary network, including the capital investment represented by the cost of the ATMs themselves, whereas customer-owned ATMs operated under outsource service agreements require a nominal up-front capital investment because we do not purchase the ATMs. Additionally, in many instances operating costs are the responsibility of the owner and, therefore, recurring operating expenses per ATM are lower. In connection with certain long-term outsourcing agreements, we lease many of our ATMs under capital lease arrangements where, generally, we purchase a bank's ATMs, and simultaneously sell the ATMs (often to an entity related to the bank). We then lease back the ATMs for purposes of fulfilling the ATM outsourcing agreement with the bank. We fully recover the related lease costs from the bank under the outsourcing agreements.

Prepaid Processing Segment — Revenue in the Prepaid Processing Segment, which represents approximately 74% of total consolidated revenue for the first half of 2006, is primarily derived from commissions and processing fees received from mobile and other telecommunication operators, or from distributors of prepaid wireless products for the distribution and/or processing of prepaid mobile airtime and other telecommunication 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 practically in the concerned market, to pass a 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. The loss of any agreements with mobile operators in any market could materially and adversely affect our results.

Software Solutions Segment — Revenue in the Software Solutions Segment, which represents 5% of total consolidated revenue for the first half of 2006, is derived from licensing, professional services and maintenance fees for software and sales of related hardware. Software license fees are the initial fees we charge to license our proprietary application software to customers. Professional fees consist of charges for customization, installation and consulting services to customers. Software maintenance revenue represents 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.

In January 2006, we acquired the assets of Essentis Limited ("Essentis"), a U.K. company that owns a leading card issuing and merchant acquiring software package. The assets, primarily consisting of the software source code, were purchased out of an administrative proceeding for approximately \$3.0 million, including the assumption of certain liabilities. The Essentis software product allows us to add additional outsourcing and software offerings to banks. For further discussion, see Note 4 — Acquisitions to the Unaudited Consolidated Financial Statements. The results of Essentis are reported in the Software Solutions Segment.

OPPORTUNITIES AND CHALLENGES

Our expansion plans and opportunities are focused on five primary areas:

- outsourced ATM and POS terminal management contracts;
- transactions processed on our network of owned and operated ATMs;
- our prepaid mobile airtime top-up processing services;
- our money transfer and bill payment services; and
- development of our credit and debit card outsourcing business.

EFT Processing Segment — The continued expansion and development of our ATM business will depend on various factors including 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;
- entering 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; and
- the ability to efficiently install ATMs contracted under newly awarded outsourcing agreements.

We carefully monitor the revenue and transactional growth of our ATM networks in each of our markets, and we adjust our plans depending on local market conditions, such as variations in the transaction fees we receive, competition, overall trends in ATM-transaction levels and performance of individual ATMs.

We consistently evaluate and add prospects to our list of potential ATM outsource customers. However, we cannot predict the increase or decrease in the number of ATMs we manage under outsourcing agreements, because this depends largely on the willingness of banks to enter into outsourcing contracts with us. Due to the thorough internal reviews and extensive negotiations conducted by existing and prospective banking customers in choosing outsource vendors, the process of entering into or renewing outsourcing agreements can take approximately nine months to more than one year. The process is further complicated by the legal and regulatory considerations of local countries. These agreements tend to cover large numbers of ATMs, so significant increases and decreases in our pool of managed ATMs could result from acquisition or termination of these management contracts. Therefore, the timing of both current and new contract revenues is uncertain and unpredictable.

In January 2006, through Jiayintong (Beijing) Technology Development Co. Ltd., our 75% owned joint venture with Ray Holdings in China, we entered into an ATM outsourcing pilot agreement with Postal Savings and Remittance Bureau (“PSRB”), a financial institution located and organized in China. This pilot agreement makes us the first, and currently the only, provider of end-to-end ATM outsourcing services in China. Under the pilot contract, we have agreed to deploy and provide all of the day-to-day outsourcing services for a total of 90 ATMs in Beijing, Shanghai and Guangdong, the three largest commercial centers in China. During the first half of 2006, we successfully deployed 58 ATMs and we expect the remaining ATMs to become operational during the next few months. If this pilot agreement meets certain success criteria, we have agreed to take over additional existing ATMs and install new ATMs at PSRB’s request. We have established a technical processing and operations center in Beijing to operate these ATMs. Our future success in China will depend on our ability to be successful in this pilot agreement, the willingness of PSRB to outsource additional ATMs to us or other banks’ willingness to outsource ATMs to us and our ability to take over, install and operate additional ATMs. While we believe that we have the proper resources and skills in place to be successful, there can be no assurance that we will be successful in the pilot agreement or that we will be successful in our ability to take over existing ATMs or install new ATMs as expected by PSRB or others. Start up costs for this joint venture have been expensed as incurred.

Prepaid Processing Segment — We currently offer prepaid mobile phone top-up services in the U.S., Europe, Africa and Asia Pacific; money transfer services to customers from the U.S. to destinations in Latin America; and bill payment services to customers in the U.S., U.K. and Poland. We plan to expand our top-up business in these and other markets by taking advantage of our existing expertise together with relationships with mobile phone operators and retailers. We plan to expand our card-based money transfer and bill payment services by offering the product on many of our existing POS terminals in the U.S. and internationally.

Expansion will depend on various factors, including, but not necessarily limited to, the following:

- the ability to negotiate new agreements for other markets with mobile phone operators, agent banks and retailers;
- the continuation of the conversion trend 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 continuation of the trend of increased use of electronic money transfer and bill payment among immigrant workers and the unbanked population in our markets;
- 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 obtain money transfer licenses to operate in many of the states within the U.S. and internationally;
- the ability to rapidly maximize the number of agents and retailers who sell our card-based money transfer and bill payment product in the U.S. and internationally; and
- the availability of financing for further expansion.

In mature markets, such as the U.K., Australia, Spain and Ireland, the conversion from scratch cards to electronic forms of distribution is either complete or nearing completion. Because of this factor, we are likely to cease experiencing the organic increases in the number of transactions per terminal that we have experienced historically. Also in mature markets, competition among prepaid distributors results in the reduction of commissions and margins paid by mobile operators, as well as retailer churn. The combined impact of these factors in developed markets is a flattening of growth in the revenues and profits that we earn. In other markets in which we operate, such as Poland, Germany and the U.S., many of the factors that may contribute to rapid growth (conversion from scratch cards to electronic distribution, growth in the prepaid market, expansion of our network of retailers and access to all mobile operators' products) remain present.

Growth in our money transfer and bill payment services business, Euronet Payments & Remittance, will be driven by the continuation of global worker migration patterns, our ability to manage rapid growth, our ability to maximize the opportunity to sell our card-based product over our existing POS terminals in the U.S. and internationally, and our ability to obtain licenses to operate in many of the states within the U.S. as well as other countries. While we are currently focused on the U.S. and Latin America market, we plan to expand our money transfer services to other markets. We are focusing on increasing our sending locations in existing licensed states and obtaining licenses to operate in other key states. We have expanded these operations from the original three states into twelve additional states. We also have eight other states where we are preparing to introduce these services and five additional states where licenses are pending approval. Expansion of our money transfer business internationally will require resolution of numerous licensing and regulatory issues in each market we intend to develop and no assurance can be given that these issues will be resolved.

Software Solutions Segment — Software products are an integral part of our product lines, and our investment in research, development, delivery and customer support reflects our ongoing commitment to an expanded customer base. We have been able to enter into agreements under which we use our software in lieu of cash as our initial capital contributions to new transaction processing joint ventures. Such contribution sometimes permits us to enter new markets without significant capital investment. Additionally, this segment supports our EFT Processing Segment and is a valuable element of our overall business strategy. The competitive factors in the Software Solutions business include price, technology development and the ability of software systems to interact with other leading products. Our success is dependent on our ability to design and implement software applications. Technical disruptions or errors in these systems could have a material adverse impact on our revenue and financial results. We also recently expanded the Software Solutions Segment with the January 2006 acquisition of Essentis. This acquisition will allow us to offer additional outsourcing and software products to banks. We expect Essentis to incur operating losses for 2006 totaling approximately \$1.5 million to \$2.0 million.

Corporate Services, Eliminations and Other — In addition to operating in our principal business segments described above, our division, "Corporate Services, Elimination and Other" includes non-operating results, 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 option and restricted stock grants. These services are not directly identifiable with our business segments.

We evaluate performance of our segments based on income or loss from continuing operations before income taxes, foreign exchange gain (loss), minority interest and other nonrecurring gains and losses. The impact of share-based compensation is recorded as an expense of the Corporate Services division, with certain limited exceptions related to grants of restricted stock to key members of management that vest based on the achievement of performance criteria by our subsidiaries.

SEGMENT SUMMARY RESULTS OF OPERATIONS

Revenue and operating income by segment revenue for the three- and six-month periods ended June 30, 2006 and 2005 are summarized in the tables below:

(dollar amounts in thousands)	Revenues for the Three Months Ended June 30,		Year-over-Year Change		Revenues for the Six Months Ended June 30,		Year-over-Year Change	
	2006	2005	Increase (Decrease) Amount	Increase (Decrease) Percent	2006	2005	Increase (Decrease) Amount	Increase (Decrease) Percent
EFT Processing	\$ 32,418	\$ 26,041	\$ 6,377	24%	\$ 62,286	\$ 49,930	\$ 12,356	25%
Prepaid Processing	114,185	102,480	11,705	11%	225,146	191,861	33,285	17%
Software Solutions	7,762	3,724	4,038	108%	13,916	7,660	6,256	82%
Total	154,365	132,245	22,120	17%	301,348	249,451	51,897	21%
Eliminations	(562)	—	(562)	n/m	(575)	—	(575)	n/m
Total	<u>\$ 153,803</u>	<u>\$ 132,245</u>	<u>\$ 21,558</u>	16%	<u>\$ 300,773</u>	<u>\$ 249,451</u>	<u>\$ 51,322</u>	21%

(dollar amounts in thousands)	Operating Income for the Three Months Ended June 30,		Year-over-Year Change		Operating Income for the Six Months Ended June 30,		Year-over-Year Change	
	2006	2005 (1)	Increase (Decrease) Amount	Increase (Decrease) Percent	2006	2005 (1)	Increase (Decrease) Amount	Increase (Decrease) Percent
EFT Processing	\$ 7,991	\$ 6,254	\$ 1,737	28%	\$ 15,420	\$ 11,833	\$ 3,587	30%
Prepaid Processing	8,121	8,336	(215)	(3%)	17,081	16,172	909	6%
Software Solutions	1,366	779	587	75%	1,731	1,657	74	4%
Total	17,478	15,369	2,109	14%	34,232	29,662	4,570	15%
Corporate services	(4,768)	(4,102)	(666)	16%	(9,194)	(7,928)	(1,266)	16%
Eliminations and other	(462)	—	(462)	n/m	(462)	—	(462)	n/m
Total	<u>\$ 12,248</u>	<u>\$ 11,267</u>	<u>\$ 981</u>	9%	<u>\$ 24,576</u>	<u>\$ 21,734</u>	<u>\$ 2,842</u>	13%

n/m — Not meaningful.

- (1) As discussed in the Notes to the Unaudited Consolidated Financial Statements, we adopted the provisions of Statement of Financial Accounting Standards (“SFAS”) No. 123(R), “Share-Based Payment,” (“SFAS No. 123R”) on January 1, 2006. We elected to adopt the modified retrospective application method as provided by SFAS No. 123R and, accordingly, financial statement amounts for the prior periods presented in this Form 10-Q have been adjusted to reflect the fair value method of expensing prescribed by SFAS No. 123R. See Note 1 — General, Note 2 — Significant Accounting Policies and Practices and Note 7 — Stock Plans to the Unaudited Consolidated Financial Statements for further discussion.

COMPARISON OF OPERATING RESULTS FOR THE THREE- AND SIX-MONTH PERIODS ENDED JUNE 30, 2006 AND 2005

EFT PROCESSING SEGMENT

The following table presents the results of operations for the three- and six-month periods ended June 30, 2006 and 2005 for our EFT Processing Segment:

(dollar amounts in thousands)	Results for the Three Months Ended June 30,		Year-over-Year Change		Results for the Six Months Ended June 30,		Year-over-Year Change	
	2006	2005	Increase Amount	Increase Percent	2006	2005	Increase Amount	Increase Percent
Total revenues	\$ 32,418	\$ 26,041	\$ 6,377	24%	\$ 62,286	\$ 49,930	\$ 12,356	25%
Operating expenses:								
Direct operating costs	13,591	10,756	2,835	26%	26,017	21,590	4,427	21%
Salaries and benefits	4,983	4,169	814	20%	9,297	7,872	1,425	18%
Selling, general and administrative	2,835	2,447	388	16%	5,589	3,755	1,834	49%
Depreciation and amortization	3,018	2,415	603	25%	5,963	4,880	1,083	22%
Total operating expenses	24,427	19,787	4,640	23%	46,866	38,097	8,769	23%
Operating income	\$ 7,991	\$ 6,254	\$ 1,737	28%	\$ 15,420	\$ 11,833	\$ 3,587	30%
Transactions processed (millions)	113.6	86.8	26.8	31%	216.7	164.1	52.6	32%
ATMs as of June 30	7,866	6,565	1,301	20%	7,866	6,565	1,301	20%
Average ATMs	7,766	6,491	1,275	20%	7,580	6,266	1,314	21%

Revenues

Our revenue for the first half of 2006 increased when compared to the first half of 2005 primarily due to increases in the number of ATMs operated and, for owned ATMs, the number of transactions processed. Additionally, the first quarter 2006 includes the results of Instreamline and Europlanet. Instreamline was acquired in October 2005 and provides credit card and POS outsourcing services and transaction gateway switching services in Greece and the Balkan region. Our ownership in Europlanet was increased through two transactions; one in April 2005, in which we increased our ownership from 36% to 66%; and one in December 2005, in which we acquired the final 34% ownership. Europlanet provides debit card processing services and manages a network of ATMs and POS terminals in Serbia.

Revenue per average ATM was \$4,174 for the second quarter and \$8,217 for the first half of 2006, compared to \$4,012 for the second quarter and \$7,968 for the first half of 2005. Revenue per transaction was \$0.29 for both the second quarter and first half of 2006, compared to \$0.30 for both the second quarter and first half of 2005. The slight decrease in revenue per transaction is mainly the result of the shift from owning ATMs to managing them under outsourcing agreements. Under outsourcing agreements, we primarily earn revenue based on fixed recurring monthly management fee, with less dependence on transaction-based fees because incremental transactions have little impact on the fixed or variable costs of managing ATMs. Therefore, an overall increase in the number of transactions processed on ATMs that are managed under outsourcing agreements generally does not generate commensurate increases in revenues. We believe this shift from a largely proprietary, Euronet-owned ATM network to operating ATMs under outsourcing arrangements has provided, and will continue to provide, higher marginal returns on investment. While expansion of our network of owned ATMs is not one of our strategic initiatives, if opportunities were available to us, we would consider increasing future capital expenditures to expand this network in new or existing markets.

Of total segment revenue for the first half of 2006, 26% was from ATMs we owned and 74% was from outsourcing services, compared to 30% and 70%, respectively, for the first half of 2005.

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 increase in direct operating cost for the first half of 2006, compared to the first half of 2005, is attributed to the increase in the number of ATMs under operation. Direct operating costs as a percentage of revenues decreased to 42% for the first half of 2006, compared to 43% for the first half of 2005. This reduction resulted from operating a greater percentage of outsourced ATMs, for which direct costs per

ATM, and on a per transaction basis, are lower than the existing installed base of ATMs, together with leveraging the fixed and semi-fixed data center costs.

Gross margin

Gross margin, which is revenue less direct operating costs, increased to \$18.8 million for the second quarter and \$36.3 million for the first half of 2006, from \$15.3 million for the second quarter and \$28.3 million for the first half of 2005. Of total segment gross margin for the first half of 2006, approximately 22% was from ATMs we owned and 78% was from outsourcing services, compared to 28% and 72%, respectively, for the first half of 2005.

Gross margin per average ATM was \$4,785 for the first half of 2006, compared to \$4,523 for the first half of 2005. The increase in gross margin per average ATM is largely the result of increasing transactions for owned ATMs and related fees from the installed ATM base, together with the leveraged effect of adding additional ATM outsourcing revenues and profits to a direct cost structure that is more fixed than variable with transactional volume. Gross margin per transaction was \$0.17 for both the second quarter and first half of 2006, compared to \$0.18 for the second quarter and \$0.17 for the first half of 2005.

Salaries and benefits

The increase in salaries and benefits for the second quarter and first half of 2006, compared to the second quarter and first half 2005 is primarily due to the acquisition of Instreamline and, Europlanet, staffing costs to expand in emerging markets such as India, China and new European markets, and general merit increases awarded to employees. Certain staffing increases were also necessary due to the larger number of ATMs under operation and transactions processed. These expenses as a percentage of revenue, however, continued to trend downward, decreasing to 15% for both the second quarter and first half of 2006, compared to 16% for both the second quarter and first half of 2005. This decrease as a percentage of revenue reflects increased leverage and scalability in our markets.

Selling, general and administrative

Similar to the increase in salaries and benefits, the increase in selling, general and administrative expenses for the second quarter and first half of 2006, compared to the second quarter and first half of 2005 is also due primarily to the acquisitions of Instreamline and Europlanet and staffing-related costs to expand in emerging markets such as India, China and new European markets. As a percentage of revenue, these costs were 9% of revenue for the second quarter and first half of 2006, compared to 9% of revenue for the second quarter and 8% for the first half of 2005. Offsetting these costs for the first half of 2005 was \$0.5 million for an insurance recovery. This insurance recovery related to a loss recorded in the fourth quarter 2003 on certain ATM disbursements resulting from a card association's change in their data exchange format. Adjusting for this recovery, selling, general and administrative expenses as a percentage of revenue for the first half of 2005 would have been 9%.

Depreciation and amortization

The increase in depreciation and amortization expense for the first half of 2006, compared to the first half of 2005 is due primarily due to depreciation and intangible amortization related to the acquisitions of Instreamline and, to a lesser extent, Europlanet, as well as depreciation on additional ATMs under capital lease arrangements related to outsourcing agreements in India. As a percentage of revenue, these expenses were flat at 9% of revenue for both the second quarter 2006 and 2005, and 10% of revenue for both the first half of 2006 and 2005. Approximately \$0.6 million of depreciation and amortization for the first half of 2006 represents amortization of acquired intangible assets related to the acquisitions of Instreamline and Europlanet.

Operating income

The increase in operating income for the segment is generally the result of increased revenue and the related gross margins from new ATM outsourcing and network participation agreements and the impact of the acquisitions of Instreamline and Europlanet, combined with leveraging certain management cost structures. Operating income as a percentage of revenue was 25% for both the second quarter and first half of 2006, compared to 24% for the both the second quarter and first half of 2005.

Operating income per transaction was unchanged at \$0.07 for all periods. Operating income per average ATM was \$1,029 for the second quarter and \$2,034 for the first half of 2006, compared to \$963 for the second quarter and \$1,888 for the first half of 2005. The continuing increase in operating income per ATM is due to increased leverage and scalability in our markets, as well as the continuing migration toward operating ATMs under outsourcing agreements rather than ownership arrangements. Additionally, the increase in operating income per transaction and per ATM is due to the results of Instreamline and Europlanet, which have substantial non-ATM card-processing operations. Partially offsetting these increases, operating income includes a loss of \$0.3 million for the second quarter and \$0.9 million for the first half of 2006 related to our 75% owned joint venture in China. We expect to generate total operating losses in China for 2006 of approximately \$1.5 million to \$2.0 million as we continue to focus on expansion in this market.

PREPAID PROCESSING SEGMENT

The following table presents the results of operations for the three- and six-month periods ended June 30, 2006 and 2005 for our Prepaid Processing Segment:

(dollar amounts in thousands)	Results for the Three Months Ended June 30,		Year-over-Year Change		Results for the Six Months Ended June 30,		Year-over-Year Change	
	2006	2005	Increase (Decrease) Amount	Increase (Decrease) Percent	2006	2005	Increase (Decrease) Amount	Increase (Decrease) Percent
Total revenues	\$ 114,185	\$ 102,480	\$ 11,705	11%	\$ 225,146	\$ 191,861	\$ 33,285	17%
Operating expenses:								
Direct operating costs	91,770	81,053	10,717	13%	180,257	152,332	27,925	18%
Salaries and benefits	6,205	6,030	175	3%	12,489	10,933	1,556	14%
Selling, general and administrative	4,537	4,105	432	11%	8,383	7,225	1,158	16%
Depreciation and amortization	3,552	2,956	596	20%	6,936	5,199	1,737	33%
Total operating expenses	106,064	94,144	11,920	13%	208,065	175,689	32,376	18%
Operating income	\$ 8,121	\$ 8,336	\$ (215)	(3%)	\$ 17,081	\$ 16,172	\$ 909	6%
Transactions processed (millions)	107.8	86.2	21.6	25%	204.2	153.4	50.8	33%

Revenues

The increase in revenues for the second quarter and first half of 2006, compared to the second quarter and first half of 2005 was generally attributable to the increase in total transactions processed, in part as a result of the full year effects of 2005 acquisitions. Transaction growth also reflects growth from existing operations and from our subsidiaries subsequent to the date of acquisition. In mature markets, such as the U.K. and Australia, our revenue growth has slowed substantially because conversion from scratch cards to electronic top-up is approaching completion and certain mobile operators and retailers are driving competitive reductions in pricing and margins. We expect most of our revenue growth for 2006 and beyond to be derived from developing markets or markets in which there is organic growth in the prepaid sector overall, from continued conversion from scratch cards to electronic top-up, from additional products sold over the base of prepaid processing terminals and, possibly, acquisitions.

Revenue per transaction was \$1.06 for the second quarter and \$1.10 for the first half of 2006, compared to \$1.19 for the second quarter and \$1.25 for the first half of 2005. The decrease in revenue per transaction is due primarily to the four following reasons: i) On a year-to-date basis, approximately 25% of the decrease is due to the impact of differences in foreign currency exchange rates on the first quarter 2006 as compared to the first quarter 2005. These foreign currency exchange rate fluctuations affect the amount of revenues recorded without having any impact on the number of transactions processed. Differences in foreign currency exchange rates were smaller during the second quarter 2006 compared to the second quarter 2005 and, therefore, had a minor impact on the comparisons between these two quarters; ii) The largest portion of the decrease in revenue per transaction on a year-to-date basis results from the growth in revenues and transactions recorded by our ATX subsidiary, which was acquired at the end of the first quarter 2005. ATX provides only transaction processing services without direct costs and other operating costs associated with installing and managing terminals; therefore, the revenue we recognize from these transactions is a fraction of that recognized on average transactions, but with virtually no cost. Transaction volumes at ATX have increased by approximately 400% for the first half of 2006, compared to the first half of 2005, and have increased approximately 280% for the second quarter 2006, compared to the second quarter 2005. For the first half of 2006, ATX transaction volumes accounted for approximately 12% of all transaction volume for the Prepaid Processing Segment, compared to 4% for the first half of 2005; iii) A portion of the decrease is also due to our expansion into markets such as Germany and Poland where we earn less revenue per transaction but are able to keep a greater percentage of the commission, thus having little, if any, impact on gross margin; and iv) The decrease between the second quarter 2006 and the second quarter 2005 was also due to the May 2006 expiration of preferential commission arrangements with a Spanish mobile operator. When we acquired our Spanish prepaid subsidiaries, we entered into agreements through May 2006 with a major mobile operator under which the subsidiaries received a preferred, exclusive distributor commission on sales of prepaid mobile airtime. The preferential commission arrangements expired in May 2006 and were not extended. Although we were able to pass through our reduction in commission to the retailers under our contracts with them by paying a lower distribution commission, we chose to only pass through a portion of the reduction to guard against the loss of retailers. Accordingly, our revenues and margins in the second quarter 2006 were reduced by approximately \$1.1 million by this reduction in commission. However, during the quarter, we commenced distribution of prepaid time from the two other mobile operators in Spain and expect commissions from the sale of that prepaid time to partially offset this reduction. Moreover, we will continue to evaluate opportunities to pass through

additional reductions to retailers as determined appropriate in the competitive circumstances. Since the reduction in commission rates in Spain impacted only May and June 2006, the impact on the first half of 2006 compared to the first half of 2005 was not as significant.

Partially offsetting the decreases described above for both the second quarter and first half of 2006, compared to the same periods during 2005, were the growth in both volumes and revenues related to our US Prepaid subsidiary, Payscale. Revenue per transaction for Payscale is generally higher than most of our other Prepaid Processing subsidiaries.

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 communication and paper expenses required to operate POS terminals. Because of their nature, these expenditures generally fluctuate directly with revenues and processed transactions. The increase in direct operating costs is generally attributable to the increase in total transactions processed over the prior year. Direct costs as a percentage of revenue are slightly higher in our mature markets, such as the U.K. and Australia and have increased in our Spanish market as a result of the expiration of preferential commission arrangements described above. These higher costs have been partially offset during the second quarter and first half of 2006 by lower direct costs as a percentage of revenue in other markets and by ATX. As discussed above, ATX is a transaction processor, with very few direct costs and, accordingly, a high gross margin percentage.

Gross margin

Gross margin, which represents revenue less direct costs, was \$22.4 million for the second quarter and \$44.9 million for the first half of 2006, compared to \$21.4 million for the second quarter and \$39.5 million for the first half of 2005. Gross margin per transaction was \$0.21 for the second quarter and \$0.22 for the first half of 2006, compared to \$0.25 per transaction for the second quarter and \$0.26 for the first half of 2005. Gross margin as a percentage of revenue was 20% for both the second quarter and first half of 2006, compared to 21% for both the second quarter and first half of 2005. The reduction in gross margin per transaction is primarily due to lower margins in mature markets, primarily the U.K., and the impact of the expiration of preferential commission arrangements in Spain discussed above. Our Spanish subsidiaries, due to competitive circumstances, chose to only pass a portion of the reduction in commission through to retailers and absorbed a majority of this reduction. This resulted in reduced gross margin and operating income of \$1.1 million for the second quarter 2006, compared to the second quarter 2005. These reduced margins in Spain and in our mature markets, such as the U.K. and Australia, have been partially offset by increased transactions in markets with higher margins, such as Poland, Germany and the U.S.

Salaries and benefits

The increase in salaries and benefits generally is the result of the full year effects of 2005 acquisitions. Salaries and benefits have decreased slightly as a percentage of revenue to 5.4% for the second quarter and 5.5% for the first half of 2006, compared to 5.9% for the second quarter and 5.7% for the first half of 2005. Salaries and benefits expense for the first half of 2006 includes an increase of approximately \$0.8 million, or 0.4% of revenues, incurred in connection with Euronet Payments & Remittance, our money transfer and bill payment subsidiary established during the second quarter 2005. The decrease in salaries and benefits as a percentage of revenue reflects our growing leverage and scalability in our markets.

Selling, general and administrative

The increase in selling, general and administrative expenses generally is the result of the full year effects of 2005 acquisitions. Selling, general and administrative expenses were 4.0% of revenue for both the second quarter 2006 and 2005 and were 3.7% for the first half of 2006, compared to 3.8% for the first half of 2005. Selling, general and administrative expenses for the first half of 2006 includes an increase of approximately \$0.6 million incurred in connection with Euronet Payments & Remittance, which was established during the second quarter 2005.

Depreciation and amortization

Depreciation and amortization expense primarily represents amortization of acquired intangibles and the depreciation of POS terminals we install in retail stores. As a percentage of revenues, depreciation and amortization was 3.1% for both the second quarter and first half of 2006, compared to 2.9% for the second quarter and 2.7% for the first half of 2005. A portion of this increase in depreciation and amortization as a percentage of revenue is due to higher depreciation and amortization expense as a percentage of revenue related to our subsidiaries in the U.S., Spain and Poland, some of which were acquired or established during 2005, because each of these entities owns a majority of its POS terminals. Additionally, this increase includes the full year effects of amortization of intangible assets recorded in connection with 2005 acquisitions.

Operating income

The decrease in operating income for the second quarter and first half of 2006, compared to the same periods of 2005, is due to \$0.4 million and \$1.0 million, respectively, in increased operating losses related to Euronet Payments & Remittance, which was acquired in

the second quarter 2005. Also, as discussed above, the second quarter and first half of 2006 includes approximately \$1.1 million in reduced operating income resulting from the expiration of preferential commission arrangements in Spain. Exclusive of these losses, the improvement in operating income for the second quarter and first half of 2006, over the second quarter and first half of 2005, was due to the growth in revenues and transactions processed, together with contributions from our 2005 acquisitions. Operating income as a percentage of revenues decreased to 7.1% for the second quarter and 7.6% for the first half of 2006, from 8.1% for the second quarter and 8.4% for the first half of 2005. Operating income per transaction decreased to \$0.08 for both the second quarter and first half of 2006, from \$0.10 in the second quarter and \$0.11 for the first half of 2005. As discussed under “gross margin” above, these decreases in operating income as a percentage of revenue and per transaction are the result of lower margins in mature markets, primarily the U.K., the impact of the expiration of preferential commission arrangements in Spain and our continued investments in money transfer and bill payment products.

SOFTWARE SOLUTIONS SEGMENT

The following table presents the results of operations for the three- and six-month periods ended June 30, 2006 and 2005 for the Software Solutions Segment:

(dollar amounts in thousands)	Results for the Three Months Ended June 30,		Year-over-Year Change		Results for the Six Months Ended June 30,		Year-over-Year Change	
	2006	2005	Increase Amount	Increase Percent	2006	2005	Increase Amount	Increase Percent
Total revenues	\$ 7,762	\$ 3,724	\$ 4,038	108%	\$ 13,916	\$ 7,660	\$ 6,256	82%
Operating expenses:								
Direct operating costs	400	348	52	15%	840	607	233	38%
Salaries and benefits	4,458	2,152	2,306	107%	8,382	4,279	4,103	96%
Selling, general and administrative	1,090	186	904	486%	2,068	576	1,492	259%
Depreciation and amortization	448	259	189	73%	895	541	354	65%
Total operating expenses	6,396	2,945	3,451	117%	12,185	6,003	6,182	103%
Operating income	\$ 1,366	\$ 779	\$ 587	75%	\$ 1,731	\$ 1,657	\$ 74	4%

Revenues, operating expenses and operating income

The improvement in Software revenues for the second quarter and first half of 2006 is due to the contributions of Euronet Essentis (“Essentis”), which was acquired in January 2006. Approximately \$0.4 million of the revenue recognized during the second quarter 2006 was for work performed during the first quarter 2006, but was not recognized as revenue due to the absence of a formal agreement between Essentis and the customer. During the second quarter 2006, Essentis formalized agreements with all customers and, accordingly, recognized all associated deferred revenue. The increase in operating expenses for the second quarter and first half of 2006, compared to the second quarter and first half of 2005 is primarily the result of the acquisition of Essentis. Essentis contributed \$3.9 million in revenue and \$3.2 million in operating expenses for the second quarter 2006, and \$6.6 million in revenue and \$6.1 million in operating expenses for the first half of 2006.

The increase in operating income for the second quarter 2006 compared to the second quarter 2005 was primarily the result of Essentis formalizing contracts with customers, as well as increased revenue from license and services in the second quarter 2006.

Software sales backlog

As of June 30, 2006, we had a contract backlog of approximately \$9.4 million, compared to approximately \$3.8 million as of June 30, 2005. Such backlog represents software sales based on signed contracts under which we continue to have performance milestones before the sale will be complete. We recognize revenue on a percentage of completion method, based on certain milestone conditions, for our software solutions. As a result, we have not recognized all the revenue associated with these sales contracts. We cannot give assurances that the milestones under the contracts will be completed within one year or that we will be able to recognize the related revenue within the one-year period.

CORPORATE SERVICES

The following table presents the operating expenses for the three- and six-month periods ended June 30, 2006 and 2005 for Corporate Services:

(dollar amounts in thousands)	Results for the Three Months Ended June 30,		Year-over-Year Change		Results for the Six Months Ended June 30,		Year-over-Year Change	
	2006	2005 (1)	Increase (Decrease) Amount	Increase (Decrease) Percent	2006	2005 (1)	Increase (Decrease) Amount	Increase (Decrease) Percent
Salaries and benefits	\$ 3,808	\$ 2,628	\$ 1,180	45%	\$ 7,320	\$ 5,099	\$ 2,221	44%
Selling, general and administrative	915	1,459	(544)	(37%)	1,786	2,779	(993)	(36%)
Depreciation and amortization	45	15	30	200%	88	50	38	76%
Total operating expenses	<u>\$ 4,768</u>	<u>\$ 4,102</u>	<u>\$ 666</u>	16%	<u>\$ 9,194</u>	<u>\$ 7,928</u>	<u>\$ 1,266</u>	16%

- (1) As discussed previously, in connection with the adoption of SFAS No. 123R, the Company adjusted its previously reported results to include the impact of share-based compensation expense. As a result of the adjustment, an additional \$1.3 million and \$2.5 million in expense related to stock options was included in salaries and benefits for the second quarter and first half of 2005, respectively, in the table above.

Corporate operating expenses

The increase in salaries and benefits expense for Corporate Services is primarily attributable to additional expense recorded for share-based compensation in the second quarter and first half of 2006 compared to the second quarter and first half of 2005. Share-based compensation expense increased to \$1.9 million for the second quarter and \$3.8 million for the first half of 2006, compared to \$1.3 million for the second quarter and \$2.7 million for the first half of 2005. The first half 2006 share-based compensation expense is comprised of \$2.0 million related to the unvested portion of stock options granted prior to 2005 and \$1.8 million for restricted stock awards primarily granted during 2005 and 2006. The first half 2005 share-based compensation expense is mainly the result of the adjustment for stock option expense discussed above. The increase of \$1.1 million in share-based compensation expense for the first half of 2006 compared to the first half of 2005 is due mainly to: i) \$0.7 million in additional expense due to changes in the accounting treatment for performance-based restricted stock awards that require expense to be recognized over a "graded" attribution schedule, rather than a "straight-line" attribution schedule, resulting in more expense in the early years of an award; and ii) \$0.4 million in increased expense due to awards to additional employees throughout our existing businesses resulting from acquisitions and overall Company growth. The remaining increase in salaries and benefits expense is due to incremental expense from overall Company growth.

The decrease in selling, general and administrative expenses for the second quarter and first half of 2006, compared to the second quarter and first half of 2005 is due to lower professional fees and other expenses associated with acquisition analysis during the second quarter and first half of 2006 compared to the second quarter and first half of 2005.

OTHER INCOME (EXPENSE)

(dollar amounts in thousands)	Results for the Three Months Ended June 30,		Year-over-Year Change		Results for the Six Months Ended June 30,		Year-over-Year Change	
	2006	2005	Increase (Decrease) Amount	Increase (Decrease) Percent	2006	2005	Increase (Decrease) Amount	Increase (Decrease) Percent
Interest income	\$ 3,387	\$ 1,105	\$ 2,282	207%	\$ 6,109	\$ 2,312	\$ 3,797	164%
Interest expense	(3,656)	(1,617)	2,039	126%	(7,253)	(3,205)	4,048	126%
Income from unconsolidated affiliates	187	407	(220)	(54%)	358	652	(294)	(45%)
Foreign currency exchange gain (loss), net	<u>2,772</u>	<u>(4,715)</u>	7,487	n/m	<u>4,330</u>	<u>(7,557)</u>	11,887	n/m
Total other income (expense)	<u>\$ 2,690</u>	<u>\$ (4,820)</u>			<u>\$ 3,544</u>	<u>\$ (7,798)</u>		

n/m - not meaningful

Interest income

Interest income for 2006 increased over 2005 mainly as a result of interest earned on the unused proceeds from the \$175 million October 2005 convertible debt issuance and cash generated from operations.

Interest expense

Interest expense for 2006 increased over 2005 primarily due to the October 2005 issuance of \$175 million in convertible debt. However, due to the relatively low rates of interest we pay on our convertible debt, our weighted average interest rate was approximately 4% for both 2006 and 2005.

Net foreign exchange gain (loss)

Assets and liabilities denominated in currencies other than the local currency of our subsidiaries give rise to foreign 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 foreign exchange gain or loss recorded is a result of the impact of fluctuations in foreign exchange rates on the recorded value of these assets and liabilities. We attempt to match local currency receivables and payables, thereby minimizing exposure to foreign currency fluctuations. Throughout the first half of 2006, the U.S. dollar weakened against most European-based currencies, primarily the euro and British pound, as compared to the first half of 2005, during which time the U.S. dollar strengthened against these currencies.

INCOME TAX EXPENSE

(dollar amounts in thousands)	Results for the Three Months Ended June 30,		Results for the Six Months Ended June 30,	
	2006	2005	2006	2005
Income before income taxes and minority interest	\$ 14,938	\$ 6,447	\$ 28,120	\$ 13,936
Minority interest	(212)	(313)	(473)	(401)
Income before income taxes	14,726	6,134	27,647	13,535
Income tax expense	3,599	3,471	7,169	7,301
Net income	\$ 11,127	\$ 2,663	\$ 20,478	\$ 6,234
Effective income tax rate	24%	57%	26%	54%
Income before income taxes	\$ 14,726	\$ 6,134	\$ 27,647	\$ 13,535
Adjust: Foreign exchange gain (loss), net	2,772	(4,715)	4,330	(7,557)
Income before income taxes and foreign exchange gain (loss), net	\$ 11,954	\$ 10,849	\$ 23,317	\$ 21,092
Effective income tax rate, excluding foreign exchange gain (loss), net	30%	32%	31%	35%

Since we are in a net operating loss position for our U.S. operations and, accordingly have valuation allowances to reserve for net deferred tax assets, we do not currently recognize the tax benefit or expense associated with foreign currency gains or losses incurred by our U.S. operations. Therefore, whereas we did not record a tax benefit for foreign exchange losses incurred by our U.S. operations during the six-month period ended June 30, 2005, the effective tax rate for the current year period is comparatively lower because tax expense was not recorded on foreign exchange gains earned by our U.S. operations. This improvement is offset in part by increases in share-based compensation expense incurred for U.S. personnel, for which we are unable to record a tax benefit due to our U.S. net operating loss position.

The decrease in the effective tax rates, excluding foreign currency gains and losses, for the first half of 2006, compared to the first half of 2005 was largely attributable to the increased profitability of individual companies located in lower than average tax rate jurisdictions, particularly Hungary, Poland, Serbia, and Romania.

We determine income tax expense and remit income taxes based upon enacted tax laws and regulations applicable in each of the taxing jurisdictions where we conduct business. Based on our interpretation of such laws and regulations, and considering the evidence of available facts and circumstances and baseline operating forecasts, we have accrued the estimated tax effects of certain transactions, business ventures, contractual and organizational structures, projected business unit performance, and the estimated future reversal of timing differences. Should a taxing jurisdiction change its laws and regulations or dispute our conclusions, or should management become aware of new facts or other evidence that could alter our conclusions, the resulting impact to our estimates could have a material adverse effect to our consolidated financial statements.

Net income

We recorded net income of \$11.1 million for the second quarter and \$20.5 million for the first half 2006, compared to \$2.7 million for the second quarter and \$6.2 million for the first half of 2005. As more fully discussed above, the increase of \$14.3 million for the first half of 2006 over the first half of 2005 was primarily the result of improvement in the amount of foreign exchange gain/loss recorded of \$11.9 million and an increase in operating income of \$2.8 million. These improvements in net income were partially offset by a decrease in equity from unconsolidated subsidiaries of \$0.3 million and an increase in net interest expense of \$0.3 million.

LIQUIDITY AND CAPITAL RESOURCES

Working capital

As of June 30, 2006, we had working capital, which is the difference between total current assets and total current liabilities, of \$223.3 million, compared to working capital of \$181.6 million as of December 31, 2005. Our ratio of current assets to current liabilities was 1.73 at June 30, 2006, compared to 1.55 as of December 31, 2005. This improvement is primarily due to the first quarter 2006 operating cash flows, without significant investments in acquisitions or purchases of property and equipment during the quarter. Working capital is also impacted by changes in foreign currency exchange rates as further discussed in Item 3 — Quantitative and Qualitative Disclosures About Market Risk.

Operating cash flows

Cash flows provided by operating activities decreased to 15.6 million for the first half of 2006, compared to \$20.2 million for the first half of 2005. The \$4.6 million decrease from 2005 is due primarily increases in cash flows from normal operations, offset by fluctuations in working capital associated with the timing of the settlement process with the mobile operators in our Prepaid Processing Segment subsidiaries.

Investing activity cash flow

Cash flows used in investing activities were \$14.0 million for the first half of 2006, compared to \$108.1 million for the first half of 2005. The decrease in investing activities is primarily related to reduced acquisitions in 2006. Our investing activities for the first half of 2006 consist of \$1.8 million in cash paid related to the acquisition of Essentis, \$0.9 million of which represents cash paid in settlement of assumed liabilities, and \$0.5 million in dividends to the former owners of Europlanet related to their share of 2005 results. Additionally, cash outflows for purchases of property and equipment and other investing activities totaled \$11.7 million. Our investing activities for the first half of 2005 were \$99.4 million in aggregate for the acquisition of Telerecarga, Movilcarga, ATX, TelecomUSA and Europlanet, as well as the earn-out payment to the former owners of Transact. Our fixed asset purchases and other investing activities for the first half of 2005 totaled \$8.7 million.

Financing activity cash flows

Cash flows provided by financing activities were \$8.9 million for the first half of 2006, compared to \$17.1 million for the first half of 2005. Our financing activities for the first half of 2006 consisted primarily of proceeds from the exercise of stock options and employee share purchases of \$11.7 million, partially offset by payments on capital lease obligations totaling \$3.1 million. Financing activity for the first half of 2005 include proceeds from borrowings of \$15.2 million, proceeds from the exercise of stock options and employee share purchases of \$5.4 million, partially offset by repayments of obligations under short-term borrowings and capital leases totaling \$2.8 million. The increase in proceeds from the exercise of stock options during the first half of 2006 compared to the first half of 2005 was due to the exercise of a number of stock options during the first quarter 2006 that were nearing the end of their ten year expiration, combined with the impact of our Common Stock trading at or near historical highs.

Expected future financing and investing cash requirements primarily depend on our acquisition activity and the related financing needs.

Other sources of capital

Convertible debt — We have \$315 million in convertible debt, consisting of two issuances. The first issuance represents \$140 million in principal amount of 1.625% Convertible Senior Debentures Due 2024 having an interest rate of 1.625% and convertible into a total of 4.2 million shares of Euronet Common Stock. The debentures may not be redeemed for five years 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. The second issuance represents \$175 million in principal amount of 3.50% Convertible Debentures Due 2025 having an annual interest rate of 3.50% and convertible into a total of 4.3 million shares of Euronet Common Stock. The debentures may not be redeemed for seven years 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. When due, these debentures can be settled in cash or Euronet Common Stock, at our option, at predetermined conversion rates.

Revolving credit agreements — As discussed in more detail in Note 7 — Debt Obligations to the unaudited consolidated financial statements, during the second quarter 2006 we amended our October 2004, \$50 million revolving credit agreement to extend the maturity date to May 26, 2009, established a new credit facility in India and expand the participating financial institutions from one to three. The amended and new agreements allow the Company to elect to increase the aggregate commitments under the credit facility from \$50 million to \$65 million. The borrowings under the agreements may be used to refinance debt, for working capital needs, for permitted acquisitions and for other general corporate purposes. The agreements place certain restrictions on the use of the facility to finance investments in, or operations of, “money services businesses” such as those engaged in money transfer activities. As disclosed in Note 7 — Debt Obligations to the unaudited consolidated financial statements, certain of our subsidiaries have pledged all or a portion of their share capital as security for borrowings under the agreements.

As of June 30, 2006, we have borrowings of \$6.7 million and stand-by letters of credit totaling \$5.6 million outstanding against the revolving credit agreements; the remaining \$37.7 million (\$52.7 million remaining if we elect to increase the facility to \$65 million) was available for borrowing. Borrowings under these agreements are being used to fund short-term working capital requirements in Spain,

Germany and India. We also have borrowings of \$2.6 million at Euronet Card Services Greece (formerly Instreamline) recorded as long-term obligations.

Short-term debt obligations — Short-term debt obligations consist primarily of credit lines, overdraft facilities and short-term loans to support ATM cash needs and supplement short-term working capital requirements. As of June 30, 2006, we had \$12.8 million in short-term debt obligations borrowed by our subsidiaries in Greece, India, Spain and the Czech Republic. These borrowings are being used to fund short-term working capital requirements.

Our Prepaid Processing Segment subsidiaries in Spain enter into agreements with financial institutions to receive cash in advance of collections on customers' accounts. These arrangements can be with or without recourse and the financial institutions charge the Spanish subsidiaries transaction fees and/or interest in connection with these advances. Cash received can be up to 40 days prior to the customer invoice due dates. Accordingly, the Spanish subsidiaries remain obligated to the banks on the cash advances until the underlying account receivable is ultimately collected. Where the risk of collection remains with Euronet, the receipt of cash continues to be carried on the consolidated balance sheet in each of trade accounts receivable and accrued expenses and other current liabilities. As of June 30, 2006, we had \$1.7 million recorded under these arrangements.

We believe that the short-term debt obligations can be refinanced at 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.

Other uses of capital

Payment obligations related to acquisitions — As provided in our asset purchase agreement with the sellers of the assets of Dynamic Telecom, during the first half of 2006, we issued 109,542 shares of Euronet Common Stock, valued at \$4.1 million, in settlement of an earn-out obligation that was based on the achievement of certain performance criteria.

We also have other potential contingent obligations estimated to total between \$8.0 million and \$12.0 million to the former owners of the net assets of Movilcarga. This obligation has not been recorded in the accompanying consolidated financial statements because the final amounts cannot be estimated beyond a reasonable doubt.

Leases — We lease ATMs and other property and equipment under capital lease arrangements that expire between 2006 and 2011. The leases bear interest between 2.5% and 12.5% per year. As of June 30, 2006, we owed \$19.9 million under these capital lease arrangements. The majority of these lease agreements are entered into in connection with long-term outsourcing agreements where, generally, we purchase a bank's ATMs and simultaneously sell the ATMs to an entity related to the bank and lease back the ATMs for purposes of fulfilling the ATM outsourcing agreement with the bank. We fully recover the related lease costs from the bank under the outsourcing agreements. Generally, the leases may be canceled without penalty upon reasonable notice in the unlikely event the bank or we were to terminate the related outsourcing agreement. We expect that, if terms were acceptable, we would acquire more ATMs from banks under such outsourcing and lease agreements.

Capital expenditures and needs — Total capital expenditures for the first half of 2006 were \$12.1 million, of which \$1.2 million were funded through capital leases. We expect total capital expenditures to be approximately \$30 million to \$35 million for the full year 2006, primarily for the purchase of ATMs to meet contractual requirements in Poland and India, the purchase and installation ATMs in key under-penetrated markets, the purchase of POS terminals for the Prepaid Processing Segment and office and data center computer equipment and software. We expect approximately \$15.0 million of the capital expenditures will be covered through capital leases in conjunction with ATM outsourcing agreements where we already have signed agreements with banks. The balance of these capital expenditures will be funded through cash generated from operations, together with cash on hand.

In the Prepaid Processing Segment, approximately 81,000 of the more than 259,000 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.

We are required to maintain ATM hardware for Euronet-owned ATMs and software for all ATMs in our network in accordance with certain regulations and mandates established by local country regulatory and administrative bodies as well as EMV. Accordingly, we expect additional capital expenditures over the next few years to maintain compliance with these regulations and/or mandates. While we do not currently have plans to increase capital expenditures to expand our network of owned ATMs, we expect that if strategic opportunities were available to us, we would consider increasing future capital expenditures to expand this network in new or existing markets. Upgrades to our ATM software and hardware were required in 2005 to meet EMV mandates such as Triple DES (Data Encryption Standard) and "micro-chip" card technology for smart cards. We completed a plan for implementation and delivery of the hardware and software modifications; the remaining capital expenditures necessary to complete these upgrade requirements are estimated to be approximately \$4.4 million.

At current and projected cash flow levels, we anticipate that our cash generated from operations, together with cash on hand and amounts available under our recently amended revolving credit agreements and other existing financing will be sufficient to meet our debt, leasing, acquisition earn-out and capital expenditure obligations. If our cash is insufficient 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 obligations.

Contingencies

During 2005, a former cash supply contractor in Central Europe (the "Contractor") claimed that the Company owed it approximately \$2.0 million for the provision of cash during the fourth quarter 1999 and first quarter 2000 that has not been returned. This claim, based on events that purportedly occurred over five years ago, was made more than a year after the Company had terminated its business with the Contractor and established a cash supply agreement with another supplier. In the first quarter 2006, the Contractor initiated legal action in Budapest, Hungary regarding the claim. Management expects the Company to prevail in defending itself in this matter and, accordingly has not recorded any liability or expense related to this claim. The Company will continue to monitor and assess this claim until ultimate resolution.

From time to time, we are a party to litigation arising in the ordinary course of business. Currently, there are no other contingencies that we believe, either individually or in the aggregate, would have a material adverse effect upon our consolidated results of operations or financial condition.

Other trends and uncertainties

Euronet Payments & Remittance — During 2005 we acquired TelecommUSA, now Euronet Payments & Remittance. In connection with the expected future expansion of our card-based money transfer and bill payment product through our existing POS terminals, we expect to incur potentially significant costs for technical development and marketing. Through June 30, 2006, we have incurred approximately \$0.1 million in costs for this expansion, and expect to incur approximately \$0.4 million over the next 12-18 months, most of which has been or will be capitalized and amortized over the assets' estimated useful lives. We also expect to incur total operating expenses of approximately \$2.0 million to \$2.5 million during 2006 related to our money transfer and bill payment business. During the second quarter 2006, the money transfer and bill payment business' operating expenses exceeded revenues by \$0.6 million. These losses may increase as we begin expanding the money transfer and bill payment products domestically and internationally.

EFT Processing Segment expansion in China — In January 2006, through Jiayintong (Beijing) Technology Development Co. Ltd., our 75% owned joint venture with Ray Holdings in China, we entered into an ATM outsourcing pilot agreement with Postal Savings and Remittance Bureau ("PSRB") a financial institution located and organized in China. Under the pilot agreement we have agreed to deploy and provide all of the day-to-day outsourcing services for a total of 90 ATMs in Beijing, Shanghai and Guangdong, the three largest commercial centers in China. During the first half of 2006, we successfully deployed 58 ATMs and we expect the remaining ATMs to become operational during the third quarter 2006. If this pilot agreement meets certain success criteria, we have agreed to take over additional existing ATMs and install new ATMs, at PSRB's request. We have established a processing center in Beijing to drive these ATMs. During 2006, before consideration of minority interest, we expect the joint venture to incur total operating losses of approximately \$1.5 million to \$2.0 million.

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. Although Croatia has maintained relatively stable inflation and exchange rates, the functional currency of our Croatian subsidiary is the U.S. dollar due to the significant level of U.S. dollar denominated revenues and expenses. Due to these factors, 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 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 provision may be subject to time and materiality limitations, monetary caps and other conditions and defenses. As of June 30, 2006, there were no material changes from the disclosure in our Annual Report on Form 10-K for the year ended December 31, 2005. To date, we are not aware of any significant claims made by the indemnified parties or parties to guarantee agreements with us and, accordingly, no liabilities have been recorded as of June 30, 2006.

BALANCE SHEET ITEMS

Cash and cash equivalents

Cash and cash equivalents increased to \$232.7 million at June 30, 2006 from \$219.9 million at December 31, 2005. This increase is due to cash flows from operating activities of \$15.6 million, cash flows from financing activities of \$8.9 million and the effect of exchange differences on cash of \$2.2 million, offset by cash used for investing activities of \$14.0 million. Cash flows used in investing activities primarily represent purchases of property and equipment, the acquisition of Essentis and additional payments to the former owners of Europlanet. Cash flows from financing activities primarily represent proceeds from the exercise of stock options and employee share purchases, offset by repayments on capital lease obligations. For more information, see the Unaudited Consolidated Statement of Cash Flows for the six-month period ended June 30, 2006.

Restricted cash

Restricted cash increased to \$87.4 million at June 30, 2006 from \$73.9 million at December 31, 2005, and primarily represents \$74.2 million held in trust and/or cash held on behalf of others in connection with the administration of the customer collection and vendor remittance activities in the Prepaid Processing Segment. Amounts collected from customers that are due to the mobile operators are deposited into a restricted cash account held by our Prepaid Processing Segment subsidiaries on behalf of the mobile operators for which we process transactions. These balances are used in connection with the administration of customer collection and vendor remittance activities and can fluctuate significantly based on the timing of the settlement process for our Prepaid Processing Segment subsidiaries. The remaining balances of restricted cash represent primarily collateral on bank guarantees and ATM network cash.

Inventory — PINs and other

Inventory — PINs and other increased to \$32.6 million at June 30, 2006 from \$25.6 million at December 31, 2005. Inventory — PINs and other includes prepaid personal identification number (“PIN”) inventory for prepaid mobile airtime purchases related to the Prepaid Processing Segment, primarily in the U.S., Poland, Australia and New Zealand, and to a lesser extent, the U.K. and Germany. This category also includes smaller amounts for POS terminals, mobile phone handsets and ATMs held for sale. The increase from December 31, 2005 is primarily the result of our Prepaid Processing subsidiary in Australia holding \$7.9 million in PIN inventory as of June 30, 2006 in connection with a mobile operator’s change from a “consignment” practice to a “billable-with-terms” practice during the second quarter 2006. This increase was partially offset by net decreases of \$0.9 million across our other Prepaid Processing subsidiaries. We generally sell our PIN inventory within a very short timeframe, thereby limiting our exposure to overall reductions in the market value of PINs or other obsolescence issues.

Trade accounts receivable, net

Net trade accounts receivable decreased to \$148.8 million at June 30, 2006 from \$166.5 million at December 31, 2005. The primary component of our trade accounts receivable represents amounts to be collected on behalf of mobile operators for the full value of the prepaid mobile airtime sold in connection with the growing Prepaid Processing Segment. Generally, these balances are collected and remitted to the mobile operators within two weeks. The June 30, 2006 balance includes \$3.1 million in accounts receivable related to Essentis, which was acquired during January 2006. The remaining decrease is primarily due to the timing of the settlement process with mobile operators for our Prepaid Processing Segment subsidiaries, as well as the impact of seasonality.

Prepaid expenses and other current assets

Prepaid expenses and other current assets increased to \$26.4 million as of June 30, 2006 from \$21.2 million as of December 31, 2005. The June 30, 2006 balance includes \$1.0 million related to Essentis, which was acquired in January 2006. The remaining increase in this balance is primarily the result of the timing of prepaid expenses across all of our operations. The largest component of this balance is amounts recorded for our net Value Added Tax (“VAT”) receivable related to certain European subsidiaries. The balance of net VAT receivable as of June 30, 2006 was \$13.8 million, compared to \$14.1 million as of December 31, 2005.

Net property and equipment

Net property and equipment increased to \$50.1 million as of June 30, 2006 from \$44.9 million as of December 31, 2005. Of this \$5.2 million increase, \$2.4 million is due to the acquisition of Essentis in January 2006 and the identification of assets under capital lease arrangements at Instreamline. Capital additions were \$12.1 million during the first half of 2006, \$1.2 million of which were funded through capital leases. The majority of the capital additions were ATMs in Poland, Germany and India; POS terminals in the U.S., Germany and the U.K.; and additions of computer equipment and software for our processing centers in Budapest, Hungary and Munich, Germany. Offsetting these increases, was depreciation and amortization expense of \$9.2 million and net disposals of property and equipment of \$0.4 million during the first half of 2006. The remaining increase of \$0.5 million increase was due to the impact of fluctuations in exchange rates relative to the U.S. dollar during the first half of 2006.

Goodwill and intangible assets

Net intangible assets and goodwill increased to \$324.7 million as of June 30, 2006 from \$317.9 million as of December 31, 2005 due primarily to the acquisition of Essentis and the earn-out for the Dynamic Telecom acquisition finalized during the first half of 2006. The following table summarizes the activity for the six-month period ended June 30, 2006:

(in thousands):	<u>Amortizable Intangible Assets</u>	<u>Goodwill</u>	<u>Total Intangible Assets</u>
Balance as of January 1, 2006	\$ 50,724	\$ 267,195	\$ 317,919
Increases (decreases):			
Acquisition of Essentis	2,467	—	2,467
Earn-out payment related to Dynamic Telecom acquisition	—	4,126	4,126
Adjustments to other 2005 acquisitions	232	(611)	(379)
Amortization	(4,134)	—	(4,134)
Other (primarily changes in foreign currency exchange rates)	1,213	3,498	4,711
Balance as of June 30, 2006	<u>\$ 50,502</u>	<u>\$ 274,208</u>	<u>\$ 324,710</u>

Trade accounts payable

Accounts payable decreased to \$184.8 million at June 30, 2006 from \$202.7 million at December 31, 2005. The primary component of our trade accounts payable represents payables to mobile operators in connection with the timing of the settlement process for the growing Prepaid Processing Segment. Of this decrease, \$4.1 million was due to the timing of settlements for PIN inventory in Poland at the end of 2005, \$7.7 million was due to reduced sales activity with a mobile operator in Spain and the remainder was due mainly to the timing of the settlement process with mobile operators, mainly our e-pay subsidiaries in the U.K. and New Zealand.

Accrued expenses and other current liabilities

Accrued expenses and other current liabilities increased to \$80.9 million at June 30, 2006 from \$77.1 million at December 31, 2005. The June 30, 2006 balance includes \$2.0 million in additional accruals related to the January 2006 acquisition of Essentis. Offsetting this increase is the inclusion in the December 31, 2005 balance of \$3.2 million in accruals for the purchase of the remaining 6.25% ownership share of our subsidiary in India and the remaining 34% of our subsidiary in Serbia, Europlanet, that were settled during the first quarter 2006. The remaining increase of \$5.4 million is primarily due the timing of the settlement process with mobile operators in our Prepaid Processing Segment subsidiaries in the U.K., Australia, Poland and New Zealand.

Income taxes payable

Income taxes payable increased to \$10.2 million at June 30, 2006 from \$8.2 million at December 31, 2005. This increase relates to difference between the timing of accruals for income taxes payable and the related tax payments. The amount of income tax payments that we make in certain jurisdictions is based on our profitability for 2005, while our accruals for income taxes are based on estimated profitability for the current year. Since the profitability of our operations is generally expected to increase for 2006 as compared to 2005, accruals for income taxes exceeded amounts paid during the first half of 2006.

Deferred revenue

Deferred revenue increased to \$9.8 million as of June 30, 2006 from \$8.0 million as of December 31, 2005. The increase is due to the January 2006 acquisition of Essentis, a U.K.-based software solutions company that sells a leading card issuing and merchant acquiring software package. Deferred revenue generally results from unearned software maintenance that is billed in advance and from reaching contractual billing milestones ahead of earnings recognition for certain agreements. Deferred revenue primarily relates to our Software Solutions Segment and to the EFT Segment where contractual pre-payments are collected from customers in advance of providing services.

Total stockholders' equity

Total stockholders' equity increased to \$248.0 million at June 30, 2006 from \$206.4 million at December 31, 2005. This \$41.6 million increase is the result of:

- \$20.5 million in net income for the first half of 2006;
- \$4.1 million in Common Stock issued in settlement of the Dynamic Telecom earn-out;

- \$11.7 million from stock issued under employee stock plans;
- \$3.8 million in share-based compensation; and
- \$1.5 million decrease in accumulated other comprehensive loss.

As discussed in the Notes to the Unaudited Consolidated Financial Statements, we adopted the provisions of SFAS No. 123R on January 1, 2006. We elected to adopt SFAS No. 123R utilizing the modified retrospective application method as provided by SFAS No. 123R and, accordingly, financial statement amounts for the prior periods presented in this Form 10-Q have been adjusted to reflect the fair value method of expensing prescribed by SFAS No. 123R. See Note 1 — General, Note 2 — Significant Accounting Policies and Practices and Note 7 — Stock Plans to the Unaudited Consolidated Financial Statements for further discussion. These adjustments included an increase of \$32.7 million to the January 1, 2006 balance of additional paid-in capital and an offsetting increase of \$32.7 million to the January 1, 2006 balance of our accumulated deficit, for the amount of share-based compensation relating to the years 1996 through 2005. Total stockholders' equity was not impacted by these adjustments.

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;
- the adequacy of capital to meet our capital requirements and expansion plans;
- the assumptions underlying our business plans;
- 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, anticipated, 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 II, Item 1A — Risk Factors.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign currency exchange rate risk

For the first half of 2006, 84% of our revenues were generated in non-U.S. dollar countries compared to 86% for the first half of 2005. This slight decrease as compared to prior year is due to increased revenues of our U.S.-based Prepaid Processing Segment operations. 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. We estimate that a 10% depreciation in these foreign currency exchange rates would have the combined effect on reported net income and working capital of a \$2.8 million decrease. A 10% appreciation in these foreign currency exchange rates would have the combined effect on reported net income and working capital of a \$2.8 million increase. This effect was estimated by segregating revenues, expenses and working capital by currency and applying a 10% currency depreciation and appreciation to the non-U.S. dollar amounts. 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.

As a result of continued European economic convergence, including the increased influence of the euro as opposed to the U.S. dollar on the Central European currencies, we expect that the currencies of the markets where we invest will fluctuate less against the euro and the British pound than against the U.S. dollar.

We are also exposed to foreign currency exchange rate risk in our money transfer subsidiary, Euronet Payments & Remittance, that was established during the second quarter 2005. This portion of our business is currently insignificant; however, we expect that it will grow rapidly. A majority of this 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. Additionally, 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.

Interest rate risk

As of June 30, 2006, we do not have significant exposure to interest rate volatility. Of the total outstanding debt of \$357.0 million, approximately 88% relates to contingent convertible debentures having fixed coupon rates. Our \$175 million contingent convertible debentures, issued in October 2005, accrue interest at a rate of 3.50% per annum. The \$140 million contingent convertible debentures, issued in December 2004, accrue interest at a rate of 1.625% per annum. Interest expense, including amortization of deferred debt issuance costs, for these contingent convertible debentures is expected to total approximately \$10.1 million per year, or a weighted average interest rate of 3.2% annually.

The remaining 12% of total debt outstanding relates to debt obligations and capitalized leases with fixed payment and interest terms that expire between 2006 and 2011. We also have \$50 million in revolving credit facilities that accrue interest at variable rates, which can be increased to \$65 million at our option. Should we borrow this full \$65 million under the revolving credit facility, in addition to approximately \$15.4 million borrowed under other debt arrangements as of June 30, 2006, and maintain the balance for a full year, a 1% increase in the applicable interest rate would result in additional interest expense to the Company of approximately \$0.8 million.

ITEM 4. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure 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. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

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 as of June 30, 2006. 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.

CHANGE IN INTERNAL CONTROLS

There has been no change in our internal control over financial reporting during the six-month period ended June 30, 2006 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.

During 2005, a former cash supply contractor in Central Europe (the "Contractor") claimed that the Company owed it approximately \$2.0 million for the provision of cash during the fourth quarter 1999 and first quarter 2000 that has not been returned. This claim, based on events that purportedly occurred over five years ago, was made more than a year after the Company had terminated its business with the Contractor and established a cash supply agreement with another supplier. In the first quarter 2006, the Contractor initiated legal action in Budapest, Hungary regarding the claim. Management expects the Company to prevail in defending itself in this matter and, accordingly has not recorded any liability or expense related to this claim. The Company will continue to monitor and assess this claim until ultimate resolution.

Currently, there are no other 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 below before making an investment decision. The risks and uncertainties described below 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 following risks 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.

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, 2005, as filed with the SEC.

Risks Related to Our Business

We may be required to recognize impairment charges related to long-lived assets and goodwill recorded in connection with our acquisitions.

Our total assets include approximately \$324.7 million, or 35% of total assets, in goodwill and acquired intangible assets recorded as a result of acquisitions. We assess our goodwill, intangible assets and other long-lived assets as and when required by U.S. GAAP to determine whether they are impaired. If operating results in any of our key markets, including the U.K., Germany, Spain, Australia, New Zealand or the U.S. deteriorate or our plans do not progress as expected when we acquired these entities, we may be required to record an impairment write-down of goodwill, intangible assets or other long-lived assets. Impairment charges would reduce reported earnings for the periods in which they are recorded. This could have a material adverse effect on our results of operations and financial condition.

An additional 30 million shares of Common Stock was authorized for issuance by stockholders, which could result in additional shares of our Common Stock being issued, potentially diluting equity ownership of current holders and the share price of our Common Stock.

At the May 18, 2006 Annual Meeting of Stockholders, stockholders approved an amendment to our Certificate of Incorporation to increase the aggregate number of shares of Common Stock that we have the authority to issue from sixty million (60,000,000) shares of Common Stock to ninety million (90,000,000) shares of Common Stock. Further, stockholders approved a new equity compensation plan ("2006 Stock Incentive Program") under which an additional 4 million shares would be reserved.

Although we have no plans or commitments to issue the additional authorized shares of Common Stock, our Board of Directors believes it was necessary to increase the number of shares of our authorized Common Stock in order to provide us with the flexibility to issue Common Stock for business purposes that may arise as deemed advisable by our Board. These purposes could include, among other things, (i) to declare future stock dividends or stock splits, which may increase the liquidity of our shares; (ii) the sale of stock to obtain additional capital or to acquire other companies or businesses, which could enhance our growth strategy or allow us to reduce debt if needed; (iii) for use in additional stock incentive programs and (iv) for other bona fide purposes. Our Board of Directors may issue the additional authorized shares of Common Stock without notice to, or further action by, our stockholders, unless stockholder approval is required by law or the rules of the NASDAQ Stock Market. The issuance of additional shares of Common Stock may significantly dilute the equity ownership of the current holders of our Common Stock. Further, over the course of time, all of the issued shares have the potential to be publicly traded, perhaps in large blocks. This may result in dilution of the market price of the Common Stock.

An additional 12.3 million shares of Common Stock, representing 33% of the shares outstanding as of June 30, 2006, could be added to our total Common Stock outstanding through the exercise of options or the issuance of additional shares of our Common Stock pursuant to existing agreements. Once issued, these shares of Common Stock could be traded into the market and result in a decrease in the market price of our Common Stock.

As of June 30, 2006, we had an aggregate of 3.2 million options and restricted share awards outstanding held by our directors, officers and employees, which entitles these holders to acquire an equal number of shares of our Common Stock upon exercise. Of this amount, 1.3 million options are currently vested, which means they can be exercised at any time. Approximately 0.3 million additional shares of our Common Stock may be issued in connection with our employee stock purchase plan. Additionally, we may be required to issue approximately 0.3 million shares of our Common Stock (based on current prices and estimated earn-out payments) to the former shareholders or owners of the Movilcarga Assets under contingent "earn-out" payments in connection with these acquisitions. The number of shares issued under the earn-outs will depend upon performance of the acquired business and the trading price of our Common Stock at the time we make the earn-out payments. Another 8.5 million shares of Common Stock could be issued upon conversion of the Company's Convertible Debentures issued in December 2004 and October 2005.

Accordingly, approximately 12.3 million shares (based on current prices and estimated earn-out payments) could potentially be added to our total current Common Stock outstanding through the exercise of options or the issuance of additional shares, which could adversely impact the trading price for our stock. The actual number of shares issuable could be higher depending upon the actual amounts of the earn-outs and our stock price at the time of payment (i.e. more shares could be issuable if our share price declines).

Of the 3.2 million total options and restricted share awards outstanding, an aggregate of 1.3 million options and restricted shares are held by persons who may be deemed to be our affiliates and who would be subject to Rule 144. Thus, upon exercise of their options, these affiliates' shares would be subject to the trading restrictions imposed by Rule 144. The remainder of the common shares issuable under options or as earn-outs described above would be freely tradable in the public market. Over the course of time, all of the issued shares have the potential to be publicly traded, perhaps in large blocks.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company held its Annual Meeting of Stockholders on May 18, 2006. A total of 33,944,927, or 92.0%, of the Company's shares of Common Stock were present or represented by proxy at the meeting. The five proposals presented below were approved as follows:

Proposal 1 Election of Directors.

The three director nominees, information with respect to whom was set forth in the Proxy Statement, were elected. The vote with respect to the election of these directors was as follows:

Director	Voted in Favor	Withheld
Thomas A. McDonnell	22,558,109	11,386,818
Paul S. Althasen	32,433,645	1,511,282
Daniel R. Henry	32,632,986	1,311,941

Other directors whose terms continued after the meeting for the periods indicated in the Proxy materials filed for the annual meeting are Michael J. Brown, M. Jeannine Strandjord, Andrew B. Schmitt, Andrzej Olechowski and Eriberto Scocimara.

Proposal 2 Amendment of Euronet's Certificate of Incorporation.

The amendment of Euronet's certificate of incorporation, to increase the authorized Common Stock of Euronet, par value \$0.02 per share, from 60 million shares to 90 million shares was approved. The vote with respect to the approval of this proposal was as follows:

For	Against	Abstain	Non-Vote
32,803,510	1,125,377	16,040	—

Proposal 3 Approval of the Euronet 2006 Stock Incentive Plan.

The Euronet 2006 Stock Incentive Plan was approved in accordance with the following vote:

For	Against	Abstain	Non-Vote
19,791,763	10,144,659	27,884	3,980,621

Proposal 4 Approval of the Euronet Executive Annual Incentive Plan.

The Euronet Executive Annual Incentive Plan was approved in accordance with the following vote:

For	Against	Abstain	Non-Vote
31,694,030	2,214,822	36,075	—

Proposal 5 Ratification of the appointment of KPMG as Euronet's auditors for the year ending December 31, 2006.

The appointment of KPMG as Euronet's auditors for the year ending December 31, 2006 was ratified in accordance with the following vote:

For	Against	Abstain	Non-Vote
33,817,416	110,205	17,306	—

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.

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.

August 4, 2006

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

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

Exhibit Index

Exhibit	Description
10.1	Amendment No. 7 dated November 17, 2005 to \$10,000,000 U.S. Credit Agreement dated October 25, 2004 among us, Payspot, Inc., Euronet USA, Inc., Call Processing, Inc. and TelecommUSA, Inc. (as Borrowers) and Bank of America, N.A. (as Lender)
10.2	Amendment No. 8 dated November 17, 2005 to the \$40,000,000 Euro/GBP Credit Agreement dated October 25, 2004 among us, e-pay Holdings Ltd. and Delta Euronet GmbH (as Borrowers) and Bank of America N.A. (as Lender)
10.3	Amendment No. 8 dated May 26, 2006 to the \$10,000,000 U.S. Credit Agreement dated October 25, 2004 among us, Payspot, Inc., Euronet USA, Inc. and Call Processing, Inc. (as Borrowers) and Bank of America, N.A. (as Lender)
10.4	Amendment No. 9 dated May 26, 2006 to the \$30,000,000 Euro/GBP Credit Agreement dated October 25, 2004 among us, e-pay Holdings Ltd. and Delta Euronet GmbH (as Borrowers) and Bank of America, N.A. (as Lender)
10.5	Euro/GBP Credit Facility Guaranty Agreement dated May 26, 2006 in favor of Bank of America by our U.S. subsidiaries
10.6	Rupee Credit Agreement dated May 26, 2006 among us and Euronet India Pvt. Ltd. (as Borrowers) and Bank of America, N.A. acting through its Mumbai, India branch
10.7	Rupee Credit Facility Guaranty Agreement dated May 26, 2006 in favor of Bank of America, N.A. by us
10.8	Form of Employee Restricted Stock Agreement pursuant to Euronet Worldwide, Inc. 2006 Stock Incentive Plan
31.1	Section 302 — Certifications of Chief Executive Officer
31.2	Section 302 — Certifications of Chief Financial Officer
32.1	Section 906 — Certification of Chief Executive Officer and Chief Financial Officer

**AMENDMENT NO. 7
TO
\$10,000,000 U.S. CREDIT AGREEMENT**

THIS AMENDMENT No. 7 dated as of November 17, 2005 (this "**Amendment**"), is entered into by and among **Euronet Worldwide, Inc.**, a Delaware corporation, as Borrower Agent and as a Borrower, **PaySpot, Inc.**, a Delaware corporation, **Euronet USA, Inc.**, an Arkansas corporation, **Call Processing, Inc.**, a Texas corporation and **TELECOMMUSA, LTD.**, a North Carolina corporation (each a "**Borrower**", and collectively, the "**Borrowers**"), and **Bank of America, N.A.**, a national banking association, as agent and as a lender (the "**Lender**").

RECITALS

A. The Borrowers and the Lender, as agent and a lender have entered into that certain \$10,000,000 U.S. Credit Agreement dated as of October 25, 2004, as amended, supplemented or otherwise modified by that certain Amendment No. 1 and Limited Waiver, dated as of December 14, 2004, that certain Limited Waiver dated as of December 23, 2004, that certain Limited Waiver dated as of February 10, 2005, that certain Amendment No. 2 dated as of March 14, 2005, that certain Limited Waiver dated as of April 14, 2005, that certain Limited Waiver dated as of May 11, 2005, that certain Limited Waiver dated as of May 17, 2005, that certain Amendment No. 3 dated as of May 25, 2005, that certain Amendment No. 4 dated as June 8, 2005, that certain Limited Waiver dated as of June 9, 2005, that certain Supplement No. 1 dated as of June 15, 2005, that certain Amendment No. 5 dated as of July 15, 2005, that certain Amendment No. 6 dated as of September 28, 2005 and that certain Limited Waiver dated as of November 4, 2005 (as so amended, supplemented and modified, the "**Credit Agreement**").

B. The Borrowers have requested that the Lender grant the amendment to the Credit Agreement as more fully described herein.

C. Subject to the representations and warranties of the Borrowers and upon the terms and conditions set forth in this Amendment, the Lender is willing to grant such amendment as more fully set forth herein.

AGREEMENT

Now, THEREFORE, in consideration of the foregoing Recitals, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, and to induce the Lender to enter into this Amendment, the Borrowers and the Lender hereby agree as follows:

SECTION 1. DEFINED TERMS. Capitalized terms used herein but not otherwise defined herein shall have the meaning assigned to such terms in the Credit Agreement.

SECTION 2. AMENDMENT & ACKNOWLEDGEMENT.

2.1 Section 10.9 of the Credit Agreement is hereby amended by:

- (a) deleting the word “and” at the end of Section 10.9(h);
- (b) replacing the period at the end of Section 10.9(i) with “; and”; and
- (c) adding a new Section 10.9(j) to read as follows:

“(j) Investments in money market funds governed by Rule 2a-7 of the Investment Company Act of 1940, as amended (each a “**Money Market Fund**”).”

2.2 The Lender hereby acknowledges that the Holding Company Borrower has designated each of (i) that certain Money Market Fund account with U.S. Bank, National Association and (ii) that certain Money Market Fund account with Fidelity Investments, as a “Proceeds Account” and agrees that each such account shall constitute a “Proceeds Account” under the Credit Agreement.

SECTION 3. LIMITATIONS ON AMENDMENT.

3.1 The amendments and acknowledgement set forth in **Section 2** above are effective for the purposes set forth herein and will be limited precisely as written and will not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of the Credit Agreement or any other Loan Document, (b) otherwise prejudice any right or remedy which the Agent or the Lenders may now have or may have in the future under or in connection with the Credit Agreement or any other Loan Document or (c) be a consent to any future amendment, waiver or modification of any other term or condition of the Credit Agreement or any other Loan Document.

3.2 This Amendment is to be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein waived or amended, are hereby ratified and confirmed and will remain in full force and effect.

SECTION 4. REPRESENTATIONS AND WARRANTIES. In order to induce the Lender to enter into this Amendment, the Borrowers represent and warrant to the Lender as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents (other than those which expressly speak as of a different date) are true, accurate and complete in all material respects as of the date hereof and (b) no Default or Event of Default has occurred and is continuing;

4.2 Each Borrower has the corporate power and authority and legal right to execute and deliver this Amendment and to perform its obligations hereunder. Such execution and delivery have been duly authorized by proper proceedings, and this Amendment constitutes the legal, valid and binding obligations of each Borrower, enforceable against each of them in accordance with their respective terms;

4.3 The articles of incorporation, bylaws and other organizational documents of each Borrower delivered to the Lender as a condition precedent to the effectiveness of the Credit Agreement are true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect; and

4.4 The execution, delivery and performance of this Amendment will not violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on any Borrower, any provision of each Borrower's respective articles or certificate of incorporation, by-laws or other charter documents, or the provisions of any indenture, instrument or other written or oral agreement to which any Borrower is a party or is subject or by which any Borrower or any of its property is bound, or conflict therewith or constitute a default thereunder, or result in the creation or imposition of any Lien in, of or on any of its property pursuant to the terms of any such indenture, instrument or agreement. No order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by, any Governmental Authority is required by or in respect of the Borrowers to authorize or is required in connection with the execution, delivery and performance of or the enforceability of this Amendment.

SECTION 5. EXPENSES. The Borrowers, jointly and severally, agree to pay to Lender upon demand, the amount of any and all out-of-pocket expenses, including the reasonable fees and expenses of its counsel, which Lender may incur in connection with the preparation, documentation, and negotiation of this Amendment and all related documents.

SECTION 6. REAFFIRMATION. Each Borrower hereby reaffirms its obligations under each Loan Document to which it is a party.

SECTION 7. EFFECTIVENESS. This Amendment will become effective as of the date hereof upon the execution and delivery of this Amendment, whether the same or different copies, by each Borrower and Lender.

SECTION 8. GOVERNING LAW. This Amendment will be governed by and will be construed and enforced in accordance with the laws of the State of Missouri.

SECTION 9. CLAIMS, COUNTERCLAIMS, DEFENSES, RIGHTS OF SET-OFF. Each Borrower hereby represents and warrants to the Lender that it has no knowledge of any facts what would support a claim, counterclaim, defense or right of set-off.

SECTION 10. COUNTERPARTS. This Amendment may be signed in any number of counterparts, and by different parties hereto in separate counterparts, with the same effect as if the signatures to each such counterpart were upon a single instrument. All counterparts will be deemed an original of this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first written above.

BORROWERS:

EURONET WORLDWIDE, INC.,
a Delaware corporation

By: /s/ Rick Weller
Name: Rick Weller
Title: Executive Vice President and Chief Financial Officer

PAYSPOT, INC.,
a Delaware corporation

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

EURONET USA, INC.,
an Arkansas corporation

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

CALL PROCESSING, INC.,
a Texas corporation

By: /s/ Rick Weller
Name: Rick Weller
Title: Vice President

TELECOMMUSA, LTD.,
a North Carolina corporation

By: /s/ Rick Weller
Name: Rick Weller
Title: Vice President

AGENT AND LENDER:

BANK OF AMERICA, N.A.

By: /s/ John Mills

Name: John P. Mills

Title: Vice President

Signature Page to Amendment No. 7 to U.S. Credit Agreement

**AMENDMENT NO. 8
TO
\$40,000,000 EURO/GBP CREDIT AGREEMENT**

THIS AMENDMENT No. 8 dated as of November 17, 2005 (this “**Amendment**”), is entered into by and among **Euronet Worldwide, Inc.**, as Borrower Agent (the “**Borrower Agent**”), **e-pay Holdings Limited** and **Delta Euronet GmbH** (each a “**Borrower**”, and collectively, the “**Borrowers**”) and **Bank of America, N.A.** (“**Bank of America**”), as agent and a Lender (the “**Lender**”).

RECITALS

A. The Borrower Agent, the Borrowers and the Lender, as agent and a lender have entered into that certain \$40,000,000 EURO/GBP Credit Agreement dated as of October 25, 2004, as amended or otherwise modified by that certain Amendment No. 1 and Limited Waiver, dated as of December 14, 2004, that certain Limited Waiver dated as of December 23, 2004, that certain Limited Waiver dated as of February 10, 2005, that certain Amendment No. 2, dated as of March 14, 2005, that certain Limited Waiver dated as of May 11, 2005, that certain Limited Waiver dated as of May 17, 2005, that certain Amendment No. 3 dated as of May 25, 2005, that certain Amendment No. 4 dated as of June 8, 2005, that certain Limited Waiver dated as of June 9, 2005, that certain Amendment No. 5 dated as of June 16, 2005, that certain Amendment No. 6 dated as of July 15, 2005, that certain Amendment No 7 dated as of September 28, 2005 and that certain Limited Waiver dated as of November 4, 2005 (as so amended and modified, the “**Credit Agreement**”).

B. The Borrower Agent and the Borrowers have requested that the Lender grant certain amendments to the Credit Agreement as more fully described herein.

C. Subject to the representations and warranties of the Borrower Agent and the Borrowers and upon the terms and conditions set forth in this Amendment, the Lender is willing to grant such amendments as more fully set forth herein.

AGREEMENT

Now, THEREFORE, in consideration of the foregoing Recitals, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, and to induce the Lender to enter into this Amendment, the Borrower Agent, the Borrowers and the Lender hereby agree as follows:

SECTION 1. DEFINED TERMS. Capitalized terms used herein but not otherwise defined herein shall have the meaning assigned to such terms in the Credit Agreement.

SECTION 2. AMENDMENT & ACKNOWLEDGEMENT.

2.1 Section 10.9 of the Credit Agreement is hereby amended by:

- (a) deleting the word “and” at the end of Section 10.9(h);

(b) replacing the period at the end of Section 10.9(i) with “; and”; and

(c) adding a new Section 10.9(j) to read as follows:

“(j) Investments in money market funds governed by Rule 2a-7 of the Investment Company Act of 1940, as amended (each a “**Money Market Fund**”).”

2.2 The Lender hereby acknowledges that the Borrower Agent has designated each of (i) that certain Money Market Fund account with U.S. Bank, National Association and (ii) that certain Money Market Fund account with Fidelity Investments, as a “Proceeds Account” and agrees that each such account shall constitute a “Proceeds Account” under the Credit Agreement.

SECTION 3. LIMITATIONS ON AMENDMENTS.

3.1 The amendments and acknowledgement set forth in **Section 2** above are effective for the purposes set forth herein and will be limited precisely as written and will not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of the Credit Agreement or any other Loan Document, (b) otherwise prejudice any right or remedy which the Agent or the Lenders may now have or may have in the future under or in connection with the Credit Agreement or any other Loan Document or (c) be a consent to any future amendment, waiver or modification of any other term or condition of the Credit Agreement or any other Loan Document.

3.2 This Amendment is to be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein waived or amended, are hereby ratified and confirmed and will remain in full force and effect.

SECTION 4. REPRESENTATIONS AND WARRANTIES. In order to induce the Lender to enter into this Amendment, the Borrower Agent and each of the Borrowers represent and warrant to the Lender as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents (other than those which expressly speak as of a different date) are true, accurate and complete in all material respects as of the date hereof and (b) no Default or Event of Default has occurred and is continuing;

4.2 The Borrower Agent and each Borrower has the power and authority and legal right to execute and deliver this Amendment and to perform its obligations hereunder. Such execution and delivery have been duly authorized by proper proceedings, and this Amendment constitutes the legal, valid and binding obligations of the Borrower Agent and each Borrower, enforceable against each of them in accordance with their respective terms;

4.3 The articles of incorporation or organization, bylaws, if any, or other charter documents of the Borrower Agent and each Borrower delivered to the Lender as a condition precedent to the effectiveness of the Credit Agreement are true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

4.4 The execution, delivery and performance of this Amendment will not violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Borrower Agent and any Borrower, any provision of the Borrower Agent's and each Borrower's respective articles or certificate of incorporation, by-laws, if any, or other charter documents, or the provisions of any indenture, instrument or other written or oral agreement to which any Borrower is a party or is subject or by which the Borrower Agent and any Borrower or any of its property is bound, or conflict therewith or constitute a default thereunder, or result in the creation or imposition of any Lien in, of or on any of its property pursuant to the terms of any such indenture, instrument or agreement. No order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by, any Governmental Authority is required by or in respect of the Borrower Agent and the Borrowers to authorize or is required in connection with the execution, delivery and performance of or the enforceability of this Amendment; and

SECTION 5. EXPENSES. The Borrowers, jointly and severally, agree to pay to Lender upon demand, the amount of any and all out-of-pocket expenses, including the reasonable fees and expenses of its counsel, which Lender may incur in connection with the preparation, documentation, and negotiation of this Amendment and all related documents.

SECTION 6. REAFFIRMATION. The Borrower Agent and each Borrower hereby reaffirms its obligations under each Loan Document to which it is a party.

SECTION 7. EFFECTIVENESS. This Amendment will become effective as of the date hereof upon the execution and delivery of this Amendment, whether the same or different copies, by the Borrower Agent, each Borrower and Lender.

SECTION 8. GOVERNING LAW. This Amendment will be governed by and will be construed and enforced in accordance with the laws of the State of Missouri.

SECTION 9. CLAIMS, COUNTERCLAIMS, DEFENSES, RIGHTS OF SET-OFF. The Borrower Agent and each Borrower hereby represents and warrants to the Lender that it has no knowledge of any facts what would support a claim, counterclaim, defense or right of set-off.

SECTION 10. COUNTERPARTS. This Amendment may be signed in any number of counterparts, and by different parties hereto in separate counterparts, with the same effect as if the signatures to each such counterpart were upon a single instrument. All counterparts will be deemed an original of this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first written above.

BORROWER AGENT:

EURONET WORLDWIDE, INC.,
a Delaware corporation

By: /s/ Rick Weller
Name: Rick Weller
Title: Executive Vice President and Chief Financial Officer

BORROWERS:

E-PAY HOLDINGS LIMITED,
a limited liability company incorporated in England and
Wales

By: /s/ Jeff Newman
Name: Jeff Newman
Title: Director

DELTA EURONET GMBH.,
a German company with limited liability

By: /s/ Rick Weller
Name: Rick Weller
Title: Director

Signature Page to Amendment No. 8 to Euro Credit Agreement

AGENT AND LENDER:

BANK OF AMERICA, N.A.

By: /s/ John Mills

Name: John P. Mills

Title: Vice President

Signature Page to Amendment No. 8 to Euro Credit Agreement

**AMENDMENT NO. 8
TO
\$10,000,000 U.S. CREDIT AGREEMENT**

THIS AMENDMENT No. 8 dated as of May 26, 2006 (this "**Amendment**"), is entered into by and among **Euronet Worldwide, Inc.**, a Delaware corporation, as Borrower Agent and as a Borrower, **PaySpot, Inc.**, a Delaware corporation, **Euronet USA, Inc.**, an Arkansas corporation, and **Call Processing, Inc.**, a Texas corporation (each a "**Borrower**", and collectively, the "**Borrowers**"), and **Bank of America, N.A.**, a national banking association ("**Bank of America**"), as agent (in such capacity, the "**Agent**") and as a lender and **Bank of Oklahoma, N.A.** ("**Bank of Oklahoma**"), as a lender (collectively with Bank of America, the "**Lenders**").

RECITALS

A. The Borrowers, Euronet Payments & Remittance, Inc. (formerly known as TELECOMMUSA, LTD.) and the Bank of America, as agent and a lender have entered into that certain \$10,000,000 U.S. Credit Agreement dated as of October 25, 2004, as amended, supplemented or otherwise modified by that certain Amendment No. 1 and Limited Waiver, dated as of December 14, 2004, that certain Limited Waiver dated as of December 23, 2004, that certain Limited Waiver dated as of February 10, 2005, that certain Amendment No. 2 dated as of March 14, 2005, that certain Limited Waiver dated as of April 14, 2005, that certain Limited Waiver dated as of May 11, 2005, that certain Limited Waiver dated as of May 17, 2005, that certain Amendment No. 3 dated as of May 25, 2005, that certain Amendment No. 4 dated as of June 8, 2005, that certain Limited Waiver dated as of June 9, 2005, that certain Supplement No. 1 dated as of June 15, 2005, that certain Amendment No. 5 dated as of July 15, 2005, that certain Amendment No. 6 dated as of September 28, 2005, that certain Limited Waiver dated as of November 4, 2005 and that certain Amendment No. 7 dated as of November 17, 2005 (as so amended, supplemented and modified, the "**Credit Agreement**").

B. Concurrently with entering into this Amendment, Bank of America is entering into an Assignment and Assumption with Bank of Oklahoma pursuant to which Bank of America is assigning a portion of its rights and obligations as a Lender under the Credit Agreement (as further amended, supplement or otherwise modified from time to time) to Bank of Oklahoma.

C. The Borrowers have requested that the Lenders grant the amendments to the Credit Agreement as more fully described herein.

D. Subject to the representations and warranties of the Borrowers and upon the terms and conditions set forth in this Amendment, the Lenders are willing to grant such amendment as more fully set forth herein.

AGREEMENT

Now, THEREFORE, in consideration of the foregoing Recitals, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, and to induce the Lenders to enter into this Amendment, the Borrowers and the Lenders hereby agree as follows:

SECTION 1. DEFINED TERMS. Capitalized terms used herein but not otherwise defined herein shall have the meaning assigned to such terms in the Credit Agreement.

SECTION 2. AMENDMENT & ACKNOWLEDGEMENT.

2.1 Article 2 of the Credit Agreement is hereby amended by adding a new Section 2.3 to such Article to read in its entirety as follows:

“2.3 Increase of the Commitment.

(a) Request for Increase. Provided there exists no Default, upon notice to the Agent (which shall promptly notify the Lenders), the Borrower Agent, on behalf of the Borrowers may on a one-time basis, request an increase in the Commitments by an amount not exceeding \$15,000,000; provided that:

(i) any such request for an increase shall be in a minimum amount of \$1,000,000; provided that, the aggregate of (x) such increase *plus* (y) any concurrent increase in the “Commitment” under the Euro Credit Agreement, *plus* (z) any concurrent increase in the “Commitment” under the Rupee Credit Agreement shall be a minimum of \$5,000,000; and

(ii) after giving effect to any such increase, the aggregate of (x) the Commitment under this Agreement, *plus* (y) the “Commitment” under the Euro Credit Agreement, *plus* (z) the “Commitment” under the Rupee Credit Agreement, will not exceed \$65,000,000.

At the time of sending such notice, the Borrower Agent (in consultation with the Agent) shall specify the time period within which each Lender is requested to respond (which shall in no event be less than ten Business Days from the date of delivery of such notice to the Lenders).

(b) Lender Elections to Increase. Each Lender shall notify the Agent within such time period whether or not it agrees to increase its Commitment and, if so, whether by an amount equal to, greater than, or less than its Pro Rata share of such requested increase. Any Lender not responding within such time period shall be deemed to have declined to increase its Commitment.

(c) Notification by Administrative Agent; Additional Lenders. The Agent shall notify the Borrower Agent and each Lender of the Lenders’ responses to each request made hereunder. To achieve the full amount of a requested increase and subject to the approval of the Agent and the L/C Issuer (which approvals shall not be unreasonably withheld), the Borrower Agent may also invite additional Eligible Assignees to become Lenders pursuant to a joinder agreement in form and substance satisfactory to the Agent and its counsel.

(d) Effective Date and Allocations. If the Commitment is increased in accordance with this Section, the Agent and the Borrower Agent shall determine the effective date (the “**Increase Effective Date**”) and the final allocation of such increase. The Agent shall promptly notify the Lenders of the final allocation of such increase and the Increase Effective Date.

(e) Conditions to Effectiveness of Increase. As a condition precedent to such increase, the Borrowers shall deliver to the Agent a certificate of each Obligor dated as of the

Increase Effective Date (in sufficient copies for each Lender) signed by a responsible officer of such Obligor (i) certifying and attaching the resolutions adopted by such Obligor approving or consenting to such increase, and (ii) in the case of each Borrower, certifying that, before and after giving effect to such increase, (A) the representations and warranties contained in **Article 7** and the other Loan Documents are true and correct on and as of the Increase Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and (B) no Default exists. The Borrowers shall prepay any Revolving Loans outstanding on the Increase Effective Date to the extent necessary to keep the outstanding Revolving Loans ratable with any revised Pro Rata shares arising from any nonratable increase in the Commitment under this Section.

(f) Conflicting Provisions. This Section shall supersede any provisions in **Sections 4.5 or 13.9** to the contrary.”

2.2 Section 5.1(c) of the Credit Agreement is hereby amended by deleting the last sentence thereof.

2.3 Article 6 of the Credit Agreement is hereby amended by inserting in the first sentence of the first paragraph of such Article the phrase “, in the case of conditions set forth in **Sections 6.4, 6.7, 6.8 and 6.9**, as of” immediately before the phrase “each date a Letter of Credit is issued, renewed or extended”.

2.4 Section 7.9 of the Credit Agreement is hereby amended by replacing the amount “One Million Dollars (\$1,000,000)” with the amount “Three Million Dollars (\$3,000,000)”.

2.5 Section 7.21 of the Credit Agreement is hereby amended by inserting the following phrase at the end of such Section:

“, except as otherwise required for tax or other reporting purposes imposed by any statute, rule, regulation, order or restriction of any foreign government or Governmental Authority applicable to a Foreign Subsidiary of the Holding Company Borrower”

2.6 Section 8.4(f) of the Credit Agreement is hereby amended by replacing the phrase “One Million Dollars (\$1,000,000) in the aggregate” with the phrase “Three Million Dollars (\$3,000,000) in the aggregate”.

2.7 Section 8.7 of the Credit Agreement is hereby amended by adding the following proviso at the end of such Section:

“; provided, that no proceeds of the Revolving Loans shall be used by any Borrower to directly or indirectly make any Investments (other than Investments permitted pursuant to Section 10.9(f)) in, and no Letters of Credit shall be requested on behalf of or for the benefit of, Euronet Payments & Remittance, Inc. (formerly known as TELECOMMUSA, LTD.) or in any other person that is a “Money services business” (as defined in 31 C.F.R. §103.11(uu) as amended, restated or replaced from time to time).”

2.8 Section 8.9 of the Credit Agreement is hereby amended by deleting the word “written” from the proviso therein.

2.9 Section 10.9(g)(ii) of the Credit Agreement is hereby amended by amending and restating such section in its entirety to read as follows:

“(ii) In addition to those Investments set forth on **Schedule 10.9**, the Borrowers and any other Obligor may collectively make additional Investments of up to Ten Million Dollars (\$10,000,000) in the aggregate from the effective date of Amendment No. 8 to this Agreement through the Revolving Credit Termination Date in all Euronet Entities that are not (A) Obligors; provided, that to the extent any such Euronet Entity is required to become an Obligor in accordance with the **Section 10.4(e)** or **Section 10.5**, such requirement has been properly waived in accordance with Section 13.9, or (B) “Obligors” as defined in the Euro Credit Agreement; provided, that to the extent any such Euronet Entity is required to become an “Obligor” in accordance with Section 10.4(e) or Section 10.5 of the Euro Credit Agreement, such requirement has been properly waived in accordance with Section 13.9 of the Euro Credit Agreement. To the extent that any such Investments are intercompany loans or advances, such loans and advances shall count against the limitation in the preceding sentence only to the extent such loans or advances have not been repaid;”

2.10 Article 10 of the Credit Agreement is hereby amended by adding a new Section 10.14 to such Article to read in its entirety as follows:

“**10.14 Money Services Business.** Not engage in any business, nor permit any other Obligor to engage in any business, that could reasonably be classified as a “Money services business” (as defined in 31 C.F.R. §103.11(uu) as amended, restated or replaced from time to time).”

2.11 Section 11.1(k) of the Credit Agreement is hereby amended by amending and restating such Section in its entirety to read as follows:

“(k) **Other Credit Agreements.** Any “Event of Default” shall have occurred pursuant to the Euro Credit Agreement or the Rupee Credit Agreement.”

2.12 Section 13.5 of the Credit Agreement is hereby amended by:

- (i) inserting at the end of Section 13.5(b)(iv) the word “and”;
- (ii) replacing the “; and” at the end of Section 13.5(b)(v) with a period; and
- (iii) deleting Section 13.5(b)(vi) in its entirety.

2.13 Exhibit 1 to the Credit Agreement is hereby amended by amending and restating the following defined terms in their entirety to read as follows:

“**EBITDA**” shall mean, for any period, (i) operating income, *plus* (ii) depreciation, *plus* (iii) amortization, *plus* (iv) interest income from the operations of the Prepaid Processing Segment, *plus*, (v) upon the request of the Borrower Agent with the prior consent of the Agent, certain one-time, non-cash charges included in operating income, *plus* (vi) non-cash expenses recognized pursuant to Financial Accounting Standards Board Statement No. 123(R), (Share-Based Payments); provided that if any non-cash expense referred to in the immediately

preceding clauses (v) and (vi), including for stock options, becomes a cash charge in a future period then EBITDA shall be adjusted by the amount of such cash charge.

“**EBITDAR**” shall mean, for any period, (i) operating income, *plus* (ii) depreciation, *plus* (iii) amortization, *plus* (iv) interest income from the operations of the Prepaid Processing Segment, *plus* (v) rent, *plus* (vi) upon the request of the Borrower Agent with the prior consent of the Agent, certain one-time, non-cash charges included in operating income, *plus* (vii) non-cash expenses recognized pursuant to Financial Accounting Standards Board Statement No. 123(R), (Share-Based Payments); provided that if any non-cash expense referred to in the immediately preceding clauses (vi) and (vii), including for stock options, becomes a cash charge in a future period then EBITDAR shall be adjusted by the amount of such cash charge.

“**Required Lenders**” shall mean at any date of determination thereof, Aggregate Lenders having Aggregate Revolving Credit Commitments representing at least 51% of the Aggregate Revolving Credit Commitments at such time; provided, however, that if any Aggregate Lender shall be in breach of any of its obligations hereunder to Borrowers or Agent, under the Euro Credit Agreement to the “Borrowers” or “Agent” party thereto or under the Rupee Credit Agreement to the “Borrowers” or “Agent” party thereto, including any breach resulting from its failure to honor any of its Aggregate Revolving Credit Commitments in accordance with the terms of this Agreement, the Euro Credit Agreement or the Rupee Credit Agreement, as applicable, then, for so long as such breach continues, the term “**Required Lenders**” shall mean Aggregate Lenders (excluding each Aggregate Lender that is in breach of such obligations) having Aggregate Revolving Credit Commitments representing at least 51% of the Aggregate Revolving Credit Commitments (excluding the Aggregate Revolving Credit Commitments of each Aggregate Lender that is in breach of such obligations) outstanding at such time; provided further, however, that if the Aggregate Revolving Credit Commitments have been terminated, the term “**Required Lenders**” shall mean the Aggregate Lenders (excluding each Aggregate Lender that is in breach of such obligations) holding Aggregate Revolving Loans representing at least 51% of the aggregate principal amount of all Aggregate Revolving Loans (excluding the Aggregate Revolving Loans of each Aggregate Lender that is in breach of such obligations) outstanding at such time; **provided, that** in addition to the foregoing, in the event there are less than four Aggregate Lenders then the term Required Lenders must also constitute at least two Aggregate Lenders. For the purposes of the definition of Required Lenders the following terms shall have the following meanings: “**Aggregate Lenders**” shall mean the Lenders under this Agreement, the “Lenders” under the Euro Credit Agreement and the “Lenders” under the Rupee Credit Agreement; “**Aggregate Revolving Credit Commitments**” shall mean the Revolving Credit Commitments under this Agreement, *plus* the “Revolving Credit Commitments” under the Euro Credit Agreement, *plus* the “Revolving Credit Commitments” under the Rupee Credit Agreement; and “**Aggregate Revolving Loans**” shall mean the Revolving Loans under this Agreement, *plus* the “Revolving Loans” under the Euro Credit Agreement, *plus* the “Revolving Loans” under the Rupee Credit Agreement.

“**Revolving Credit Termination Date**” shall mean May 26, 2009 or such other date as may be agreed to by Agent, the Required Lenders, the Borrower Agent and the Borrowers from time to time; provided that no Lender shall be required to extend its Commitment without such Lender’s consent.”

2.14 Exhibit 1 to the Credit Agreement is hereby amended by inserting the following defined terms in the appropriate alphabetical order:

“**Increase Effective Date**” is defined in **Section 2.3(d)** of this Agreement.

“**Money Market Fund**” is defined in **Section 10.9(j)** of this Agreement.

“**Prepaid Processing Segment**” shall mean the reportable “Prepaid Processing” segment as reported in the Borrowing Agent’s form 10-Q and 10-K filings with the Securities and Exchange Commission.

“**Rupee Borrower**” means Euronet Services India Pvt Ltd, a company organized under the laws of India.

“**Rupee Credit Agreement**” means the \$10,000,000 Rupee Credit Agreement, dated as of May 26, 2006 among Bank of America, N.A., as Lender, the Rupee Borrower, as Borrower and Euronet Worldwide, Inc., as the Borrower Agent.

2.15 Exhibit 8.4 to the Credit Agreement shall be replaced with **Exhibit 8.4** attached hereto effective as of the date of this Amendment and all references in the Credit Agreement to such Exhibit shall be references to the Exhibit attached hereto.

2.16 Each of the Schedules listed below shall be replaced with the corresponding Schedules attached hereto and effective as of the date of this Amendment and all references in the Credit Agreement to such Schedules shall be references to the Schedules attached hereto:

- (i) **Schedule E-1 – Revolving Credit Commitments;**
- (ii) **Schedule 7.4 – Environmental Matters;**
- (ii) **Schedule 7.8 – Organizational Structure;**
- (iii) **Schedule 10.1 – Existing Indebtedness;**
- (iv) **Schedule 10.2 – Existing Liens;**
- (v) **Schedule 10.9 – Existing Investments.**

2.17 Each Lender and each Borrower hereby acknowledge and agree to the following corrections:

(a) Section 4.7 of the Credit Agreement is hereby corrected as of the date of the Credit Agreement by amending and restating such Section to read as follows:

“4.7 **Minimum Amounts.** Each borrowing of, or conversion into, any Prime Rate Loan shall be in an amount of at least One Hundred Thousand Dollars (\$100,000) or a multiple of One Hundred Thousand Dollars (\$100,000) in excess thereof, and each borrowing of, conversion into, or continuation of, a LIBOR Rate Loan shall be in an amount of at least Five

Hundred Thousand Dollars (\$500,000) or a multiple of One Hundred Thousand Dollars (\$100,000) in excess thereof.”

(b) Article 12 of the Credit Agreement is hereby corrected as of the date of the Credit Agreement by:

- (i) setting forth as Section 12.3 all of Section 12.2 except the first two sentences;
- (ii) setting forth as Section 12.6 all of Section 12.5 except the first three sentences; and
- (iii) setting forth as Section 12.8 all of Section 12.7 except the first two sentences.

(c) Recital A of Amendment No. 1 and Limited Waiver to the Credit Agreement is hereby corrected as of the date of such Amendment by replacing the date “October 25, 2006” with the date “October 25, 2004”.

(d) Section 2.12 of Amendment No. 1 and Limited Waiver to the Credit Agreement is hereby corrected as of the date of such Amendment by replacing the date “December [—], 2004” with the date “December 15, 2004” in the definition of “Convertible Senior Debenture Indenture”.

(e) Recital A of Limited Waiver to the Credit Agreement, dated as of December 23, 2004 is hereby corrected as of the date of such Limited Waiver by replacing the date “October 25, 2006” with the date “October 25, 2004”.

(f) Recital A of Limited Waiver to the Credit Agreement, dated as of February 10, 2005 is hereby corrected as of the date of such Limited Waiver by replacing the date “October 25, 2006” with the date “October 25, 2004”.

(g) Section 2.2 of Amendment No. 4 to the Credit Agreement is hereby corrected as of the date of such Amendment by replacing the phrase “*times* (ii) the Applicable Margin” as its appears in Sections 5.1(b) and Section 5.1(c) of the Credit Agreement as amended by such Section 2.2 with the phrase “*times* (ii) a rate per annum equal to the Applicable Margin calculated for the applicable quarterly or other period”; and

(h) Section 3.9 of the Credit Agreement is hereby corrected as of the date of Amendment No. 4 to the Credit Agreement by replacing the phrase “the terms and conditions of the Fee Letter” with the phrase “the terms and conditions of **Section 5.1(c)**.”

2.18 Each Borrower hereby acknowledges and consents to the Assignment and Assumption between Bank of America and Bank of Oklahoma and that Bank of Oklahoma has become a party to the Credit Agreement and, to the extent of the interest assigned by such Assignment and Assumption, has the rights and obligations of a Lender under the Credit Agreement, and that Bank of America is, to the extent of the interest assigned by such Assignment and Assumption, released from its obligations under this Agreement but shall

continue to be entitled to the benefits of Sections 3.5, 5.2 and 13.6 of the Credit Agreement with respect to facts and circumstances occurring prior to the effective date of such assignment.

2.19 The Agent, the L/C Issuer and Lenders hereby release Euronet Payments & Remittance, Inc. (formerly known as TELECOMMUSA, LTD.), a North Carolina corporation (“**EP&R**”) from its obligations under the Credit Agreement, the Revolving Note, the Fee Letter and each other Loan Document to which it is a party. The Agent hereby releases its lien on the Pledged Shares listed on that certain Pledge Amendment, dated June 15, 2005 by the Holding Company Borrower (the “**EP&R Shares**”). As of the date hereof EP&R shall no longer be a “Borrower”, “Required Guarantor” or “Obligor” under the Credit Agreement, the Revolving Note, the Fee Letter or any other Loan Document. The Agent and the Lenders hereby waive any requirement in any Loan Document requiring that EP&R be, or become, a Borrower, guarantor, Required Guarantor or Obligor.

SECTION 3. LIMITATIONS ON AMENDMENT.

3.1 The amendments set forth in **Section 2** above are effective for the purposes set forth herein and will be limited precisely as written and will not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of the Credit Agreement or any other Loan Document, (b) otherwise prejudice any right or remedy which the Agent or the Lenders may now have or may have in the future under or in connection with the Credit Agreement or any other Loan Document or (c) be a consent to any future amendment, waiver or modification of any other term or condition of the Credit Agreement or any other Loan Document.

3.2 This Amendment is to be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein waived or amended, are hereby ratified and confirmed and will remain in full force and effect.

SECTION 4. REPRESENTATIONS AND WARRANTIES. In order to induce the Lenders to enter into this Amendment, the Borrowers represent and warrant to the Lenders as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents (other than those which expressly speak as of a different date) are true, accurate and complete in all material respects as of the date hereof and (b) no Default or Event of Default has occurred and is continuing;

4.2 Each Borrower has the corporate power and authority and legal right to execute and deliver this Amendment and to perform its obligations hereunder. Such execution and delivery have been duly authorized by proper proceedings, and this Amendment constitutes the legal, valid and binding obligations of each Borrower, enforceable against each of them in accordance with their respective terms;

4.3 The articles of incorporation, bylaws and other organizational documents of each Borrower delivered to the Lender as a condition precedent to the effectiveness of the Credit

Agreement are true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect; and

4.4 The execution, delivery and performance of this Amendment will not violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on any Borrower, any provision of each Borrower's respective articles or certificate of incorporation, by-laws or other charter documents, or the provisions of any indenture, instrument or other written or oral agreement to which any Borrower is a party or is subject or by which any Borrower or any of its property is bound, or conflict therewith or constitute a default thereunder, or result in the creation or imposition of any Lien in, of or on any of its property pursuant to the terms of any such indenture, instrument or agreement. No order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by, any Governmental Authority is required by or in respect of the Borrowers to authorize or is required in connection with the execution, delivery and performance of or the enforceability of this Amendment.

SECTION 5. EXPENSES. The Borrowers, jointly and severally, agree to pay to the Lenders upon demand, the amount of any and all out-of-pocket expenses, including the reasonable fees and expenses of its counsel, which the Lenders may incur in connection with the preparation, documentation, and negotiation of this Amendment and all related documents.

SECTION 6. REAFFIRMATION. Each Borrower hereby reaffirms its obligations under each Loan Document to which it is a party, including, without limitation, the validity and enforceability of all of the liens and security interests heretofore granted pursuant to and in connection with the Credit Agreement to the Agent as collateral security for the obligations under the Credit Agreement, including the liens and security interests granted pursuant to (i) that certain Pledge Agreement dated October 25, 2004 by the Holding Company Borrower in favor of Agent, (ii) that Pledge Agreement dated October 25, 2004 by PaySpot, Inc. in favor of Agent, (iii) that certain Deed of Pledges of Shares in EFT Services Holding B.V. dated December 1, 2004 by the Holding Company Borrower in favor of the Agent (iv) that certain Pledge Agreement dated June 15, 2005 by the Holding Company Borrower in favor of Agent. Each Borrower hereby acknowledges that all of such liens and security interests, and all collateral heretofore pledged as security for such obligations, continues to be and remains collateral for such obligations from and after the date hereof.

SECTION 7. This Amendment will become effective as of the date hereof upon:

7.1 the execution and delivery of this Amendment, whether the same or different copies, by each Borrower and Lender;

7.2 the execution and delivery of an Amended and Restated Note to Bank of America and a Note to Bank Of Oklahoma by each Borrower;

7.3 the Agent shall have received a pro forma Compliance Certificate in form and substance satisfactory to the Agent, demonstrating that the Borrowers will be, after giving effect to this Amendment, in compliance with each of the financial covenants set forth in Article 9 of the Credit Agreement;

7.4 the Agent shall have received opinions of counsel to each Borrower in form and substance satisfactory to the Agent and its counsel;

7.5 all conditions set forth in Section 7 of Amendment No. 9 to the Euro Credit Agreement shall have been satisfied; and

7.6 the Rupee Borrower shall have executed and delivered to Bank of America the Rupee Credit Agreement and have satisfied any other conditions required to be satisfied on the "Closing Date" pursuant to the Rupee Credit Agreement.

7.7 The Borrowers shall have paid the fees set forth in the Fee Letter dated the date hereof, among the Agent and the Borrowers.

SECTION 8. GOVERNING LAW. This Amendment will be governed by and will be construed and enforced in accordance with the laws of the State of Missouri.

SECTION 9. CLAIMS, COUNTERCLAIMS, DEFENSES, RIGHTS OF SET-OFF. Each Borrower hereby represents and warrants to each Lender that it has no knowledge of any facts what would support a claim, counterclaim, defense or right of set-off against such Lender.

SECTION 10. COUNTERPARTS. This Amendment may be signed in any number of counterparts, and by different parties hereto in separate counterparts, with the same effect as if the signatures to each such counterpart were upon a single instrument. All counterparts will be deemed an original of this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first written above.

BORROWERS:

EURONET WORLDWIDE, INC.,
a Delaware corporation

By: /s/ Rick Weller
Name: Rick Weller
Title: Executive Vice President and Chief Financial Officer

PAYSPOT, INC.,
a Delaware corporation

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

EURONET USA, INC.,
an Arkansas corporation

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

CALL PROCESSING, INC.,
a Texas corporation

By: /s/ Rick Weller
Name: Rick Weller
Title: Vice President

Signature Page to Amendment No. 8 to U.S. Credit Agreement

AGENT AND LENDER:

BANK OF AMERICA, N.A.

By: /s/ John Mills

Name: John P. Mills

Title: Vice President

LENDER:

BANK OF OKLAHOMA, N.A.

By: /s/ Chris Amburgy

Name: Chris Amburgy

Title: Vice President

Signature Page to Amendment No. 8 to U.S. Credit Agreement

ACKNOWLEDGEMENT

Euronet Payments & Remittance, Inc., a North Carolina corporation (“**EP&R**”), hereby acknowledges and agrees that as of the effective date of that certain Amendment No. 8 dated as of _____, 2006 (the “**Amendment**”), by and among Euronet Worldwide, Inc., a Delaware corporation, as Borrower Agent and as a Borrower, PaySpot, Inc., a Delaware corporation, Euronet USA, Inc., an Arkansas corporation, and Call Processing, Inc., a Texas corporation and Bank of America, N.A., a national banking association, as agent and as a lender, and Bank of Oklahoma, N.A., as a lender, that EP&R shall no longer be a “Borrower” or “Obligor” under the Credit Agreement (as defined in the Amendment), the Revolving Note, the Fee Letter or any other Loan Document (as such terms are defined in the Credit Agreement) and will no longer be entitled to request Revolving Loans or the issuance of Letters of Credit under the Credit Agreement or otherwise receive proceeds from Revolving Loans or benefit from Letters of Credit requested by the remaining Borrowers under the Credit Agreement.

EURONET PAYMENTS & REMITTANCE, INC.,
a North Carolina corporation

By: /s/ Rick Weller
Name: Rick Weller
Title: Vice President

EP&R Acknowledgement to Amendment No. 8 to U.S. Credit Agreement

Exhibit 8.4
Compliance Certificate

Exhibit 8.4

Schedule E-1
Revolving Credit Commitments

<u>Lender</u>	<u>Revolving Credit Commitment</u>
Bank of America, N.A.	\$5,000,000
Bank of Oklahoma, N.A.	\$5,000,000

Schedule E-1

Schedule 7.4
Environmental Matters

None.

Schedule 7.4

Schedule 7.8
Organizational Structure

Schedule 10.2

Schedule 10.1
Existing Indebtedness

Schedule 10.2

Schedule 10.2

Existing Liens

Schedule 10.2

Schedule 10.9
Existing Investments

Schedule 10.9

**AMENDMENT NO. 9
TO
\$30,000,000 EURO/GBP CREDIT AGREEMENT**

THIS AMENDMENT No. 9 dated as of May 26, 2006 (this “Amendment”), is entered into by and among Euronet Worldwide, Inc., as Borrower Agent (the “Borrower Agent”), e-pay Holdings Limited and Delta Euronet GmbH (each a “Borrower”, and collectively, the “Borrowers”), Bank of America, N.A. (“Bank of America”), as agent and a lender and US Bank, National Association (“US Bank”) as a lender (collectively with Bank of America, the “Lenders”).

RECITALS

A. The Borrower Agent, the Borrowers and Bank of America, as agent and a lender have entered into that certain \$30,000,000 EURO/GBP Credit Agreement dated as of October 25, 2004, as amended or otherwise modified by that certain Amendment No. 1 and Limited Waiver, dated as of December 14, 2004, that certain Limited Waiver dated as of December 23, 2004, that certain Limited Waiver dated as of February 10, 2005, that certain Amendment No. 2, dated as of March 14, 2005, that certain Limited Waiver dated as of May 11, 2005, that certain Limited Waiver dated as of May 17, 2005, that certain Amendment No. 3 dated as of May 25, 2005, that certain Amendment No. 4 dated as of June 8, 2005, that certain Limited Waiver dated as of June 9, 2005, that certain Amendment No. 5 dated as of June 16, 2005, that certain Amendment No. 6 dated as of July 15, 2005, that certain Amendment No. 7 dated as of September 28, 2005, that certain Limited Waiver dated as of November 4, 2005 and that certain Amendment No. 8 dated as of November 17, 2005 (as so amended and modified, the “Credit Agreement”).

B. Concurrently with entering into this Amendment, Bank of America is entering into an Assignment and Assumption with US Bank pursuant to which Bank of America is assigning a portion of its rights and obligations as a Lender under the Credit Agreement (as further amended, supplement or otherwise modified from time to time) to US Bank.

C. The Borrower Agent and the Borrowers have requested that the Lenders grant the amendments to the Credit Agreement as more fully described herein.

D. Subject to the representations and warranties of the Borrower Agent and the Borrowers and upon the terms and conditions set forth in this Amendment, the Lenders are willing to grant such amendments as more fully set forth herein.

AGREEMENT

Now, THEREFORE, in consideration of the foregoing Recitals, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, and to induce the Lender to enter into this Amendment, the Borrower Agent, the Borrowers and the Lender hereby agree as follows:

SECTION 1. DEFINED TERMS. Capitalized terms used herein but not otherwise defined herein shall have the meaning assigned to such terms in the Credit Agreement.

SECTION 2. AMENDMENT.

2.1 The cover page of the Credit Agreement is hereby amended by replacing the amount “\$40,000,000” with the amount “\$30,000,000” appearing thereon.

2.2 The title of the Credit Agreement appearing above the preamble is hereby amended by replacing the amount “\$40,000,000” with the amount “\$30,000,000”.

2.3 Section 2.1(a)(i) of the Credit Agreement is hereby amended by:

(a) inserting immediately before the proviso in such Section the phrase “and, to the extent such Lender is an L/C Issuer, to treat each draw under any Letter of Credit denominated in GBPs (each a “**UK Letter of Credit**”) as a UK Revolving Loan as provided in **Section 2.4** below”; and

(b) amending and restating the phrase “(i) a Default or Event of Default has occurred and is continuing or (ii) after the making of such UK Revolving Loan, (a) the aggregate unpaid principal balance of all UK Revolving Loans would exceed the UK Revolving Credit Commitments or (b) the aggregate unpaid principal balance of all Revolving Loans would exceed the aggregate Revolving Credit Commitments or (c)” in its entirety to read as follows:

“(A) a Default or Event of Default has occurred and is continuing or (B) after the making of such UK Revolving Loan, (I) the aggregate unpaid principal balance of all UK Revolving Loans, together with the aggregate undrawn amount under all outstanding UK Letters of Credit, would exceed the UK Revolving Credit Commitments, or (II) the aggregate unpaid principal balance of all Revolving Loans, together with the aggregate undrawn amount under all outstanding Letters of Credit, would exceed the aggregate Revolving Credit Commitments, or (III)”

2.4 Section 2.1(a)(ii) of the Credit Agreement is hereby amended by:

(a) inserting immediately before the proviso in such Section the phrase “and, to the extent such Lender is an L/C Issuer, to treat each draw under any Letter of Credit denominated in Euros (each a “**German Letter of Credit**”) as a German Revolving Loan as provided in **Section 2.4** below”; and

(b) amending and restating the phrase “(i) a Default or Event of Default has occurred and is continuing or (ii) after the making of such German Revolving Loan, (a) the aggregate unpaid principal balance of all German Revolving Loans would exceed the German Revolving Credit Commitments or (b) the aggregate unpaid principal balance of all Revolving Loans would exceed the aggregate Revolving Credit Commitments or (c)” in its entirety to read as follows:

“(A) a Default or Event of Default has occurred and is continuing or (B) after the making of such German Revolving Loan, (I) the aggregate unpaid principal balance of all German Revolving Loans, together with the aggregate undrawn amount under all outstanding German Letters of Credit, would exceed the German Revolving

Credit Commitments, or (II) the aggregate unpaid principal balance of all Revolving Loans, together with the aggregate undrawn amount under all outstanding Letters of Credit, would exceed the aggregate Revolving Credit Commitments, or (III)”

2.5 Section 2.1(b) of the Credit Agreement is hereby amended and restated to read in its entirety as follows:

“(b) (i) Except as otherwise provided in **Section 3.3**, if the aggregate principal indebtedness of the UK Borrower under the UK Revolving Notes, plus the aggregate undrawn amount under all outstanding UK Letters of Credit, at any time exceeds the UK Revolving Credit Commitment, the UK Borrower shall immediately, without demand or notice, pay principal under the UK Revolving Notes so that the aggregate principal amount outstanding thereunder, plus the aggregate undrawn amount under all outstanding UK Letters of Credit, does not exceed the UK Revolving Credit Commitment; provided, that in the case of UK Letters of Credit, such amount shall be held as cash collateral for undrawn UK Letters of Credit, and shall promptly be returned to the appropriate Borrower if UK Letters of Credit in an amount sufficient to eliminate such overadvance expire undrawn.

(ii) Except as otherwise provided in **Section 3.3**, if the aggregate principal indebtedness of the German Borrower under the German Revolving Notes, plus the aggregate undrawn amount under all outstanding German Letters of Credit, at any time exceeds the German Revolving Credit Commitment, the German Borrower shall immediately, without demand or notice, pay principal under the German Revolving Notes so that the aggregate principal amount outstanding thereunder, plus the aggregate undrawn amount under all outstanding German Letters of Credit, does not exceed the German Revolving Credit Commitment; provided, that in the case of German Letters of Credit, such amount shall be held as cash collateral for undrawn German Letters of Credit, and shall promptly be returned to the appropriate Borrower if German Letters of Credit in an amount sufficient to eliminate such overadvance expire undrawn.

(iii) Except as otherwise provided in **Section 3.3**, if the aggregate principal indebtedness of the Borrowers under the Revolving Notes, plus the aggregate undrawn amount under all outstanding Letters of Credit, at any time exceeds the Revolving Credit Commitment, the Borrowers shall immediately, without demand or notice, pay principal under their respective Revolving Notes so that the aggregate principal amount outstanding thereunder, plus the aggregate undrawn amount under all outstanding Letters of Credit, does not exceed the Revolving Credit Commitment; provided, that in the case of Letters of Credit, such amount shall be held as cash collateral for undrawn Letters of Credit, and shall promptly be returned to the appropriate Borrower if Letters of Credit in an amount sufficient to eliminate such overadvance expire undrawn.

2.6 Article 2 of the Credit Agreement is hereby amended by adding a new Section 2.3 to such Article to read in its entirety as follows:

“2.3 **Increase of the Commitment.**

(a) Request for Increase. Provided there exists no Default, upon notice to the Agent (which shall promptly notify the Lenders), the Borrower Agent, on behalf of the Borrowers may

on a one-time basis, request an increase in the Commitments by an amount not exceeding \$15,000,000; provided that:

(i) any such request for an increase shall be in a minimum amount of \$1,000,000; provided that, the aggregate of (x) such increase *plus* (y) any concurrent increase in the “Commitment” under the US Credit Agreement, *plus* (z) any concurrent increase in the “Commitment” under the Rupee Credit Agreement shall be a minimum of \$5,000,000; and

(ii) after giving effect to any such increase, the aggregate of (x) the Commitment under this Agreement, *plus* (y) the “Commitment” under the US Credit Agreement, *plus* (z) the “Commitment” under the Rupee Credit Agreement, will not exceed \$65,000,000.

At the time of sending such notice, the Borrower Agent (in consultation with the Agent) shall specify the time period within which each Lender is requested to respond (which shall in no event be less than ten Business Days from the date of delivery of such notice to the Lenders).

(b) Lender Elections to Increase. Each Lender shall notify the Agent within such time period whether or not it agrees to increase its Commitment and, if so, whether by an amount equal to, greater than, or less than its Pro Rata share of such requested increase. Any Lender not responding within such time period shall be deemed to have declined to increase its Commitment.

(c) Notification by Administrative Agent; Additional Lenders. The Agent shall notify the Borrower Agent and each Lender of the Lenders’ responses to each request made hereunder. To achieve the full amount of a requested increase and subject to the approval of the Agent and the L/C Issuer (which approvals shall not be unreasonably withheld), the Borrower Agent may also invite additional Eligible Assignees to become Lenders pursuant to a joinder agreement in form and substance satisfactory to the Agent and its counsel.

(d) Effective Date and Allocations. If the Commitment is increased in accordance with this Section, the Agent and the Borrower Agent shall determine the effective date (the “**Increase Effective Date**”) and the final allocation of such increase. The Agent shall promptly notify the Lenders of the final allocation of such increase and the Increase Effective Date.

(e) Conditions to Effectiveness of Increase. As a condition precedent to such increase, the Borrowers shall deliver to the Agent a certificate of each Obligor dated as of the Increase Effective Date (in sufficient copies for each Lender) signed by a responsible officer of such Obligor (i) certifying and attaching the resolutions adopted by such Obligor approving or consenting to such increase, and (ii) in the case of each Borrower, certifying that, before and after giving effect to such increase, (A) the representations and warranties contained in **Article 7** and the other Loan Documents are true and correct on and as of the Increase Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and (B) no Default exists. The Borrowers shall prepay any Revolving Loans outstanding on the Increase Effective Date to the extent necessary to keep the outstanding Revolving Loans ratable with any revised Pro Rata shares arising from any nonratable increase in the Commitment under this Section.

(f) Conflicting Provisions. This Section shall supersede any provisions in **Sections 4.5** or **13.9** to the contrary.”

2.7 Article 2 of the Credit Agreement is hereby amended by adding a new Section 2.4, Section 2.5, Section 2.6, Section 2.7, Section 2.8, Section 2.9, Section 2.10, Section 2.11, Section 2.12, Section 2.13, Section 2.14, Section 2.15 and Section 2.16 to such Article to read in their entirety as follows:

“2.4 **The Letter of Credit Commitment.** (a) Subject to the terms and conditions set forth herein, (A) the L/C Issuer agrees, in reliance upon the agreements of the Lenders set forth in this **Section 2.4**, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit for the account of the Borrowers or their Subsidiaries, and to amend or extend Letters of Credit previously issued by it, in accordance with subsection (b) below, and (2) to honor drawings under the Letters of Credit; and (B) the Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower or its Subsidiaries and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit:

(I) the aggregate unpaid principal balance of all UK Revolving Loans, together with the aggregate undrawn amount under all outstanding UK Letters of Credit, shall not exceed the UK Revolving Credit Commitments;

(II) the aggregate unpaid principal balance of all German Revolving Loans, together with the aggregate undrawn amount under all outstanding German Letters of Credit, shall not exceed the German Revolving Credit Commitments;

(III) the aggregate unpaid principal balance of all Revolving Loans, together with the aggregate undrawn amount under all outstanding Letters of Credit, shall not exceed the Revolving Credit Commitments; and

(IV) the aggregate outstanding principal amount of the Revolving Loans of any Lender, plus such Lender’s Pro Rata Share of the aggregate amount of all L/C Obligations shall not exceed such Lender’s Commitment.

Each request by a Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by such Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower’s ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed.

(b) The L/C Issuer shall not issue any Letter of Credit, if:

(i) the expiry date of such requested Letter of Credit would occur more than twelve months after the date of issuance or last extension, unless the Required Lenders have approved such expiry date; or

(ii) the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless all the Lenders have approved such expiry date.

(c) The L/C Issuer shall not be under any obligation to issue any Letter of Credit if:

(i) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the L/C Issuer from issuing such Letter of Credit, or any applicable law to the L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the L/C Issuer shall prohibit, or request that the L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the L/C Issuer in good faith deems material to it;

(ii) the issuance of such Letter of Credit would violate one or more policies of the L/C Issuer;

(iii) except as otherwise agreed by the Agent and the L/C Issuer, such Letter of Credit is in an initial stated amount less than \$50,000;

(iv) such Letter of Credit is to be denominated in a currency other than Dollars, GBPs or Euros;

(v) such Letter of Credit contains any provisions for automatic reinstatement of the stated amount after any drawing thereunder; or

(vi) a default of any Lender's obligations to fund exists or any Lender is at such time a Defaulting Lender hereunder, unless the L/C Issuer has entered into satisfactory arrangements with the Borrower or such Lender to eliminate the L/C Issuer's risk with respect to such Lender.

(d) The L/C Issuer shall not amend any Letter of Credit if the L/C Issuer would not be permitted at such time to issue such Letter of Credit in its amended form under the terms hereof.

(e) The L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) the L/C Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(f) The L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the L/C Issuer shall have all of the benefits and immunities (A) provided to the Agent in **Article 12** with respect to any acts taken or omissions suffered by the L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Agent" as used in **Article 12** included the L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuer.

2.5 Procedures for Issuance and Amendment of Letters of Credit. (a) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of a Borrower delivered to the L/C Issuer (with a copy to the Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a responsible officer of such Borrower. Such Letter of Credit Application must be received by the L/C Issuer and the Agent not later than 11:00 a.m., London time at least two Business Days (or such later date and time as the Agent and the L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; and (G) such other matters as the L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer (A) the Letter of Credit to be amended; (B) the proposed date of amendment thereof (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as the L/C Issuer may require. Additionally, the requesting Borrower shall furnish to the L/C Issuer and the Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the L/C Issuer or the Agent may require.

(b) Promptly after receipt of any Letter of Credit Application, the L/C Issuer will confirm with the Agent (by telephone or in writing) that the Agent has received a copy of such Letter of Credit Application from the requesting Borrower and, if not, the L/C Issuer will provide the Agent with a copy thereof. Unless the L/C Issuer has received written notice from any Lender, the Agent or any Loan Party, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in **Article 6** shall not then be satisfied, then, subject to the terms and conditions hereof, the L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the requesting Borrower (or the applicable Subsidiary) or enter into the applicable amendment, as the case may be, in each case in accordance with the L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Pro Rata Share times the amount of such Letter of Credit.

(c) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the L/C Issuer will also deliver to the requesting Borrower and the Agent a true and complete copy of such Letter of Credit or amendment.

2.6 Drawings and Reimbursements; Funding of Participations. (a) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the L/C Issuer shall notify the Borrowers and the Agent thereof. Not later than 11:00 a.m., London time on the date of any payment by the L/C Issuer under a Letter of Credit (each such date, an "**Honor Date**"), the Borrowers shall reimburse the L/C Issuer through the Agent in

an amount equal to the amount of such drawing. If the Borrowers fail to so reimburse the L/C Issuer by such time, the Agent shall promptly notify each Lender of the Honor Date, the amount of the unreimbursed drawing (the “**Unreimbursed Amount**”), and the amount of such Lender’s Pro Rata Share thereof. In such event, the Borrowers shall be deemed to have requested a LIBOR Rate Loan in the case of UK Letters of Credit or a EURIBOR Rate Loan in the case of German Letters of Credit, each with a deemed Interest Period of one month, to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified herein for the principal amount of Loans, but subject to the amount of the unutilized portion of the aggregate Commitments and the conditions set forth in **Article 6** (other than the delivery of a Loan Request). Any notice given by the L/C Issuer or the Agent pursuant to this **Section 2.6(a)** may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(b) Each Lender shall upon any notice pursuant to **Section 2.6(a)** make funds available to the Agent for the account of the L/C Issuer at the Agent’s principal office in an amount equal to its Pro Rata Share of the Unreimbursed Amount not later than 1:00 p.m., London time on the Business Day specified in such notice by the Agent, whereupon, subject to the provisions of **Section 2.6(c)**, each Lender that so makes funds available shall be deemed to have made a EURIBOR Rate Loan with respect to German Letters of Credit or a LIBOR Rate Loan with respect to UK Letters of Credit to the Borrower in such amount, in each case with a deemed Interest Period of one month. The Agent shall remit the funds so received to the L/C Issuer.

(c) With respect to any Unreimbursed Amount that is not fully refinanced by a borrowing of EURIBOR Rate Loans or LIBOR Rate Loans as provided in **Section 2.6(a)** because the conditions set forth in **Article 6** cannot be satisfied or for any other reason, the Borrowers shall be deemed to have incurred from the L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Lender’s payment to the Agent for the account of the L/C Issuer pursuant to **Section 2.6(b)** shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this **Section 2.6**.

(d) Until each Lender funds its Loan or L/C Advance pursuant to this **Section 2.6** to reimburse the L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender’s Pro Rata Share of such amount shall be solely for the account of the L/C Issuer.

(e) Each Lender’s obligation to make Loans or L/C Advances to reimburse the L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this **Section 2.6**, shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the L/C Issuer, the Borrower or any other Person for any reason whatsoever; (ii) the occurrence or continuance of a Default, or (iii) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender’s obligation to make Loans pursuant to this **Section 2.6** is subject to the conditions set forth in **Article 6** (other than delivery by the Borrower of a Loan Request). No such making of an L/C Advance shall relieve

or otherwise impair the obligation of the Borrowers to reimburse the L/C Issuer for the amount of any payment made by the L/C Issuer under any Letter of Credit, together with interest as provided herein.

(f) If any Lender fails to make available to the Agent for the account of the L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this **Section 2.6** by the time specified in **Section 2.6(b)**, the L/C Issuer shall be entitled to recover from such Lender (acting through the Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the L/C Issuer at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the L/C Issuer in accordance with banking industry rules on interbank compensation. A certificate of the L/C Issuer submitted to any Lender (through the Agent) with respect to any amounts owing under this **Section 2.6(f)** shall be conclusive absent manifest error.

2.7 Repayment of Participations. (a) At any time after the L/C Issuer has made a payment under any Letter of Credit and has received from any Lender such Lender's L/C Advance in respect of such payment in accordance with **Section 2.6**, if the Agent receives for the account of the L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from a Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Agent), the Agent will distribute to such Lender its Pro Rata Share thereof (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's L/C Advance was outstanding) in the same funds as those received by the Agent.

(b) If any payment received by the Agent for the account of the L/C Issuer pursuant to **Section 2.6(a)** is required to be returned under any circumstances (including pursuant to any settlement entered into by the L/C Issuer in its discretion), each Lender shall pay to the Agent for the account of the L/C Issuer its Pro Rata Share thereof on demand of the Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

2.8 Obligations Absolute. The obligation of the Borrowers to reimburse the L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(a) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other Loan Document;

(b) the existence of any claim, counterclaim, setoff, defense or other right that the Borrowers or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(c) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(d) any payment by the L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(e) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower or any Subsidiary.

The requesting Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the requesting Borrower's instructions or other irregularity, the requesting Borrower will immediately notify the L/C Issuer. The Borrowers shall be conclusively deemed to have waived any such claim against the L/C Issuer and its correspondents unless such notice is given as aforesaid.

2.9 Role of L/C Issuer. Each Lender, the Borrower Agent and each Borrower agree that, in paying any drawing under a Letter of Credit, the L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuer, the Agent, any of their respective Affiliates, directors, officers, employees, advisers and agents (collectively the "**Related Parties**") nor any correspondent, participant or assignee of the L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. Each Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrowers pursuing such rights and remedies as they may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuer, the Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable or responsible for any of the matters described in **Sections 2.8(a) through 2.8(e)**; provided, however, that anything in such clauses to the contrary notwithstanding, the Borrowers may have a claim against the L/C Issuer, and the L/C Issuer may be liable to the Borrowers, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrowers which the Borrowers prove were caused by the L/C Issuer's willful misconduct or gross negligence or the L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and

certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

2.10 Cash Collateral. Upon the request of the Agent, (i) if the L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing, or (ii) if, as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, the Borrower shall, in each case, immediately Cash Collateralize the then aggregate outstanding amount of all L/C Obligations. For purposes of this **Section 2.10, "Cash Collateralize"** shall mean to pledge and deposit with or deliver to the Agent, for the benefit of the L/C Issuer and the Lenders, as collateral for the L/C Obligations, cash or deposit account balances ("**Cash Collateral**") pursuant to documentation in form and substance satisfactory to the Agent and the L/C Issuer (which documents are hereby consented to by the Lenders). Derivatives of such term have corresponding meanings. The Borrowers hereby grant to the Agent, for the benefit of the L/C Issuer and the Lenders, a security interest in all such cash, deposit accounts and all balances therein and all proceeds of the foregoing. Cash Collateral shall be maintained in a blocked Cash Collateral Account at Bank of America.

2.11 Applicability of ISP. Unless otherwise expressly agreed by the L/C Issuer and the requesting Borrower when a Letter of Credit is issued (including any such agreement applicable to an Existing Letter of Credit), the rules of the ISP shall apply to each standby Letter of Credit.

2.12 Letter of Credit Fees. The Borrower shall pay to the Agent for the account of each Lender fees with respect to the Letters of Credit in accordance with the terms and conditions of **Section 5.1(c)** (the "**Letter of Credit Fee**"). Letter of Credit Fees shall be (i) computed on a quarterly basis in arrears and (ii) due and payable on the first Business Day after the end of each fiscal quarter of the Borrower Agent, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. Notwithstanding anything to the contrary contained herein, upon the request of the Required Lenders, while any Event of Default exists, all Letter of Credit Fees shall accrue at a rate equal to the Default Rate.

2.13 Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

2.14 Letters of Credit Issued for Affiliates. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, an Affiliate of the Borrowers, the Borrowers shall be obligated to reimburse the L/C Issuer hereunder for any and all drawings under such Letter of Credit. The Borrowers hereby acknowledge that the issuance of Letters of Credit for the account of any such Affiliates inures to the benefit of the Borrowers, and that the Borrowers' business derives substantial benefits from the businesses of such Affiliates.

2.15 Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

2.16 Indemnity. Each Borrower shall immediately on demand indemnify the L/C Issuer against any cost, loss or liability incurred by the L/C Issuer (other than by reason of the L/C Issuer's gross negligence or wilful misconduct) in acting as L/C Issuer under any Letter of Credit requested by any Borrower."

2.8 Section 3.1 of the Credit Agreement is hereby amended by amending and restating such Section in its entirety to read as follows:

"3.1 Currency and Amount. The amounts of all Commitments, Loans, L/C Obligations and other monetary obligations hereunder shall be measured in the Base Currency. The Borrowers may request Loans be funded in an Optional Currency and such Loans, together with any interest or fees related thereto may be repaid in such Optional Currency. The Borrowers may request Letters of Credit be issued in an Optional Currency and all L/C Obligations with respect thereto may be paid in such Optional Currency."

2.9 Section 3.2 of the Credit Agreement is hereby amended by adding to the end of such Section a new sentence to read as follows:

"A Borrower (or the Borrower Agent on behalf of a Borrower) shall select the currency of a Letter of Credit in each request for the issuance or amendment of a Letter of Credit and such currency shall be deemed the "denominated" currency for the purposes of repayment in accordance with **Section 3.6(b).**"

2.10 Section 3.3 of the Credit Agreement is hereby amended by amending and restating Sections 3.3(b), 3.3(c) and 3.3(d) in their entirety to read as follows:

"(b) Not later than 5:00 p.m., Kansas City time, on each Reset Date and on each date on which Revolving Loans are made or continued or Letters of Credit are issued or amended, the Agent shall determine (i) the aggregate unpaid principal balance of all UK Revolving Loans outstanding *plus* the aggregate undrawn amount under all outstanding UK Letters of Credit in the equivalent of the Base Currency and (ii) the aggregate unpaid principal balance of all German Revolving Loans outstanding *plus* the aggregate undrawn amount under all outstanding German Letters of Credit in the equivalent of the Base Currency.

(c) In the event (i) the aggregate unpaid principal balance of all UK Revolving Loans *plus* the aggregate undrawn amount under all outstanding UK Letters of Credit (calculated in accordance with this **Section 3.3**) exceeds the aggregate UK Revolving Credit Commitments or (ii) the aggregate unpaid principal balance of all German Revolving Loans *plus* the aggregate undrawn amount under all outstanding German Letters of Credit (calculated in accordance with this **Section 3.3**) exceeds the aggregate German Revolving Credit Commitments, the Agent will promptly notify the Borrower Agent. The Borrowers (and the

Borrower Agent on behalf of the Borrowers) shall not be entitled to make any further Loan Requests (other than with respect to continuations of outstanding Loans) for the type of Loans that have exceeded the Commitments with respect to such Loans and the Lenders will have no obligation to make any such Loans (other than the continuations of outstanding Loans), in each case for so long as such condition is continuing with respect to such Loans.

(d) Without limiting **Section 3.3(c)**, in the event the *sum* of (i) the amount by which the aggregate unpaid principal balance of all UK Revolving Loans *plus* the aggregate undrawn amount under all outstanding UK Letters of Credit (calculated in accordance with this **Section 3.3**) exceeds the UK Revolving Commitments, if any, *and* (ii) the amount by which the aggregate unpaid principal balance of all German Revolving Loans *plus* the aggregate undrawn amount under all outstanding German Letters of Credit (calculated in accordance with this **Section 3.3**) exceeds the German Revolving Commitments, if any, is greater than Three Million Dollars (\$3,000,000), the Borrowers shall, not later than the next Business Day following receipt of the notice provided in accordance with **Section 3.3(b)**, and without any further demand or notice, pay principal under their respective Revolving Notes in the amount by which such amount exceeds Three Million Dollars (\$3,000,000)."

2.11 Section 5.1 of the Credit Agreement is hereby amended by inserting a new Section 5.1(c) at the end of such Section to read as follows:

"(c) **Letter of Credit Fees.** The Borrowers agree to pay to the Agent a fee in an amount equal to (i) the undrawn amount of all outstanding Letters of Credit, *times* (ii) the per annum rate equal to the Applicable Margin calculated for the applicable quarterly or other period."

2.12 Article 6 of the Credit Agreement is hereby amended by inserting at the end of the first sentence of the first paragraph of such Article the phrase "and in the case of conditions set forth in **Sections 6.4, 6.7, 6.8 and 6.9**, as of each date a Letter of Credit is issued, renewed or extended".

2.13 Section 6.4 of the Credit Agreement is hereby amended by:

(a) inserting after the phrase "Disbursement Date" each time it appears in the second sentence of such Section, the phrase "or such date of issuance, renewal or extension of a Letter of Credit"; and

(b) inserting after the phrase "request for borrowing" appearing in the last sentence of such Section, the phrase "or for issuing, renewing or extending a Letter of Credit".

2.14 Section 7.9 of the Credit Agreement is hereby amended by replacing the amount "One Million Dollars (\$1,000,000)" with the amount "Three Million Dollars (\$3,000,000)".

2.15 Section 7.21 of the Credit Agreement is hereby amended by inserting the following phrase at the end of such Section:

", except as otherwise required for tax or other reporting purposes imposed by any statute, rule, regulation, order or restriction of any foreign government or Governmental Authority applicable to a Foreign Subsidiary of the Borrower Agent"

2.16 Section 8.4(f) of the Credit Agreement is hereby amended by replacing the phrase “in excess of One Million Dollars (\$1,000,000) in the aggregate” with the phrase “in excess of Three Million Dollars (\$3,000,000) in the aggregate”.

2.17 Section 8.7 of the Credit Agreement is hereby amended by adding the following proviso at the end of such Section:

“; provided, that no proceeds of the Revolving Loans shall be used by any Borrower to directly or indirectly make any Investments (other than Investments permitted pursuant to Section 10.9(f)) in, and no Letters of Credit shall be requested on behalf of, or for the benefit of, Euronet Payments & Remittance, Inc. (formerly known as TELECOMMUSA, LTD.) or in any other person that is a “Money services business” (as defined in 31 C.F.R. §103.11(uu) as amended, restated or replaced from time to time).

2.18 Section 8.9 of the Credit Agreement is hereby amended by deleting the word “written” from the proviso therein.

2.19 Section 10.9(g)(ii) of the Credit Agreement is hereby amended by amending and restating such section in its entirety to read as follows:

“(ii) In addition to those Investments set forth on **Schedule 10.9**, the Borrowers and any other Obligor may collectively make additional Investments of up to Ten Million Dollars (\$10,000,000) in the aggregate from the effective date of Amendment No. 9 to this Agreement through the Revolving Credit Termination Date in all Euronet Entities that are not (A) Obligors; provided, that to the extent any such Euronet Entity is required to become an Obligor in accordance with the **Section 10.4(e)** or **Section 10.5**, such requirement has been properly waived in accordance with Section 13.9, or (B) “Obligors” as defined in the US Credit Agreement; provided, that to the extent any such Euronet Entity is required to become an “Obligor” in accordance with Section 10.4(e) or Section 10.5 of the US Credit Agreement, such requirement has been properly waived in accordance with Section 13.9 of the US Credit Agreement. To the extent that any such Investments are intercompany loans or advances, such loans and advances shall count against the limitation in the preceding sentence only to the extent such loans or advances have not been repaid;”

2.20 Article 10 of the Credit Agreement is hereby amended by adding a new Section 10.12 to such Article to read in its entirety as follows:

“**10.12 Money Services Business.** Not engage in any business, nor permit any other Obligor to engage in any business, that could reasonably be classified as a “Money services business” (as defined in 31 C.F.R. §103.11(uu) as amended, restated or replaced from time to time).”

2.21 Section 11.1(b) of the Credit Agreement is hereby amended by inserting after the phrase “any interest upon the Note” appearing in such Section, the phrase “, any reimbursement obligation respecting any Letter of Credit”.

2.22 Section 11.1(k) of the Credit Agreement is hereby amended by amending and restating such Section in its entirety to read as follows:

“(k) **Other Credit Agreements.** Any “Event of Default” shall have occurred pursuant to the US Credit Agreement or the Rupee Credit Agreement.”

2.23 Section 12.4 of the Credit Agreement is hereby amended by amending and restating the penultimate sentence of such Section in its entirety to read as follows:

“In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the L/C Issuer, the Agent may presume that such condition is satisfactory to such Lender or the L/C Issuer unless the Agent shall have received notice to the contrary from such Lender or the L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit.”

2.24 Section 12.6 of the Credit Agreement (as corrected pursuant to **Section 2.40(c)(ii)** of this Amendment) is hereby amended and restated in its entirety to read as follows:

12.6 Resignation of Agent. (a) The Agent may at any time give notice of its resignation to the Lenders, the L/C Issuer and the Borrower Agent. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower Agent, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may on behalf of the Lenders and the L/C Issuer, appoint a successor Agent meeting the qualifications set forth above; provided that if the Agent shall notify the Borrower Agent and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Agent on behalf of the Lenders or the L/C Issuer under any of the Loan Documents, the retiring Agent shall continue to hold such collateral security until such time as a successor Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Agent shall instead be made by or to each Lender and the L/C Issuer directly, until such time as the Required Lenders appoint a successor Agent as provided for above in this Section. Upon the acceptance of a successor’s appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Agent, and the retiring Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrowers or Borrower Agent to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the retiring Agent’s resignation hereunder and under the other Loan Documents, the provisions of this Article and **Section 13.6** shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Agent was acting as Agent.

(b) Any resignation by Bank of America as Agent pursuant to this Section shall also constitute its resignation as L/C Issuer. In the event of any such resignation as L/C Issuer, the Borrowers shall be entitled to appoint from among the Lenders a successor L/C Issuer hereunder; provided, however, that no failure by the Borrowers to appoint any such successor

shall affect the resignation of Bank of America as L/C Issuer, as the case may be. Upon the acceptance of a successor's appointment as Agent hereunder, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer, (b) the retiring L/C Issuer shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangement satisfactory to the retiring L/C Issuer to effectively assume the obligations of the retiring L/C Issuer with respect to such Letters of Credit."

2.25 Section 12.7 of the Credit Agreement (as corrected pursuant to **Section 2.40(c)(iii)** of this Amendment) is hereby amended by inserting after the phrase "Each Lender" appearing at the beginning of the first and second sentences of such Section the phrase "and the L/C Issuer".

2.26 Section 12.8 of the Credit Agreement (as corrected pursuant to **Section 2.40(c)(iii)** of this Amendment) is hereby amended by amending and restating such Section in its entirety to read as follows:

"**12.8 Agent May File Proofs of Claim.** In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Borrower or other Obligor, the Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Agent shall have made any demand on the Borrowers) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuer and the Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuer and the Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuer and the Agent under the Fee Letter and **Section 13.6**) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the L/C Issuer to make such payments to the Agent and, in the event that the Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuer, to pay to the Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agent and its agents and counsel, and any other amounts due the Agent under the Fee Letter and **Section 13.6**.

Nothing contained herein shall be deemed to authorize the Agent to authorize or consent to or accept or adopt on behalf of any Lender or the L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Agent to vote in respect of the claim of any Lender in any such proceeding."

2.27 Section 12.9 is hereby amended by inserting after the phrase “The Lenders” appearing at the beginning of the first sentence of such Section the phrase “and the L/C Issuer”.

2.28 Section 13.5(a) of the Credit Agreement is hereby amended by amending and restating the parenthetical appearing in the last sentence of such Section to read as follows:

“(other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in **Section 13.5(d)** and, to the extent expressly contemplated hereby, the Related Parties of each of the Agent, the L/C Issuer and the Lenders)”

2.29 Section 13.5(b) of the Credit Agreement is hereby amended by amending and restating the parenthetical appearing immediately before the proviso of such Section to read as follows:

“(including all or a portion of its Commitment and the Loans (including for purposes of this **Section 13.5(b)**, participations in L/C Obligations) at the time owing to it)”

2.30 Section 13.5(b)(iii) of the Credit Agreement is hereby amended by inserting after the phrase “approved by the Agent” appearing in such Section the phrase “and the L/C Issuer”.

2.31 Section 13.5(b) of the Credit Agreement is hereby amended by:

- (a) inserting at the end of Section 13.5(b)(iv) the word “and”;
- (b) replacing the “; and” at the end of Section 13.5(b)(v) with a period; and
- (c) deleting Section 13.5(b)(vi) in its entirety.

2.32 Section 13.5(c) of the Credit Agreement is hereby amended by:

- (a) inserting after the phrase “principal amounts of the Loans” appearing in the first sentence of such Section the phrase “and L/C Obligations”; and
- (b) inserting after the phrase “each of the Borrowers” appearing in the penultimate sentence of such Section the phrase “and the L/C Issuer”.

2.33 The first paragraph of Section 13.5(d) of the Credit Agreement is hereby amended by amending and restating such paragraph in its entirety to read as follows:

“(d) **Participations.** Any Lender may at any time, without the consent of, or notice to, the Borrowers or the Agent, sell participations to any Person (other than a natural person or a Borrower or any of the Borrowers’ Affiliates or Subsidiaries) (each, a “**Participant**”) in all or a portion of such Lender’s rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender’s participations in L/C Obligations) owing to it); provided that (i) such Lender’s obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrowers, the Agent, the Lenders and the L/C Issuer shall

continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement.”

2.34 Section 13.5 to the Credit Agreement is hereby amended by inserting a new Section 13.5(h) at the end of such Section to read as follows:

“(h) **Resignation as L/C Issuer after Assignment.** Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Commitments and Loans pursuant to **Section 13.5(b)** above, Bank of America may, upon 30 days’ notice to the Borrower Agent and the Lenders, resign as L/C Issuer. In the event of any such resignation as L/C Issuer, the Borrowers shall be entitled to appoint from among the Lenders a successor L/C Issuer hereunder; provided, however, that no failure by the Borrowers to appoint any such successor shall affect the resignation of Bank of America as L/C Issuer, as the case may be. If Bank of America resigns as L/C Issuer, it shall retain all the rights and obligations of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Prime Rate Loans or fund risk participations in Unreimbursed Amounts).”

2.35 Section 13.9(a) of the Credit Agreement is hereby amended by inserting a new clause (iv) in such Section immediately following clause (iii) to read as follows:

“(iv) without the prior written consent of the L/C Issuer, no amendment or waiver with respect to the provisions of **Sections 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, 2.11, 2.12, 2.13, 2.14, and 2.15** shall be effective;”

2.36 Exhibit 1 to the Credit Agreement is hereby amended by amending and restating the following defined terms in their entirety to read as follows:

“**Applicable Margin**” shall mean the percentage set forth below opposite the applicable Consolidated Senior Funded Debt/EBITDA Ratio calculated and adjusted on the first day of the month following the receipt by the Agent of each quarterly Compliance Certificate; any change in the “Applicable Margin” shall be effective with respect to any LIBOR Rate Loan, any EURIBOR Rate Loan, any unused commitment fee and any Letter of Credit Fee on or after each such date.

If the Euronet Entities’ Consolidated Senior Funded Debt / EBITDA Ratio is	Libor Rate Loans	Euribor Rate Loans	Unused Commitment Fee	Letter of Credit Fee
greater than 2.50:1.00	2.50%	2.50%	.25%	1.75%
less than or equal to 2.50:1.00, but greater than 2.00:1.00	2.25%	2.25%	.25%	1.75%
less than or equal to 2.00:1.00, but greater than 1.50:1.00	1.75%	1.75%	.20%	1.75%
less than or equal to 1.50:1.00, but greater than 1.00:1.00	1.25%	1.25%	.20%	1.75%
less than or equal to 1.00: 1.00	1.00%	1.00%	.15%	1.75%

Notwithstanding anything in this definition to the contrary, the Borrowers must maintain a Consolidated Senior Funded Debt Ratio in accordance with **Section 9.1** or pay interest at the Default Rate in accordance with **Section 4.3(b)**.

“**EBITDA**” shall mean, for any period, (i) operating income, *plus* (ii) depreciation, *plus* (iii) amortization, *plus* (iv) interest income from the operations of the Prepaid Processing Segment, *plus* (v) upon the request of the Borrower Agent with the prior consent of the Agent, certain one-time, non-cash charges included in operating income, *plus* (vi) non-cash expenses recognized pursuant to Financial Accounting Standards Board Statement No. 123(R), (Share-Based Payments); provided that if any non-cash expense referred to in the immediately preceding clauses (v) and (vi), including for stock options, becomes a cash charge in a future period then EBITDA shall be adjusted by the amount of such cash charge.

“**EBITDAR**” shall mean, for any period, (i) operating income, *plus* (ii) depreciation, *plus* (iii) amortization, *plus* (iv) interest income from the operations of the Prepaid Processing Segment, *plus* (v) rent, *plus* (vi) upon the request of the Borrower Agent with the prior consent of the Agent, certain one-time, non-cash charges included in operating income, *plus* (vii) non-cash expenses recognized pursuant to Financial Accounting Standards Board Statement No. 123(R), (Share-Based Payments); provided that if any non-cash expense referred to in the immediately preceding clauses (vi) and (vii), including for stock options, becomes a cash charge in a future period then EBITDAR shall be adjusted by the amount of such cash charge.

“**Obligations**” shall mean all unpaid principal of and accrued and unpaid interest on the Revolving Notes, all accrued and unpaid Fees, and all other obligations and liabilities of any Borrower to the Agent or any Lender now existing or hereafter arising under the Loan Documents and any Hedging Agreements, including, without limitation, all renewals, replacements, extensions and modifications thereof and thereto and any and all draws under any and all Letters of Credit and any other letters of credit issued by the L/C Issuer or Bank of America for the account of any Borrower.

“**Required Lenders**” shall mean at any date of determination thereof, Aggregate Lenders having Aggregate Revolving Credit Commitments representing at least 51% of the Aggregate Revolving Credit Commitments at such time; provided, however, that if any Aggregate Lender shall be in breach of any of its obligations hereunder to Borrowers or Agent, under the US Credit Agreement to the “Borrowers” or “Agent” party thereto or under the Rupee Credit Agreement to the “Borrowers” or “Agent” party thereto, including any breach resulting from its failure to honor any of its Aggregate Revolving Credit Commitments in accordance with the terms of this Agreement, the US Credit Agreement or the Rupee Credit Agreement, as applicable, then, for so long as such breach continues, the term “**Required Lenders**” shall mean Aggregate Lenders (excluding each Aggregate Lender that is in breach of such obligations) having Aggregate Revolving Credit Commitments representing at least 51% of the Aggregate Revolving Credit Commitments (excluding the Aggregate Revolving Credit Commitments of each Aggregate Lender that is in breach of such obligations) outstanding at such time; provided further, however, that if the Aggregate Revolving Credit Commitments have been terminated, the term “**Required Lenders**” shall mean the Aggregate Lenders (excluding each Aggregate Lender that is in breach of such obligations) holding Aggregate Revolving Loans representing at least 51% of the aggregate principal amount of all Aggregate Revolving Loans (excluding the Aggregate Revolving Loans of each Aggregate Lender that is in breach of such obligations) outstanding at such time; **provided, that** in addition to the foregoing, in the event there are less than four

Aggregate Lenders then the term Required Lenders must also constitute at least two Aggregate Lenders. For the purposes of the definition of Required Lenders, the following terms shall have the following meanings: “**Aggregate Lenders**” shall mean the Lenders under this Agreement, the “Lenders” under the US Credit Agreement and the “Lenders” under the Rupee Credit Agreement; “**Aggregate Revolving Credit Commitments**” shall mean the Revolving Credit Commitments under this Agreement, *plus* the “Revolving Credit Commitments” under the US Credit Agreement, *plus* the “Revolving Credit Commitments” under the Rupee Credit Agreement; and “**Aggregate Revolving Loans**” shall mean the Revolving Loans under this Agreement, *plus* the “Revolving Loans” under the US Credit Agreement, *plus* the “Revolving Loans” under the Rupee Credit Agreement.

“**Revolving Credit Termination Date**” shall mean May 26, 2009 or such other date as may be agreed to by Agent, the Required Lenders, the Borrower Agent and the Borrowers from time to time; provided that no Lender shall be required to extend its Commitment without such Lender’s consent.

2.37 Exhibit 1 to the Credit Agreement is hereby amended by inserting the following defined terms in the appropriate alphabetical order:

“**Cash Collateral**” is defined in **Section 2.10** of this Agreement.

“**Cash Collateral Account**” shall mean a demand deposit, money market or other account established by Agent at such financial institution as Agent may select in its discretion, which account shall be in Agent’s name and subject to Agent’s Liens for the Pro Rata benefit of the Lenders.

“**Cash Collateralize**” is defined in **Section 2.10** of this Agreement.

“**Debtor Relief Laws**” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“**Defaulting Lender**” means any Lender that (a) has failed to fund any portion of the Loans, participations in L/C Obligations required to be funded by it hereunder within one Business Day of the date required to be funded by it hereunder, (b) has otherwise failed to pay over to the Agent or any other Lender any other amount required to be paid by it hereunder within one Business Day of the date when due, unless the subject of a good faith dispute, or (c) has been deemed insolvent or become the subject of a bankruptcy or insolvency proceeding.

“**Federal Funds Rate**” shall mean for any period, a fluctuating interest rate per annum equal for each date during such period to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) in New York, New York by the Federal Reserve Bank of New York, or if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by Agent from 3 federal funds brokers of recognized standing selected by Agent.

“**German Letter of Credit**” is defined in **Section 2.1(a)(ii)** of this Agreement.

“**Honor Date**” is defined in **Section 2.6(a)** of this Agreement.

“**Increase Effective Date**” is defined in **Section 2.3(d)** of this Agreement.

“**ISP**” means, with respect to any Letter of Credit, the “International Standby Practices 1998” published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance).

“**Issuer Documents**” means with respect to any Letter of Credit, the Letter Credit Application, and any other document, agreement and instrument entered into by the L/C Issuer and the Borrowers (or any Subsidiary) or in favor the L/C Issuer and relating to any such Letter of Credit.

“**L/C Advance**” means, with respect to each Lender, such Lender’s funding of its participation in any L/C Borrowing in accordance with its Pro Rata Share.

“**L/C Borrowing**” means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Loan.

“**L/C Credit Extension**” means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

“**L/C Issuer**” means Bank of America in its capacity as issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder.

“**L/C Obligations**” means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with **Section 2.15**. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be “outstanding” in the amount so remaining available to be drawn.

“**Letter of Credit**” means (i) any standby letter of credit issued hereunder and (ii) any guarantee, indemnity or other instrument in a form requested by a Borrower or the Borrower Agent and agreed by the Agent and the L/C Issuer.

“**Letter of Credit Application**” means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the L/C Issuer.

“**Letter of Credit Expiration Date**” means the day that is seven days prior to the Revolving Credit Termination Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).

“**Letter of Credit Fee**” is defined in **Section 2.12** of this Agreement.

“**Money Market Fund**” is defined in **Section 10.9(j)** of this Agreement.

“**Participant**” is defined in **Section 13.5(d)** of this Agreement.

“**Prepaid Processing Segment**” shall mean the reportable “Prepaid Processing” segment as reported in the Borrowing Agent’s form 10-Q and 10-K filings with the Securities and Exchange Commission.

“**Related Parties**” is defined in **Section 2.9** of this Agreement.

“**Rupee Borrower**” means Euronet Services India Pvt Ltd, a company organized under the laws of India.

“**Rupee Credit Agreement**” means the \$10,000,000 Rupee Credit Agreement, dated as of May 26, 2006 among Bank of America, N.A., as Lender, the Rupee Borrower, as Borrower and Euronet Worldwide, Inc., as the Borrower Agent.

“**UK Letter of Credit**” is defined in **Section 2.1(a)(i)** of this Agreement.

“**Unreimbursed Amount**” is defined in **Section 2.6(a)** of this Agreement.

2.38 Exhibit 8.4 to the Credit Agreement shall be replaced with **Exhibit 8.4** attached hereto effective as of the date of this Amendment and all references in the Credit Agreement to such Exhibit shall be references to the Exhibit attached hereto.

2.39 Each of the Schedules listed below shall be replaced with the corresponding Schedules attached hereto and effective as of the date of this Amendment all references in the Credit Agreement to such Schedules shall be references to the Schedules attached hereto:

- (i) **Schedule E-1 – Revolving Credit Commitments;**
- (ii) **Schedule 7.4 – Environmental Matters;**
- (ii) **Schedule 7.8 – Organizational Structure;**
- (iii) **Schedule 10.1 – Existing Indebtedness;**
- (iv) **Schedule 10.2 – Existing Liens;**
- (v) **Schedule 10.9 – Existing Investments.**

2.40 Each Lender, the Borrower Agent and each Borrower hereby acknowledge and agree to the following corrections:

(a) Section 4.3(a) of the Credit Agreement is hereby corrected as of the date of the Credit Agreement by replacing the phrase “a rate equal to” found in clauses (i) and (ii) of such Section with the phrase “a rate per annum equal to”;

(b) Section 4.7 of the Credit Agreement is hereby corrected as of the date of the Credit Agreement by inserting the following proviso at the end of such section:

“; provided that fluctuations in the unpaid principal balance of any Loan resulting from the translation calculations set forth in **Section 3.3** shall not affect any Borrower’s ability to request any continuation of a Loan as a result of it not meeting the minimum amount or multiple amount requirements of this **Section 4.7.**”

(c) Article 12 of the Credit Agreement is hereby corrected as of the date of the Credit Agreement by:

- (i) setting forth as Section 12.3 all of Section 12.2 except the first two sentences;
- (ii) setting forth as Section 12.6 all of Section 12.5 except the first three sentences; and
- (iii) setting forth as Section 12.8 all of Section 12.7 except the first two sentences;

(d) Recital A of Amendment No. 1 and Limited Waiver to the Credit Agreement is hereby corrected as of the date of such Amendment by replacing the date “October 25, 2006” with the date “October 25, 2004”.

(e) Section 2.8 of Amendment No. 1 and Limited Waiver to the Credit Agreement is hereby corrected as of the date of such Amendment by replacing the date “December [—], 2004” with the date “December 15, 2004” in the definition of “Convertible Senior Debenture Indenture”;

(f) Recital A of Limited Waiver to the Credit Agreement, dated as of December 23, 2004 is hereby corrected as of the date of such Limited Waiver by replacing the date “October 25, 2006” with the date “October 25, 2004”.

(g) Recital A of Limited Waiver to the Credit Agreement, dated as of February 10, 2005 is hereby corrected as of the date of such Limited Waiver by replacing the date “October 25, 2006” with the date “October 25, 2004”.

(h) Section 2 of Amendment No. 2 to the Credit Agreement is hereby corrected as of the date of such Amendment by replacing the references to “9.1” in such Section with references to “9.1(a)”;

(i) Section 2.1 of Amendment No. 4 to the Credit Agreement is hereby corrected as of the date of such Amendment by replacing the phrase “ *times* (ii) the Applicable Margin” as it appears in Section 5.1(b) of the Credit Agreement as amended by such Section 2.1 with the phrase “*times* (ii) a rate per annum equal to the Applicable Margin calculated for the applicable quarterly or other period”; and

(j) Amendment No. 4 to the Credit Agreement is hereby corrected as of the date of such Amendment by adding an amendment to delete Section 4.3(a) (iii) of the Credit Agreement in its entirety.

2.41 The Borrower Agent and each Borrower hereby acknowledges and consents to the Assignment and Assumption between Bank of America and US Bank and that US Bank has become a party to the Credit Agreement and, to the extent of the interest assigned by such Assignment and Assumption, has the rights and obligations of a Lender under the Credit Agreement, and that Bank of America is, to the extent of the interest assigned by such Assignment and Assumption, released from its obligations under this Agreement but shall continue to be entitled to the benefits of Sections 3.5, 5.2 and 13.6 of the Credit Agreement with respect to facts and circumstances occurring prior to the effective date of such assignment.

2.42 The Agent and Lenders hereby release Euronet Payments & Remittance, Inc. (formerly known as TELECOMMUSA, LTD.), a North Carolina corporation (“**EP&R**”) from its obligations under the Guaranty Agreement dated June 15, 2005 (the “**EP&R Guaranty Agreement**”) by and between EP&R and the Agent, and each other Loan Document to which it is a party. The Agent hereby releases its lien on the Pledged Shares listed on that certain Pledge Amendment, dated June 15, 2005 by the Borrower Agent (the “**EP&R Shares**”). As of the date hereof EP&R shall no longer be a “Required Guarantor”, “Guarantor” or “Obligor” under the Credit Agreement, the EP&R Guaranty Agreement or any other Loan Document. The Agent and the Lenders hereby waive any requirement in any Loan Document requiring that EP&R be, or become, a Borrower, Required Guarantor, Guarantor or Obligor.

SECTION 3. LIMITATIONS ON AMENDMENTS.

3.1 The amendments and acknowledgement set forth in **Section 2** above are effective for the purposes set forth herein and will be limited precisely as written and will not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of the Credit Agreement or any other Loan Document, (b) otherwise prejudice any right or remedy which the Agent or the Lenders may now have or may have in the future under or in connection with the Credit Agreement or any other Loan Document or (c) be a consent to any future amendment, waiver or modification of any other term or condition of the Credit Agreement or any other Loan Document.

3.2 This Amendment is to be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein waived or amended, are hereby ratified and confirmed and will remain in full force and effect.

SECTION 4. REPRESENTATIONS AND WARRANTIES. In order to induce the Lenders to enter into this Amendment, the Borrower Agent and each of the Borrowers represent and warrant to the Lenders as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents (other than those which expressly speak as of a different date) are true, accurate and complete in all material respects as of the date hereof and (b) no Default or Event of Default has occurred and is continuing;

4.2 The Borrower Agent and each Borrower has the power and authority and legal right to execute and deliver this Amendment and to perform its obligations hereunder. Such execution and delivery have been duly authorized by proper proceedings, and this Amendment

constitutes the legal, valid and binding obligations of the Borrower Agent and each Borrower, enforceable against each of them in accordance with their respective terms;

4.3 The articles of incorporation or organization, bylaws, if any, or other charter documents of the Borrower Agent and each Borrower delivered to the Lender as a condition precedent to the effectiveness of the Credit Agreement are true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

4.4 The execution, delivery and performance of this Amendment will not violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Borrower Agent and any Borrower, any provision of the Borrower Agent's and each Borrower's respective articles or certificate of incorporation, by-laws, if any, or other charter documents, or the provisions of any indenture, instrument or other written or oral agreement to which any Borrower is a party or is subject or by which the Borrower Agent and any Borrower or any of its property is bound, or conflict therewith or constitute a default thereunder, or result in the creation or imposition of any Lien in, of or on any of its property pursuant to the terms of any such indenture, instrument or agreement. No order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by, any Governmental Authority is required by or in respect of the Borrower Agent and the Borrowers to authorize or is required in connection with the execution, delivery and performance of or the enforceability of this Amendment; and

SECTION 5. EXPENSES. The Borrowers, jointly and severally, agree to pay to Lender upon demand, the amount of any and all out-of-pocket expenses, including the reasonable fees and expenses of its counsel, which Lender may incur in connection with the preparation, documentation, and negotiation of this Amendment and all related documents.

SECTION 6. REAFFIRMATION. The Borrower Agent and each Borrower hereby reaffirms its obligations under each Loan Document to which it is a party, including, without limitation, the validity and enforceability of all of the liens and security interests heretofore granted pursuant to and in connection with the Credit Agreement to the Agent as collateral security for the obligations under the Credit Agreement, including the liens and security interests granted pursuant to (i) that certain Pledge Agreement dated October 25, 2004 by the Borrower Agent in favor of Agent, (ii) that certain Agreement on the Creation of Pledge Over Shares dated October 28, 2004 by the German Borrower in favor of Agent, (iii) Mortgage of Shares dated November 4, 2004 by the Borrower Agent and the UK Borrower in favor of Agent, and (iv) that certain Agreement on the Creation of Pledge Over Shares dated June 22, 2005 by the German Borrower in favor of Agent. Each Borrower hereby acknowledges that all of such liens and security interests, and all collateral heretofore pledged as security for such obligations, continues to be and remains collateral for such obligations from and after the date hereof.

SECTION 7. This Amendment will become effective as of the date hereof upon:

7.1 the execution and delivery of this Amendment, whether the same or different copies, by each Borrower and each Lender;

7.2 the execution and deliver of a Second Amended and Restated Note to Bank of America and a Note to US Bank by each Borrower;

7.3 the execution and delivery of each Required Guarantor of an acknowledgement of this Amendment and a reaffirmation of such Required Guarantor's Guaranty;

7.4 the Agent shall have received a Guaranty Agreement from EWI Foreign Holdings Ltd ("**EWI Cyprus**") in form and substance satisfactory to the Agent and the conditions of Section 8.10 of the Credit Agreement shall have been otherwise satisfied with respect to EWI Cyprus.

7.5 each Borrower, the Borrower Agent, and each Required Guarantor (including EWI Cyprus) shall have taken all corporate or company proceedings necessary to authorize this Amendment, any Guaranty Agreement and any Acknowledgment to which it is a party and the transactions contemplated hereby and thereby. Each Borrower, the Borrower Agent and EWI Cyprus shall have delivered to the Agent certificates, dated the Closing Date and signed by their respective Secretaries, Managing Directors, Directors or other responsible officers, satisfactory to the Agent, respecting such proceedings and the incumbency of the officers executing this Agreement, any Guaranty Agreement and any Acknowledgment to which it is a party, including in the case of the German Borrower, resolutions of the shareholder of the German Borrower authorizing this Agreement and the transactions contemplated hereby and certified excerpts from the commercial register reflecting the incumbency of the officer executing this Agreement on behalf of the German Borrower dated not earlier than three Business Days prior to the Closing Date. Each Borrower, the Borrower Agent and EWI Cyprus shall have delivered to the Agent copies of its articles of organization or association or other charter documents, including all amendments thereto, certified by the appropriate officer, and copies of its bylaws or other constitutional documents, including all amendments thereto, certified by the appropriate officer. The Agent shall have received satisfactory results to all company and other final searches in relation to the UK Borrower and e-pay Limited as the Agent may reasonably request.

7.6 the Agent shall have received opinions from counsel to each Borrower, the Borrower Agent and each Required Guarantor that is a US Subsidiary and from counsel to EWI Cyprus in form and substance satisfactory to the Agent and its counsel.

7.7 the Agent shall have received a pro forma Compliance Certificate in form and substance satisfactory to the Agent, demonstrating that the Borrowers will be, after giving effect to this Amendment, in compliance with each of the financial covenants set forth in Article 9 of the Credit Agreement;

7.8 all conditions set forth in Section 7 of Amendment No. 8 to the US Credit Agreement shall have been satisfied; and

7.9 the Rupee Borrower shall have executed and delivered to Bank of America the Rupee Credit Agreement and have satisfied any other conditions required to be satisfied on the "Closing Date" pursuant to the Rupee Credit Agreement.

7.10 The Borrowers shall have paid the fees set forth in the Fee Letter dated the date hereof, among the Agent and the Borrowers.

SECTION 8. GOVERNING LAW. This Amendment will be governed by and will be construed and enforced in accordance with the laws of the State of Missouri.

SECTION 9. CLAIMS, COUNTERCLAIMS, DEFENSES, RIGHTS OF SET-OFF. The Borrower Agent and each Borrower hereby represents and warrants to each Lender that it has no knowledge of any facts what would support a claim, counterclaim, defense or right of set-off against such Lender.

SECTION 10. COUNTERPARTS. This Amendment may be signed in any number of counterparts, and by different parties hereto in separate counterparts, with the same effect as if the signatures to each such counterpart were upon a single instrument. All counterparts will be deemed an original of this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first written above.

BORROWER AGENT:

EURONET WORLDWIDE, INC.,
a Delaware corporation

By: /s/ Rick Weller
Name: Rick Weller
Title: Executive Vice President and Chief Financial Officer

BORROWERS:

E-PAY HOLDINGS LIMITED,
a limited liability company incorporated in England and Wales

By: /s/ Jeff Newman
Name: Jeff Newman
Title: Director

DELTA EURONET GMBH,
a German company with limited liability

By: /s/ Rick Weller
Name: Rick Weller
Title: Director

Signature Page to Amendment No. 9 to Euro Credit Agreement

AGENT AND LENDER:

BANK OF AMERICA, N.A.

By: /s/ John Mills

Name: John P. Mills

Title: Vice President

LENDER:

US BANK, NATIONAL ASSOCIATION

By: /s/ Kelvin Liebelt

Name: Kelvin S. Liebelt

Title: Vice President

Signature Page to Amendment No. 9 to Euro Credit Agreement

Exhibit 8.4
Compliance Certificate

Exhibit 8.4

Schedule E-1

Revolving Credit Commitments

I. UK Revolving Credit Commitments

Lender	Revolving Credit Commitment
Bank of America, N.A.	\$13,333,333.34
US Bank, National Association	\$ 6,666,666.66
Total	\$20,000,000.00

II. German Revolving Credit Commitments

Lender	Revolving Credit Commitment
Bank of America, N.A.	\$ 6,666,666.66
US Bank, National Association	\$ 3,333,333.34
Total	\$10,000,000.00

Schedule E-1

Schedule 7.4
Environmental Matters

None.

Schedule 7.4

Schedule 7.8
Organizational Structure

Schedule 10.2

Schedule 10.1
Existing Indebtedness

Schedule 10.2

Schedule 10.2

Existing Liens

Schedule 10.2

Schedule 10.9
Existing Investments

Schedule 10.2

**EURO/GBP CREDIT FACILITY
GUARANTY AGREEMENT**

THIS GUARANTY is made as of the 26th day of May, 2006, by and between **EWI Foreign Holdings Ltd, a company organized under the laws of Cyprus** (the "**Guarantor**"), and **Bank of America, N.A. ("Bank of America")**, a national banking association, as agent (in such capacity, the "**Agent**"), pursuant to that certain Credit Agreement dated as of October 25, 2004, by and among Euronet Worldwide, Inc., a Delaware corporation (the "**Borrower Agent**"), e-pay Holdings, Limited, a limited liability company incorporated in England and Wales, Delta Euronet GmbH, a German company with limited liability (collectively the "**Borrowers**"), the Agent and the financial institutions party thereto from time to time as Lenders, as amended or otherwise modified by that certain Amendment No. 1 and Limited Waiver, dated as of December 14, 2004, that certain Limited Waiver dated as of December 23, 2004, that certain Limited Waiver dated as of February 10, 2005, that certain Amendment No. 2, dated as of March 14, 2005, that certain Limited Waiver dated as of May 11, 2005, that certain Limited Waiver dated as of May 17, 2005, that certain Amendment No. 3 dated as of May 25, 2005, that certain Amendment No. 4 dated as of June 8, 2005, that certain Limited Waiver dated as of June 9, 2005, that certain Amendment No. 5 dated as of June 16, 2005, that certain Amendment No. 6 dated as of July 15, 2005, that certain Amendment No. 7 dated as of September 28, 2005, that certain Limited Waiver dated as of November 4, 2005, that certain Amendment No. 8 dated as of November 17, 2005, and that certain Amendment No. 9 dated as of the date hereof (as so amended or otherwise modified and as from time to time further amended, restated, supplemented or otherwise modified, the "**Credit Agreement**").

WHEREAS, Guarantor is a Subsidiary of the Borrower Agent and an Affiliate of the Borrowers and as such will derive direct and indirect economic benefits from the making of the Loans and other financial accommodations provided to Borrower pursuant to the Credit Agreement and the other Loan Documents; and

WHEREAS, in order to induce the Agent and the Lenders to make Loans pursuant to the Credit Agreement, certain direct and indirect Subsidiaries of the Borrower Agent (other than the Borrowers), including the Guarantor, have agreed to provide guarantees of the Borrowers' Obligations under the Credit Agreement and the other Loan Documents;

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, and to induce Lenders to provide the Loans and other financial accommodations under the Credit Agreement and the other Loan Documents, it is agreed as follows:

ARTICLE 1
DEFINITIONS

Capitalized terms used herein shall have the meanings assigned to them in the Credit Agreement, unless otherwise defined herein.

References to this "Guaranty" or this "Agreement" shall mean this Guaranty, including all amendments, modifications and supplements and any annexes, exhibits and schedules to any of the foregoing, and shall refer to this Guaranty as the same may be in effect at the time such reference becomes operative.

ARTICLE 2

2.1 Guaranty of Guaranteed Obligations of Borrower. The Guarantor unconditionally guarantees to Agent and Lenders, and their respective successors, endorsees, transferees and assigns, the prompt payment (whether at stated maturity, by acceleration or otherwise) and performance of the Obligations of Borrowers (hereinafter the "**Guaranteed Obligations**"). Guarantor agrees that this Guaranty is a guaranty of payment and performance and not of collection, and that its obligations under this Guaranty shall be primary, absolute and unconditional, irrespective of, and unaffected by:

(a) the genuineness, validity, regularity, enforceability or any future amendment of, or change in this Guaranty, the Credit Agreement or any other Loan Document or any other agreement, document or instrument to which any obligor for the Guaranteed Obligations is or may become a party;

(b) the absence of any action to enforce this Guaranty, the Credit Agreement or any other Loan Document or the waiver or consent by Agent and/or Lenders with respect to any of the provisions thereof;

(c) the existence, value or condition of, or failure to perfect its Liens against, any Collateral for the Guaranteed Obligations or any action, or the absence of any action, by Agent in respect thereof (including, without limitation, the release of any such security); or

(d) the insolvency of the Borrowers or any other obligor for the Guaranteed Obligations; or

(e) any other action or circumstances which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor,

it being agreed by the Guarantor that its obligations under this Guaranty shall not be discharged until all Commitments under the Credit Agreement to lend have been terminated and all Obligations have been indefeasibly paid in full in cash. Upon the occurrence and during the continuance of an Event of Default, the Guarantor shall be regarded, and shall be in the same position, as principal debtor with respect to the Guaranteed Obligations. The Guarantor agrees that any notice or directive given at any time to Agent which is inconsistent with the waiver in the immediately preceding sentence shall be null and void and may be ignored by the Agent and the Lenders, and, in addition, may not be pleaded or introduced as evidence in any litigation

relating to this Guaranty for the reason that such pleading or introduction would be at variance with the written terms of this Guaranty, unless the Agent and the Lenders have specifically agreed otherwise in writing. It is agreed among the Guarantor, the Agent and the Lenders that the foregoing waivers are of the essence of the transaction contemplated by the Credit Agreement and the other Loan Documents and that, but for this Guaranty and such waivers, Agent and Lenders would decline to enter into the Credit Agreement and the other Loan Documents.

2.2 Demand by Agent or Lenders. In addition to the terms of the Guaranty set forth in **Section 2.1** hereof, and in no manner imposing any limitation on such terms, it is expressly understood and agreed that, if, at any time, the outstanding principal amount of the Guaranteed Obligations under the Credit Agreement or any other Loan Document (including all accrued interest thereon) is declared to be immediately due and payable, then the Guarantor shall, without demand, pay to the holders of the Guaranteed Obligations the entire outstanding Guaranteed Obligations due and owing to such holders. Payment by the Guarantor shall be made to Agent in immediately available Dollars or an Optional Currency, calculated at the Exchange Rate to an account designated by Agent or at the address set forth herein for the giving of notice to Agent or at any other address that may be specified in writing from time to time by Agent, and shall be credited and applied to the Guaranteed Obligations.

2.3 Enforcement of Guaranty. In no event shall Agent have any obligation (although it is entitled, at its option) to proceed against the Borrowers or any obligor for the Guaranteed Obligations or any Collateral pledged to secure the Guaranteed Obligations before seeking satisfaction from the Guarantor, and Agent may proceed, prior or subsequent to, or simultaneously with, the enforcement of Agent's rights hereunder, to exercise any right or remedy which it may have against any Collateral, as a result of any Lien it may have as security for all or any portion of the Guaranteed Obligations.

2.4 Waiver. In addition to the waivers contained in **Section 2.1** hereof, Guarantor waives, and agrees that it shall not at any time insist upon, plead or in any manner whatever claim or take the benefit or advantage of, any appraisal, valuation, stay, extension, marshaling of assets or redemption laws, or exemption, whether now or at any time hereafter in force, which may delay, prevent or otherwise affect the performance by the Guarantor of its Guaranteed Obligations under, or the enforcement by Agent or Lenders of, this Guaranty. The Guarantor hereby waives diligence, presentment and demand (whether for non-payment or protest or of acceptance, maturity, extension of time, change in nature or form of the Guaranteed Obligations, acceptance of further security, release of further security, composition or agreement arrived at as to the amount of, or the terms of, the Guaranteed Obligations, notice of adverse change in the Borrower's financial condition or any other fact which might increase the risk to the Guarantor) with respect to any of the Guaranteed Obligations or all other demands whatsoever and waive the benefit of all provisions of law which are or might be in conflict with the terms of this Guaranty. The Guarantor represents, warrants and agrees that, as of the date of this Guaranty, its obligations under this Guaranty are not subject to any offsets or defenses against the Agent or the Lenders or any obligor for the Guaranteed Obligations. The Guarantor further agrees that its obligations under this Guaranty shall not be subject to any counterclaims, offsets or defenses against Agent or any Lender or any other obligor for the Guaranteed Obligations which may arise in the future.

2.5 Benefit of Guaranty. The provisions of this Guaranty are for the benefit of the Agent and the Lenders and their respective successors, transferees, endorsees and assigns, and nothing herein contained shall impair, as between any obligor for the Guaranteed Obligations and the Agent or the Lenders, the obligations of any obligor for the Guaranteed Obligations under the Loan Documents. In the event all or any part of the Guaranteed Obligations are transferred, endorsed or assigned by Agent or any Lender to any Person or Persons, any reference to “Agent” or “Lender” herein shall be deemed to refer equally to such Person or Persons.

2.6 Modification of Guaranteed Obligations, Etc. Guarantor hereby acknowledges and agrees that the Agent and the Lenders may at any time or from time to time, with or without the consent of, or notice to, the Guarantor or any other obligor for the Guaranteed Obligations:

- (a) change or extend the manner, place or terms of payment of, or renew or alter all or any portion of, the Guaranteed Obligations;
- (b) take any action under or in respect of the Credit Agreement or any other Loan Document in the exercise of any remedy, power or privilege contained therein or available to it at law, equity or otherwise, or waive or refrain from exercising any such remedies, powers or privileges;
- (c) amend or modify, in any manner whatsoever, the Credit Agreement or any other Loan Document;
- (d) extend or waive the time for any obligor for the Guaranteed Obligations performance of, or compliance with, any term, covenant or agreement on its part to be performed or observed under the Credit Agreement or any other Loan Document, or waive such performance or compliance or consent to a failure of, or departure from, such performance or compliance;
- (e) take and hold Collateral for the payment of the Guaranteed Obligations guaranteed hereby or sell, exchange, release, dispose of, or otherwise deal with, any property pledged, mortgaged or conveyed, or in which the Agent or the Lenders have been granted a Lien, to secure any Obligations;
- (f) release anyone who may be liable in any manner for the payment of any amounts owed by the Guarantor or any other obligor for the Guaranteed Obligations to the Agent or any Lender;
- (g) modify or terminate the terms of any intercreditor or subordination agreement pursuant to which claims of other creditors of the Guarantor or any other obligor for the Guaranteed Obligations are subordinated to the claims of the Agent and the Lenders; and/or
- (h) apply any sums by whomever paid or however realized to any amounts owing by the Guarantor or other obligor for the Guaranteed Obligations to the Agent or any Lender in such manner as the Agent or any Lender shall determine in its discretion;

and the Agent and the Lenders shall not incur any liability to Guarantor as a result thereof, and no such action shall impair or release the Guaranteed Obligations of Guarantor under this Guaranty.

2.7 Reinstatement. This Guaranty shall remain in full force and effect and continue to be effective should any petition be filed by or against the Guarantor or any other obligor for the Guaranteed Obligations for liquidation or reorganization, should the Guarantor or any other obligor for the Guaranteed Obligations become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of the assets of such Guarantor or any obligor for the Guaranteed Obligations, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Guaranteed Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by Agent or any Lender, whether as a “voidable preference”, “fraudulent conveyance”, or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Guaranteed Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

2.8 Deferral of Subrogation, Etc. Notwithstanding anything to the contrary in this Guaranty, or in any other Loan Document, Guarantor hereby:

(a) expressly and irrevocably waives, on behalf of itself and its successors and assigns (including any surety) until all commitments under the Credit Agreement to lend have terminated and all Obligations of Borrower have been indefeasibly paid in full in cash, any and all rights at law or in equity to subrogation, to reimbursement, to exoneration, to contribution, to indemnification, to set off or to any other rights that could accrue to a surety against a principal, to a guarantor against a principal, to a guarantor against a maker or obligor, to an accommodation party against the party accommodated, to a holder or transferee against a maker, or to the holder of any claim against any Person, and which Guarantor may have or hereafter acquire against any obligor for the Guaranteed Obligations in connection with or as a result of Guarantor’s execution, delivery and/or performance of this Guaranty, or any other documents to which Guarantor is a party or otherwise; and

(b) acknowledges and agrees (i) that this waiver is intended to benefit the Agent and the Lenders and shall not limit or otherwise effect the Guarantor’s liability hereunder or the enforceability of this Guaranty, and (ii) that the Agent, the Lenders and their respective successors and assigns are intended third party beneficiaries of the waivers and agreements set forth in this **Section 2.8** and their rights under this **Section 2.8** shall survive payment in full of the Guaranteed Obligations.

2.9 Election of Remedies. If the Agent may, under applicable law, proceed to realize benefits under any of the Loan Documents giving the Agent and the Lenders a Lien upon any Collateral owned by any obligor for the Guaranteed Obligations, either by judicial foreclosure or by non-judicial sale or enforcement, the Agent may, at its sole option, determine which of such remedies or rights it may pursue without affecting any of such rights and remedies under this Guaranty. If, in the exercise of any of its rights and remedies, the Agent shall forfeit

any of its rights or remedies, including its right to enter a deficiency judgment against any obligor for the Guaranteed Obligations, whether because of any applicable laws pertaining to “election of remedies” or the like, the Guarantor hereby consents to such action by the Agent and waives any claim based upon such action, even if such action by the Agent shall result in a full or partial loss of any rights of subrogation which the Guarantor might otherwise have had but for such action by the Agent. Any election of remedies which results in the denial or impairment of the right of the Agent to seek a deficiency judgment against any obligor for the Guaranteed Obligations shall not impair the Guarantor’s obligation to pay the full amount of the Guaranteed Obligations. In the event the Agent shall bid at any foreclosure or trustee’s sale or at any private sale permitted by law or the Loan Documents, the Agent may bid all or less than the amount of the Guaranteed Obligations and the amount of such bid need not be paid by the Agent but shall be credited against the Guaranteed Obligations. To the fullest extent permitted by law, the amount of the successful bid at any such sale shall be conclusively deemed to be the fair market value of the collateral and the difference between such bid amount and the remaining balance of the Guaranteed Obligations shall be conclusively deemed to be the amount of the Guaranteed Obligations guaranteed under this Guaranty.

2.10 **Funds Transfers.** If the Guarantor shall engage in any transaction as a result of which the Borrower is required to make a mandatory prepayment with respect to the Guaranteed Obligations under the terms of the Credit Agreement (including any issuance or sale of Guarantor’s capital stock or any sale of its assets), to the extent the Borrowers are unable to make such mandatory prepayment, the Guarantor shall distribute to, or make a contribution to the capital of, the Borrowers an amount equal to the mandatory prepayment required under the terms of the Credit Agreement.

ARTICLE 3

DELIVERIES

In a form satisfactory to Agent, Guarantor shall deliver to Agent (with sufficient copies for each Lender), concurrently with the execution of this Guaranty and the Credit Agreement, the Loan Documents and other instruments, certificates and documents as are required to be delivered by Guarantor to Agent under the Credit Agreement.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

To induce Lenders to make the Loans under the Credit Agreement, Guarantor makes the following representations and warranties to the Agent and each Lender, each and all of which shall survive the execution and delivery of this Guaranty:

4.1 **Corporate Existence and Standing.** Guarantor is a corporation or company duly incorporated or organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization and has all requisite authority to own its property and to carry on its business in each jurisdiction where the failure to so qualify would have a material adverse effect on its business, properties, assets, operations or financial condition taken as a whole.

4.2 Authorization and Validity. Guarantor has the power and authority and legal right to execute and deliver this Agreement and each other Loan Document to which it is a party and to perform its obligations thereunder. Such execution and delivery have been duly authorized by proper proceedings, and this Agreement and such other Loan Documents constitute the legal, valid and binding obligations of Guarantor, enforceable against it in accordance with their respective terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization, receivership, liquidation, moratorium, and other similar laws affecting the rights and remedies of creditors generally and (ii) by general principles of equity (regardless of whether such enforcement is considered in equity or at law).

4.3 No Conflict; Governmental Consent. The execution, delivery and performance of this Agreement and the other Loan Documents to which Guarantor is a party will not violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on any Guarantor, any provision of Guarantor's respective articles or certificate of incorporation or organization, by-laws or other charter documents, or the provisions of any indenture, instrument or other written or oral agreement to which Guarantor is a party or is subject or by which the Guarantor or any of its property is bound, or conflict therewith or constitute a default thereunder, or result in the creation or imposition of any Lien in, of or on any of its property pursuant to the terms of any such indenture, instrument or agreement (other than any Lien permitted by Section 10.2 of the Credit Agreement). No order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by, any Governmental Authority is required by or in respect of the Guarantor to authorize or is required in connection with the execution, delivery and performance of or the enforceability of this Agreement or any of the other Loan Documents to which Guarantor is a party, except as otherwise required by the terms of such Loan Document.

4.4 Compliance with Laws; Environmental and Safety Matters. (a) Guarantor represents and warrants to the Agent and the Lenders that Guarantor has complied with all applicable statutes, rules, regulations, orders and restrictions of any domestic or foreign government or Governmental Authority having jurisdiction over the conduct of its businesses or the ownership of its respective properties except to the extent that such non-compliance will not have a material adverse effect on the financial condition or business operations of Borrowers, on a consolidated basis or on the Euronet Entities on a consolidated basis.

(b) Guarantor has complied with all federal, national, state, local and other statutes, ordinances, orders, judgments, rulings and regulations relating to environmental pollution, environmental regulation or control, or employee health or safety, except to the extent that such non-compliance will not have a material adverse effect on the financial condition or business operations of the Borrowers on a consolidated basis; Guarantor has not received any written notice of any failure so to comply; and none of Guarantor's facilities treat, store or dispose of any hazardous wastes, hazardous substances, hazardous materials, toxic substances, toxic pollutants or substances (collectively, "**Hazardous Materials**") similarly denominated, as those terms or similar terms are used in RCRA, CERCLA, the Hazardous Materials Transportation Act, the Toxic Substances Control Act, the Clean Air Act, the Clean Water Act, the Occupational Safety and Health Act or any other state, local or federal applicable law, ordinance, rule or regulation relating to environmental pollution, environmental regulation or control or employee health and safety (collectively, "**Environmental Laws**") in a quantity or manner that requires a permit,

registration, or another notification or authorization from a Governmental Authority except for the treatment, storage, or disposal of Hazardous Materials in a quantity or manner which, if in non-compliance with Environmental Laws, would not have a material adverse effect on the Borrowers' financial condition or business operations, taken as a whole. The conduct of the business and the condition of the property of Guarantor does not violate any Environmental Laws or any judicial interpretation thereof relating primarily to the environment or Hazardous Materials. Guarantor is not aware of any events, conditions or circumstances involving environmental pollution or contamination or employee health or safety that could reasonably be expected to result in material liability on the part of the Borrowers taken as a whole.

4.5 **Ownership of Properties; Collateral Liens.** Guarantor has good title, free and clear of all Liens (other than those permitted by Section 10.2 of the Credit Agreement), to all of the properties and assets reflected in its financial statements as owned by it, and its interest in all other properties and assets in or to which it has an interest as a lessee, licensee or otherwise is free and clear of all Liens (other than those permitted under Section 10.2 of the Credit Agreement).

4.6 **Taxes.** Guarantor has filed all federal tax returns and all other tax returns which are required to be filed and paid all taxes due pursuant to said returns or pursuant to any assessment received by it, including without limitation all federal and state withholding taxes and all taxes required to be paid pursuant to applicable law, except such taxes, if any, as are being contested in good faith, by appropriate proceedings and as to which adequate charges, accruals and reserves have been set aside. No tax Liens have been filed, and no claims are being asserted with respect to any such taxes, except such tax Liens and claims that will not have a material adverse effect in the aggregate, on the assets, business, operations or financial condition of the Euronet entities on a consolidated basis. The charges, accruals and reserves on the books of the Euronet Entities, on a consolidated basis, in respect of any taxes or other governmental charges are adequate.

4.7 **Solvency.** Guarantor reasonably anticipates that it will be able to meet its debts as they mature. Guarantor has adequate capital to conduct the business in which it is engaged.

4.8 **Executive Offices.** Guarantor's executive office and principal place of business are as set forth on **Schedule 4.8**.

ARTICLE 5 COVENANTS

Guarantor agrees that it will:

5.1 **Conduct of Business and Maintenance of Properties.** Carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and do all things necessary to remain duly incorporated, validly existing and in good standing in its jurisdiction of organization and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted; maintain, preserve, protect and keep its properties in good repair, working order and condition; and comply in all material respects with all agreements and instruments to which it is a party.

5.2 **Insurance.** Maintain with financially sound and reputable insurance companies, insurance on all its property, covering such liabilities and such risks (including business interruption risks) and in such amounts as is consistent with sound business practice and reasonably satisfactory to the Agent and furnish to the Agent upon request full information as to the insurance carried.

5.3 **Compliance with Laws and Taxes.** Comply with, any and all laws, statutes, rules, regulations, orders, judgments, decrees and awards, a violation of which, in any respect, taken as a whole, may materially and adversely affect the Guarantor's business, assets, operations or condition, financial condition taken as a whole, including, without limitation, those regarding the collection, payment and deposit of employees' income, unemployment, and Social Security taxes (or similarly established social insurance and healthcare taxes) and those regarding environmental matters; pay when due all taxes, assessments and governmental charges and levies upon it or its income, profits or property, except those which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside; make a timely payment or deposit of all FICA payments and withholding taxes (or similarly established social insurance and healthcare taxes) required of it under applicable law; and, upon request, furnish to the Agent evidence satisfactory to the Agent that such payments have been made.

5.4 **Financial Statements, Reports, etc.** Maintain a system of accounting established and administered in accordance with GAAP (as adopted in the United States).

5.5 **Further Assurances.** The Guarantor agrees, upon the written request of Agent or any Lender, to execute and deliver to Agent or such Lender, from time to time, any additional instruments or documents reasonably considered necessary by Agent or such Lender to cause this Guaranty to be, become or remain valid and effective in accordance with its terms.

ARTICLE 6

PAYMENTS FREE AND CLEAR OF TAXES

All payments required to be made by Guarantor hereunder shall be made to Agent and Lenders free and clear of, and without deduction for, any and all present and future taxes. If Guarantor shall be required by law to deduct any withholding taxes from or in respect of any sum payable hereunder, (a) the sum payable shall be increased as much as shall be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this **Section 6**) Agent or Lenders, as applicable, receive an amount equal to the sum they would have received had no such deductions been made, (b) Guarantor shall make such deductions, and (c) Guarantor shall pay the full amount deducted to the relevant taxing or other authority in accordance with applicable law. Guarantor shall not be required, however, to gross up payments to Agent or Lenders for an amount higher than the withholding tax rate established in the treaty existing at such time of payment between Guarantor's country of legal domicile and the United States. Within thirty (30) days after the date of any payment of taxes, or within five (5) Business Days following receipt by Guarantor of evidence of payment from Guarantor's taxing authority, whichever is later, Guarantor shall furnish to Agent the original or a certified copy of a receipt evidencing payment thereof. Guarantor shall indemnify and, within ten (10) days of demand therefor, pay Agent and each Lender for the full amount of withholding taxes

(including any withholding taxes imposed by any jurisdiction on amounts payable under this **Section 6**) paid by Agent or such Lender, as appropriate, and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such taxes were correctly or legally asserted, so long as paid by such Agent or such Lender in good faith.

ARTICLE 7

OTHER TERMS

7.1 **Entire Agreement.** This Agreement and the other Loan Documents constitute the entire contract between the parties relative to the subject matter hereof. Any previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement and the other Loan Documents. Nothing in this Agreement or in the other Loan Documents, expressed or implied, is intended to confer upon any party other than the parties hereto and thereto any rights, remedies, obligations or liabilities under or by reason of this Agreement or the other Loan Documents.

7.2 **Headings.** Section headings used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

7.3 **Severability.** In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

7.4 **Notices.** Notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed or sent by telecopy or other telegraphic communications equipment of the sending party, as follows:

if to Guarantor, to it c/o Euronet Worldwide, Inc. at 4601 College Boulevard, Suite 300, Leawood, Kansas 66211 (Facsimile: 913-327-1921).

if to the Agent, to it at PO Box 219038, MO8-060-12-02, 64121-9038, Attention: Middle Market Banking (Facsimile: 816-979-7174) (if by hand delivery or overnight courier service then to 1200 Main, Suite 1400, Kansas City, Missouri 64105, Attention: Middle Market Banking) with a required copy to Scott Long, Lathrop & Gage L.C., 2345 Grand Boulevard, Kansas City, Missouri 64108 (Facsimile: 816/292-2001);

or to such other address or telecopy number as any party may direct by notice given as provided in this **Section 7.4**. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt if delivered by hand or overnight courier service or sent by telecopy or other telegraphic communications equipment of the sender, if received on or before 5:00 p.m., local time of the recipient, on a Business Day, or on the next Business Day if received after 5:00 p.m.

on a Business Day or on a day that is not a Business Day, or on the date five (5) Business Days after dispatch by certified or registered mail if mailed, in each case delivered, sent or mailed (properly addressed) to such party as provided in this **Section 7.4** or in accordance with the latest unrevoked direction from such party given in accordance with this **Section 7.4**.

7.5 Successors and Assigns; Participations. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and permitted assigns of such party. The Agent and any Lender may assign or delegate to one or more of its Affiliates all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of the Loans and the Note). Each Lender may sell participations to one or more of its Affiliates in all or a portion of its rights and obligations under this Agreement (including all or a portion of the Loans and the Notes). Each Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this **Section 7.5**, disclose to the assignee or participant or proposed assignee or participant any information relating to the Borrower Agent, the Borrowers and the Euronet Entities furnished to the Agent or the Lenders by or on behalf of the Borrower Agent or any Borrower.

7.6 No Waiver; Cumulative Remedies; Amendments. Neither the Agent nor any Lender shall by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder, and no waiver shall be valid unless in writing, signed by Agent and then only to the extent therein set forth. A waiver by the Agent, for itself and the ratable benefit of the Lenders, of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Agent would otherwise have had on any future occasion. No failure to exercise nor any delay in exercising on the part of the Agent or any Lender, any right, power or privilege hereunder, shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or future exercise thereof or the exercise of any other right, power or privilege. The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights and remedies provided by law. None of the terms or provisions of this Guaranty may be waived, altered, modified, supplemented or amended except by an instrument in writing, duly executed by the Agent and the Guarantor.

7.7 Termination. This Guaranty is a continuing guaranty and shall remain in full force and effect until all commitments under the Credit Agreement (including any amendment, restatement or refinancing thereof with Bank of America) to lend have been terminated and all Obligations of Borrowers have been indefeasibly paid in full. Upon payment and performance in full of the Guaranteed Obligations, Agent shall deliver to the Guarantor such documents as the Guarantor may reasonably request to evidence such termination.

7.8 Counterparts. This Agreement may be executed in two or more counterparts, all of which when taken together shall constitute but one contract.

7.9 Applicable Law. This Agreement and the other Loan Documents shall be governed by and construed and enforced under and in accordance with the laws of the State of Missouri applicable to contracts made and to be performed wholly within said state, without giving effect to choice of law or conflict of law principles.

7.10 **ARBITRATION.** (a) EXCEPT AS SET OUT BELOW, ANY CONTROVERSY OR CLAIM BETWEEN OR AMONG THE PARTIES HERETO, INCLUDING BUT NOT LIMITED TO THOSE ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY LOAN DOCUMENTS, INCLUDING ANY CLAIM BASED ON OR ARISING FROM AN ALLEGED TORT (COLLECTIVELY, “**CLAIM**”), SHALL BE DETERMINED BY BINDING ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT ADOPTED BY THE UNITED STATES (OR IF NOT APPLICABLE, THE APPLICABLE LAW IN THE STATE OF MISSOURI), THE RULES OF PRACTICE AND PROCEDURE FOR THE ARBITRATION OF COMMERCIAL DISPUTES OF J.A.M.S./ENDISPUTE OR ANY SUCCESSOR THEREOF (“**J.A.M.S.**”), AND THE “SPECIAL RULES” SET FORTH BELOW. IN THE EVENT OF ANY INCONSISTENCY, THE SPECIAL RULES SHALL CONTROL. JUDGMENT UPON ANY ARBITRATION AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. ANY PARTY TO THIS AGREEMENT MAY BRING AN ACTION, INCLUDING A SUMMARY OR EXPEDITED PROCEEDING, TO COMPEL ARBITRATION OF ANY CLAIM IN ANY COURT HAVING JURISDICTION OVER SUCH ACTION. THE INSTITUTION AND MAINTENANCE OF AN ACTION FOR ANY JUDICIAL RELIEF SHALL NOT CONSTITUTE A WAIVER OF THE RIGHT OF ANY PARTY, INCLUDING THE PLAINTIFF, TO SUBMIT THE CLAIM TO ARBITRATION IF ANY OTHER PARTY CONTESTS SUCH ACTION FOR JUDICIAL RELIEF.

(b) **SPECIAL RULES.** ANY ARBITRATION SHALL BE CONDUCTED IN THE COUNTY OF BORROWER AGENT’S DOMICILE AT THE TIME OF THE EXECUTION OF THIS AGREEMENT, OR IF THERE IS REAL OR PERSONAL PROPERTY COLLATERAL, IN THE COUNTY WHERE SUCH REAL OR PERSONAL PROPERTY IS LOCATED, AND ADMINISTERED BY J.A.M.S. WHO WILL APPOINT AN ARBITRATOR; IF J.A.M.S. IS UNABLE OR LEGALLY PRECLUDED FROM ADMINISTERING THE ARBITRATION, THEN THE AMERICAN ARBITRATION ASSOCIATION WILL SERVE. ALL ARBITRATION HEARINGS WILL BE COMMENCED WITHIN 90 DAYS OF THE DEMAND FOR ARBITRATION; FURTHER, THE ARBITRATION SHALL ONLY, UPON A SHOWING OF CAUSE, BE PERMITTED TO EXTEND THE COMMENCEMENT OF SUCH HEARING FOR UP TO AN ADDITIONAL 60 DAYS. ANY DISPUTE CONCERNING THIS ARBITRATION PROVISION OR WHETHER A CLAIM IS ARBITRABLE SHALL BE DETERMINED BY THE ARBITRATOR. THE ARBITRATOR SHALL HAVE THE POWER TO AWARD LEGAL FEES PURSUANT TO THE TERMS OF THIS AGREEMENT.

(c) **RESERVATION OF RIGHTS.** NOTHING IN THIS ARBITRATION PROVISION SHALL BE DEEMED TO (I) LIMIT THE APPLICABILITY OF ANY OTHERWISE APPLICABLE STATUTES OF LIMITATION OR REPOSE AND ANY WAIVERS CONTAINED IN THIS AGREEMENT; OR (II) BE A WAIVER BY AGENT OR ANY LENDER OF THE PROTECTION AFFORDED TO IT BY 12 U.S.C. SEC. 91 OR ANY SUBSTANTIALLY EQUIVALENT STATE LAW; OR (III) LIMIT THE RIGHT OF ANY PARTY HERETO (A) TO EXERCISE SELF HELP REMEDIES SUCH AS (BUT NOT LIMITED TO) SETOFF, OR (B) TO FORECLOSE AGAINST OR SELL ANY REAL OR PERSONAL PROPERTY OR COLLATERAL, OR (C) TO OBTAIN FROM A COURT PROVISIONAL OR ANCILLARY REMEDIES SUCH AS (BUT NOT LIMITED TO) INJUNCTIVE RELIEF, WRIT OF POSSESSION OR THE APPOINTMENT OF A

RECEIVER, ANY PARTY MAY EXERCISE SUCH SELF HELP RIGHTS, FORECLOSE OR SELL COLLATERAL OR OBTAIN SUCH PROVISIONAL OR ANCILLARY REMEDIES BEFORE, DURING OR AFTER THE PENDENCY OF ANY ARBITRATION PROCEEDING BROUGHT PURSUANT TO THIS AGREEMENT. NONE OF THESE ACTIONS SHALL CONSTITUTE A WAIVER OF THE RIGHT OF ANY PARTY, INCLUDING THE CLAIMANT IN ANY SUCH ACTION, TO ARBITRATE THE MERITS OF THE CLAIM OCCASIONING RESORT TO SUCH REMEDIES OR PROCEDURES.

(d) **WAIVER OF CERTAIN DAMAGES.** THE PARTIES HERETO WAIVE ANY RIGHT OR REMEDY EITHER MAY HAVE AGAINST THE OTHER TO RECOVER PUNITIVE OR EXEMPLARY DAMAGES ARISING OUT OF ANY CLAIM WHETHER THE CLAIM IS RESOLVED BY ARBITRATION OR BY JUDICIAL ACTION.

ARTICLE 8

NEGATIVE PLEDGE

Guarantor covenants and agrees that it shall not permit to exist any Lien on any of its property, except Liens of the nature or type the Euronet Entities are permitted to have pursuant to **Section 10.2** of the Credit Agreement. On the request of the Agent, the Guarantor will execute acknowledgments or other forms of notice of such negative pledge, and the Agent may record or file the same in the appropriate filing offices.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Guaranty Agreement as of the date first above written.

THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

EWI FOREIGN HOLDINGS LTD

By: /s/ Eric Mettemeyer

Name: Eric Mettemeyer

Title: Director

BANK OF AMERICA, N.A., as Agent

By: /s/ John Mills

Name: John P. Mills

Title: Vice President

Signature Page to Guaranty of
Euronet Foreign Holdings Ltd

SCHEDULE 4.8

Julia House
3 Themistocles Dervis Street
CY-1066 Nicosia, Cyprus

CREDIT AGREEMENT

Dated as of May 26, 2006

Borrower Parties

**EURONET WORLDWIDE, INC.,
as Borrower Agent**

AND

**EURONET SERVICES INDIA PVT LTD,
as Borrower**

AND

**BANK OF AMERICA, N.A.,
as Lender and Agent**

Rupee Revolving Line of Credit

Termination Date: May 26, 2009

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List of Exhibits:

- Exhibit 1 — Definitions**
- Exhibit 2.2 — Revolving Note**
- Exhibit 4.8-A — Notice of Borrowing**
- Exhibit 4.8-B — Notice of Termination or Reduction**
- Exhibit 8.4 — Compliance Certificate**

List of Schedules:

- Schedule E-1 — Revolving Credit Commitments**
 - Schedule 7.4 — Environmental Matters**
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 - Schedule 10.1 — Existing Indebtedness**
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RUPEE CREDIT AGREEMENT

THIS CREDIT AGREEMENT (“**Agreement**”) is made as of the 26th day of May, 2006, by and among **Euronet Worldwide, Inc.**, a Delaware corporation, as Borrower Agent, **Euronet Services India Pvt Ltd**, a company organized under the laws of India (the “**Borrower**”), and **Bank of America, N.A.**, a national banking association acting through its branch in Mumbai, India (“**Bank of America**”), as agent (in such capacity, the “**Agent**”) and as a lender (and together with the other financial institutions from time to time party hereto, as lenders, each a “**Lender**” and collectively the “**Lenders**”).

WHEREAS, the Borrower has requested that the Agent arrange a three-year revolving line of credit with the Lenders in the amount of Ten Million US Dollars (\$10,000,000); and

WHEREAS, in order to induce the Agent and the Lenders to make such loans, the Borrower Agent has agreed to provide a guarantee of the Borrower’s obligations hereunder; and

WHEREAS, the Lenders have agreed to make such loans available to the Borrower upon the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the parties agree as follows:

ARTICLE 1 DEFINITIONS

Certain terms used in this Agreement are defined herein. Certain other terms are defined in **Exhibit 1** attached hereto and incorporated herein by this reference.

ARTICLE 2 REVOLVING LINE OF CREDIT

2.1 Agreement to Lend.

(a) **Revolving Loans.** Each Lender severally, but not jointly, agrees, on the terms and subject to the conditions set forth in this Agreement, to make loans (each a “**Revolving Loan**”) to the Borrower from time to time on any Business Day during the period beginning on the Closing Date through the first Business Day before the Revolving Credit Termination Date, in such amounts as the Borrower shall request as provided in **Section 4.8** hereof not to exceed in aggregate principal amount outstanding at any time, such Lender’s Pro Rata Share of the Revolving Credit Commitment and, to the extent such Lender is an L/C Issuer, to treat each draw under any Letter of Credit as a Revolving Loan as provided in **Section 2.4** below; **provided, however**, that no Lender shall have any obligation to make a requested Revolving Loan if, (A) a Default or Event of Default has occurred and is continuing or (B) after the making of such Revolving Loan, (I) the aggregate unpaid principal balance of all Revolving Loans, together with the aggregate undrawn amount under all outstanding Letters of Credit, would exceed the

Revolving Credit Commitments, or (II) a Default or Event of Default will have occurred and be continuing. The Borrower may terminate or reduce the unused portion of the Revolving Credit Commitment at any time by giving notice to the Lender as provided in **Section 4.8** below, provided that any partial reduction shall be in an amount of at least One Million Dollars (\$1,000,000) or the equivalent amount in the Funding Currency. Revolving Loans shall be used to pay existing intercompany indebtedness, for working capital and for other corporate or business purposes.

(b) Except as otherwise provided in **Section 3.3**, if the aggregate principal indebtedness of the Borrower under the Revolving Notes, plus the aggregate undrawn amount under all outstanding Letters of Credit, at any time exceeds the Revolving Credit Commitment, the Borrower shall immediately, without demand or notice, pay principal under the Revolving Notes so that the aggregate principal amount outstanding thereunder, plus the aggregate undrawn amount under all outstanding Letters of Credit, does not exceed the Revolving Credit Commitment; **provided**, that in the case of Letters of Credit, such amount shall be held as cash collateral for undrawn Letters of Credit, and shall promptly be returned to the Borrower if Letters of Credit in an amount sufficient to eliminate such overadvance expire undrawn.

2.2 Revolving Note. The Revolving Loans shall be evidenced by and repaid in accordance with Revolving Notes executed by the Borrower in favor of each Lender, in the form of **Exhibit 2.2** hereto, dated as of the Closing Date or, with respect to Revolving Notes issued to a financial institution that becomes a Lender subsequent to the Closing Date, the date such financial institution becomes a Lender, and each Revolving Note shall be payable to the order of the applicable Lender. Such Notes and any and all amendments, extensions, modifications, renewals, reaffirmations, restatements, replacements and substitutions thereof and therefor executed with respect to the Revolving Loans are herein referred to as the “**Revolving Notes**”. Interest shall accrue on the unpaid principal balance of the Revolving Notes outstanding from time to time at a rate or rates determined as provided in **Section 4.3** below. The Revolving Notes shall be paid in full on the Revolving Credit Termination Date.

2.3 Increase of the Commitment.

(a) Request for Increase. Provided there exists no Default, upon notice to the Agent (which shall promptly notify the Lenders), the Borrower Agent, on behalf of the Borrower may on a one-time basis, request an increase in the Commitments by an amount not exceeding \$15,000,000; provided that:

(i) any such request for an increase shall be in a minimum amount of \$1,000,000; provided that, the aggregate of (x) such increase *plus* (y) any concurrent increase in the “Commitment” under the US Credit Agreement, *plus* (z) any concurrent increase in the “Commitment” under the Euro Credit Agreement shall be a minimum of \$5,000,000; and

(ii) after giving effect to any such increase, the aggregate of (x) the Commitment under this Agreement, *plus* (y) the “Commitment” under the US

Credit Agreement, *plus (z)* the “Commitment” under the Euro Credit Agreement, will not exceed \$65,000,000.

At the time of sending such notice, the Borrower Agent (in consultation with the Agent) shall specify the time period within which each Lender is requested to respond (which shall in no event be less than ten Business Days from the date of delivery of such notice to the Lenders).

(b) Lender Elections to Increase. Each Lender shall notify the Agent within such time period whether or not it agrees to increase its Commitment and, if so, whether by an amount equal to, greater than, or less than its Pro Rata share of such requested increase. Any Lender not responding within such time period shall be deemed to have declined to increase its Commitment.

(c) Notification by Administrative Agent; Additional Lenders. The Agent shall notify the Borrower Agent and each Lender of the Lenders’ responses to each request made hereunder. To achieve the full amount of a requested increase and subject to the approval of the Agent and the L/C Issuer (which approvals shall not be unreasonably withheld), the Borrower Agent may also invite additional Eligible Assignees to become Lenders pursuant to a joinder agreement in form and substance satisfactory to the Agent and its counsel.

(d) Effective Date and Allocations. If the Commitment is increased in accordance with this Section, the Agent and the Borrower Agent shall determine the effective date (the “**Increase Effective Date**”) and the final allocation of such increase. The Agent shall promptly notify the Lenders of the final allocation of such increase and the Increase Effective Date.

(e) Conditions to Effectiveness of Increase. As a condition precedent to such increase, the Borrower shall deliver to the Agent a certificate of each Obligor dated as of the Increase Effective Date (in sufficient copies for each Lender) signed by a responsible officer of such Obligor (i) certifying and attaching the resolutions adopted by such Obligor approving or consenting to such increase, and (ii) in the case of the Borrower, certifying that, before and after giving effect to such increase, (A) the representations and warranties contained in **Article 7** and the other Loan Documents are true and correct on and as of the Increase Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and (B) no Default exists. The Borrower shall prepay any Revolving Loans outstanding on the Increase Effective Date to the extent necessary to keep the outstanding Revolving Loans ratable with any revised Pro Rata shares arising from any nonratable increase in the Commitment under this Section.

(f) Conflicting Provisions. This Section shall supersede any provisions in **Sections 4.5** or **13.9** to the contrary.

2.4 The Letter of Credit Commitment.

(a) Subject to the terms and conditions set forth herein, (A) the L/C Issuer agrees, in reliance upon the agreements of the Lenders set forth in this **Section 2.4**, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit for the account of the Borrower, and to amend or extend Letters of Credit previously issued by it, in accordance with subsection (b) below, and (2) to honor drawings under the Letters of Credit; and (B) the Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit:

(I) the aggregate unpaid principal balance of all Revolving Loans, together with the aggregate undrawn amount under all outstanding Letters of Credit, shall not exceed the Revolving Credit Commitments; and

(II) the aggregate outstanding principal amount of the Revolving Loans of any Lender, plus such Lender's Pro Rata Share of the aggregate amount of all L/C Obligations shall not exceed such Lender's Commitment.

Each request by the Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed.

(b) The L/C Issuer shall not issue any Letter of Credit, if:

(i) the expiry date of such requested Letter of Credit would occur more than twelve months after the date of issuance or last extension, unless the Required Lenders have approved such expiry date; or

(ii) the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless all the Lenders have approved such expiry date.

(c) The L/C Issuer shall not be under any obligation to issue any Letter of Credit if:

(i) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the L/C Issuer from issuing such Letter of Credit, or any applicable law to the L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the L/C Issuer shall prohibit, or request that the L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder)

not in effect on the Closing Date, or shall impose upon the L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the L/C Issuer in good faith deems material to it;

(ii) the issuance of such Letter of Credit would violate one or more policies of the L/C Issuer;

(iii) except as otherwise agreed by the Agent and the L/C Issuer, such Letter of Credit is in an initial stated amount less than \$50,000;

(iv) such Letter of Credit is to be denominated in a currency other than the Funding Currency;

(v) such Letter of Credit contains any provisions for automatic reinstatement of the stated amount after any drawing thereunder; or

(vi) a default of any Lender's obligations to fund exists or any Lender is at such time a Defaulting Lender hereunder, unless the L/C Issuer has entered into satisfactory arrangements with the Borrower or such Lender to eliminate the L/C Issuer's risk with respect to such Lender.

(d) The L/C Issuer shall not amend any Letter of Credit if the L/C Issuer would not be permitted at such time to issue such Letter of Credit in its amended form under the terms hereof.

(e) The L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) the L/C Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(f) The L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the L/C Issuer shall have all of the benefits and immunities (A) provided to the Agent in **Article 12** with respect to any acts taken or omissions suffered by the L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Agent" as used in **Article 12** included the L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuer.

2.5 Procedures for Issuance and Amendment of Letters of Credit.

(a) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Borrower delivered to the L/C Issuer (with a copy to the Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a responsible officer of the Borrower. Such Letter of Credit Application must be received by the L/C Issuer and the Agent not later than 11:00 a.m., Mumbai, India time at least two Business Days (or such later date and time as the Agent and the L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date

or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; and (G) such other matters as the L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer (A) the Letter of Credit to be amended; (B) the proposed date of amendment thereof (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as the L/C Issuer may require. Additionally, the Borrower shall furnish to the L/C Issuer and the Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the L/C Issuer or the Agent may require.

(b) Promptly after receipt of any Letter of Credit Application, the L/C Issuer will confirm with the Agent (by telephone or in writing) that the Agent has received a copy of such Letter of Credit Application from the Borrower and, if not, the L/C Issuer will provide the Agent with a copy thereof. Unless the L/C Issuer has received written notice from any Lender, the Agent or any Loan Party, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in **Article 6** shall not then be satisfied, then, subject to the terms and conditions hereof, the L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the Borrower or enter into the applicable amendment, as the case may be, in each case in accordance with the L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Pro Rata Share times the amount of such Letter of Credit.

(c) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the L/C Issuer will also deliver to the Borrower and the Agent a true and complete copy of such Letter of Credit or amendment.

2.6 Drawings and Reimbursements; Funding of Participations.

(a) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the L/C Issuer shall notify the Borrower and the Agent thereof. Not later than 4:00 p.m., Mumbai time on the date of any payment by the L/C Issuer under a Letter of Credit (each such date, an "**Honor Date**"), the Borrower shall reimburse the L/C Issuer through the Agent in an amount equal to the amount of such drawing. If the Borrower fails to so reimburse the L/C Issuer by such time, the Agent shall promptly notify each Lender of the Honor Date, the amount of the

unreimbursed drawing (the “**Unreimbursed Amount**”), and the amount of such Lender’s Pro Rata Share thereof. In such event, the Borrower shall be deemed to have requested a Prime Lending Rate Loan to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified herein for the principal amount of Loans, but subject to the amount of the unutilized portion of the aggregate Commitments and the conditions set forth in **Article 6** (other than the delivery of a Loan Request). Any notice given by the L/C Issuer or the Agent pursuant to this **Section 2.6(a)** may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(b) Each Lender shall upon any notice pursuant to **Section 2.6(a)** make funds available to the Agent for the account of the L/C Issuer at the Agent’s principal office in an amount equal to its Pro Rata Share of the Unreimbursed Amount not later than 1:00 p.m., Mumbai time on the Business Day specified in such notice by the Agent, whereupon, subject to the provisions of **Section 2.6(c)**, each Lender that so makes funds available shall be deemed to have made a Prime Lending Rate Loan to the Borrower in such amount. The Agent shall remit the funds so received to the L/C Issuer.

(c) With respect to any Unreimbursed Amount that is not fully refinanced by a borrowing of Prime Lending Rate Loans as provided in **Section 2.6(a)** because the conditions set forth in **Article 6** cannot be satisfied or for any other reason, the Borrower shall be deemed to have incurred from the L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Lender’s payment to the Agent for the account of the L/C Issuer pursuant to **Section 2.6(b)** shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this **Section 2.6**.

(d) Until each Lender funds its Loan or L/C Advance pursuant to this **Section 2.6** to reimburse the L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender’s Pro Rata Share of such amount shall be solely for the account of the L/C Issuer.

(e) Each Lender’s obligation to make Loans or L/C Advances to reimburse the L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this **Section 2.6**, shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the L/C Issuer, the Borrower or any other Person for any reason whatsoever; (ii) the occurrence or continuance of a Default, or (iii) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender’s obligation to make Loans pursuant to this **Section 2.6** is subject to the conditions set forth in **Article 6** (other than delivery by the Borrower of a Loan Request). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower to reimburse the L/C Issuer for the amount of any payment

made by the L/C Issuer under any Letter of Credit, together with interest as provided herein.

(f) If any Lender fails to make available to the Agent for the account of the L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this **Section 2.6** by the time specified in **Section 2.6(b)**, the L/C Issuer shall be entitled to recover from such Lender (acting through the Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the L/C Issuer at a rate per annum equal to the greater of the Prime Lending Rate and a rate determined by the L/C Issuer in accordance with banking industry rules on interbank compensation. A certificate of the L/C Issuer submitted to any Lender (through the Agent) with respect to any amounts owing under this **Section 2.6(f)** shall be conclusive absent manifest error.

2.7 Repayment of Participations.

(a) At any time after the L/C Issuer has made a payment under any Letter of Credit and has received from any Lender such Lender's L/C Advance in respect of such payment in accordance with **Section 2.6**, if the Agent receives for the account of the L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Agent), the Agent will distribute to such Lender its Pro Rata Share thereof (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's L/C Advance was outstanding) in the same funds as those received by the Agent.

(b) If any payment received by the Agent for the account of the L/C Issuer pursuant to **Section 2.6(a)** is required to be returned under any circumstances (including pursuant to any settlement entered into by the L/C Issuer in its discretion), each Lender shall pay to the Agent for the account of the L/C Issuer its Pro Rata Share thereof on demand of the Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Prime Lending Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

2.8 Obligations Absolute. The obligation of the Borrower to reimburse the L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(a) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other Loan Document;

(b) the existence of any claim, counterclaim, setoff, defense or other right that the Borrower may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such

transferee may be acting), the L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(c) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(d) any payment by the L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(e) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will immediately notify the L/C Issuer. The Borrower shall be conclusively deemed to have waived any such claim against the L/C Issuer and its correspondents unless such notice is given as aforesaid.

2.9 Role of L/C Issuer. Each Lender, the Borrower Agent and the Borrower agree that, in paying any drawing under a Letter of Credit, the L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuer, the Agent, any of their respective Affiliates, directors, officers, employees, advisers and agents (collectively the "**Related Parties**") nor any correspondent, participant or assignee of the L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower pursuing such rights and remedies as they may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuer, the Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the

L/C Issuer shall be liable or responsible for any of the matters described in **Sections 2.8(a)** through **2.8(e)**; provided, however, that anything in such clauses to the contrary notwithstanding, the Borrower may have a claim against the L/C Issuer, and the L/C Issuer may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which the Borrower proves were caused by the L/C Issuer's willful misconduct or gross negligence or the L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

2.10 Cash Collateral. Upon the request of the Agent, (i) if the L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing, or (ii) if, as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, the Borrower shall, in each case, immediately Cash Collateralize the then aggregate outstanding amount of all L/C Obligations. For purposes of this **Section 2.10, "Cash Collateralize"** shall mean to pledge and deposit with or deliver to the Agent, for the benefit of the L/C Issuer and the Lenders, as collateral for the L/C Obligations, cash or deposit account balances ("**Cash Collateral**") pursuant to documentation in form and substance satisfactory to the Agent and the L/C Issuer (which documents are hereby consented to by the Lenders). Derivatives of such term have corresponding meanings. The Borrower hereby grants to the Agent, for the benefit of the L/C Issuer and the Lenders, a security interest in all such cash, deposit accounts and all balances therein and all proceeds of the foregoing. Cash Collateral shall be maintained in a blocked Cash Collateral Account at Bank of America.

2.11 Applicability of ISP. Unless otherwise expressly agreed by the L/C Issuer and the Borrower when a Letter of Credit is issued (including any such agreement applicable to an Existing Letter of Credit), the rules of the ISP shall apply to each standby Letter of Credit.

2.12 Letter of Credit Fees. The Borrower shall pay to the Agent for the account of each Lender fees with respect to the Letters of Credit in accordance with the terms and conditions of **Section 5.1(c)** (the "**Letter of Credit Fee**"). Letter of Credit Fees shall be (i) computed on a quarterly basis in arrears and (ii) due and payable on the first Business Day after the end of each fiscal quarter of the Borrower Agent, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. Notwithstanding anything to the contrary contained herein, upon the request of the Required Lenders, while any Event of Default exists, all Letter of Credit Fees shall accrue at the Default Rate.

2.13 **Conflict with Issuer Documents.** In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

2.14 **Letters of Credit Issued for Affiliates.** Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, an Affiliate of the Borrower, the Borrower shall be obligated to reimburse the L/C Issuer hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of any such Affiliates inures to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of such Affiliates.

2.15 **Letter of Credit Amounts.** Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

2.16 **Indemnity.** The Borrower shall immediately on demand indemnify the L/C Issuer against any cost, loss or liability incurred by the L/C Issuer (other than by reason of the L/C Issuer's gross negligence or willful misconduct) in acting as L/C Issuer under any Letter of Credit requested by the Borrower.

ARTICLE 3 CURRENCY

3.1 **Currency and Amount.** The amounts of all Commitments, Loans, L/C Obligations and other monetary obligations hereunder shall be measured in the Base Currency. The Loans shall be funded in the Funding Currency and such Loans, together with any interest or fees related thereto shall be repaid in the Funding Currency. Letters of Credit shall be issued in the Funding Currency and all L/C Obligations with respect thereto shall be paid in the Funding Currency.

3.2 **[Intentionally Omitted.]**

3.3 **Translation Calculations.** (a) No later than 11:00 a.m., Mumbai time, on the last day of each month that is a Business Day (each a "**Calculation Date**"), the Agent will determine the Exchange Rate as of such Calculation Date with respect to the Funding Currency and the Agent shall give written notice thereof to the Lenders and the Borrower Agent. The Exchange Rate so determined shall become effective as of the first Business Day immediately following the relevant Calculation Date (a "**Reset Date**"), and shall remain effective until the next succeeding Reset Date, and shall for all purposes of this Agreement be the Exchange Rates employed in converting any amounts between the Base Currency and the Funding Currency.

(b) Not later than 4:00 p.m., Mumbai time, on each Reset Date and on each date on which Revolving Loans are made or continued or Letters of Credit are issued or amended, the Agent shall determine the aggregate unpaid principal balance of all Revolving Loans outstanding *plus* the aggregate undrawn amount under all outstanding Letters of Credit in the equivalent of the Base Currency.

(c) In the event the aggregate unpaid principal balance of all Revolving Loans *plus* the aggregate undrawn amount under all outstanding Letters of Credit (calculated in accordance with this **Section 3.3**) exceeds the aggregate Revolving Credit Commitments, the Agent will promptly notify the Borrower Agent. The Borrower (and the Borrower Agent on behalf of the Borrower) shall not be entitled to make any further Loan Requests (other than with respect to continuations of outstanding Loans) and the Lenders will have no obligation to make any Loans (other than the continuations of outstanding Loans), for so long as such condition is continuing.

(d) Without limiting **Section 3.3(c)**, in the event the amount by which the aggregate unpaid principal balance of all Revolving Loans *plus* the aggregate undrawn amount under all outstanding Letters of Credit (calculated in accordance with this **Section 3.3**) exceeds the Revolving Commitments, is greater than One Million Dollars (\$1,000,000), the Borrower shall, not later than the next Business Day following receipt of the notice provided in accordance with **Section 3.3(b)**, and without any further demand or notice, pay principal under its Revolving Notes in the amount by which such amount exceeds One Million Dollars (\$1,000,000).

3.4 Agent's Calculations. All calculations made by the Agent pursuant to this **Article 3** will take into account any repayment, prepayment, consolidation or division of Loans to be made on the date of such calculations, and will be presumptively correct absent manifest error.

3.5 Currency Indemnity.

(a) If any sum due from an Obligor under the Loan Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

- (i) making or filing a claim or proof against that Obligor; or
- (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall as an independent obligation, within three Business Days of demand, indemnify each of the Agent or any Lender to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum; provided, however that the above indemnity with respect

to the Agent or any Lender, shall not apply to the extent that any cost, loss or liability arises from the gross negligence or willful misconduct of the Agent or such Lender in making such currency conversion.

(b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Loan Documents in a currency or currency unit other than that in which it is expressed to be payable.

3.6 Currency of Account.

(a) Subject to paragraphs (b) through (e) below, the Base Currency is the currency of account and payment for any sum due from an Obligor under any Loan Document.

(b) A repayment of a Loan or Sum or a part of a Loan or Sum shall be made in the currency in which that Loan or Sum is denominated on its due date.

(c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.

(d) Each payment in respect of costs, expenses or any taxes shall be made in the currency in which the costs, expenses or such taxes are incurred.

(e) Any amount expressed to be payable in a currency other than the Base Currency shall be paid in that other currency.

3.7 Change of Currency.

(a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognized by the central bank of any country as the lawful currency of that country, then:

(i) any reference in the Loan Documents to, and any obligations arising under the Loan Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent; and

(ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognized by the central bank of such country for the conversion of that currency or currency unit into the other, rounded up or down by the Agent.

(b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

ARTICLE 4
DISBURSEMENTS; INTEREST; PAYMENTS

4.1 Types of Loans. The Loans made on each Disbursement Date may, subject to the terms and conditions of this Agreement, be Prime Lending Rate Loans or MIBOR Rate Loans (each being referred to as a “type” of Loan) as specified in the applicable Loan Request given by the Borrower or the Borrower Agent in accordance with **Section 4.8** hereof.

4.2 Loan Disbursement Procedures.

(a) Loans shall be disbursed by the Agent upon request by the Borrower or the Borrower Agent on behalf of the Borrower from time to time on or after the Closing Date, in such amounts as provided in **Section 4.7** below, subject to the limitations on the Lenders’ obligations to make Loans as set forth in **Section 2.1** above. Subject to the terms of this Agreement, the Borrower may borrow, repay and re-borrow Loans at any time prior to the Revolving Credit Termination Date.

(b) Each Loan Request shall be delivered to the Agent in writing or by telex or facsimile transmission in the manner provided in **Section 13.1** hereof, or as otherwise agreed by the Agent, in the manner and within the time periods set forth in **Section 4.8**. The Agent may rely and act upon any such Loan Request which is received from the Borrower Agent or any other person believed by the Agent in good faith to be authorized to make such request on behalf of the Borrower. The Agent shall record in its records all Loans made by the Lenders to the Borrower pursuant to this Agreement and all payments made on the Loans.

4.3 Interest.

(a) The Borrower shall pay to the Agent for the Pro Rata benefit of the Lenders interest on the unpaid principal amount of each Revolving Loan at the following rates per annum:

(i) **Floating Rate Option.** During any period while such Loan is a Prime Lending Rate Loan, a rate per annum equal to the Prime Lending Rate (as in effect from time to time) plus the Applicable Margin, in effect from time to time. The rate of interest applicable to Prime Lending Rate Loans shall change as and when the Prime Lending Rate changes.

(ii) **Fixed Rate Option.** The Borrower may elect, in accordance with **Section 4.8** hereof, to have a specified portion of the Revolving Loan bear interest from time to time at a fixed rate per annum equal to the MIBOR Rate for the applicable Interest Period plus the Applicable Margin in effect on the Disbursement Date, the date of conversion or the date of continuation, as applicable, as adjusted as provided in this Agreement. The interest rate (other than adjustments to the Applicable

Margin as provided herein) with respect to any MIBOR Rate Loan shall not change during any Interest Period.

(b) Notwithstanding the provisions of **Section 4.3(a)** above, the Borrower shall pay interest at the Default Rate on any principal of any Loan and on any interest or other amount payable by the Borrower hereunder or under the Revolving Notes (i) that is not paid in full when due (whether at maturity, by acceleration or otherwise), for the period commencing on and including the due date thereof until the same is paid in full and (ii) upon and during the continuance of any failure to comply with or violation of any of the financial covenants set forth in **Article 9** of this Agreement as shown on and as of the last day of a fiscal quarter as reflected on any Compliance Certificate.

Accrued interest on each Loan shall be payable on the last day of each calendar month; provided that interest payable at the Default Rate shall be payable, to the extent applicable, from time to time on demand of the Agent.

(c) The Agent shall, as part of its interest statements, notify the Borrower Agent of any change in the Prime Lending Rate or the MIBOR Rates in effect and shall, on the request of the Borrower Agent at any time, notify the Borrower Agent of the MIBOR Rates then in effect.

(d) In the event that the Borrower or the Borrower Agent on behalf of the Borrower fails to select the type of Loan or the duration of any Interest Period for any MIBOR Rate Loan within the time period and otherwise as provided in **Section 4.8**, such Loan (if outstanding as a MIBOR Rate Loan) will be automatically converted into a Prime Lending Rate Loan on the last day of the then current Interest Period for such Loan or (if outstanding as a Prime Lending Rate Loan) will remain as, or will be made as, a Prime Lending Rate Loan.

(e) The amount of all interest and fees hereunder shall be computed for the actual number of days elapsed on the basis of a year consisting of three hundred sixty five (365) days. Interest on any Loan shall be computed for the period commencing on and including the date of such Loan to but excluding the date such Loan is paid in full; provided, however, that if a Loan is repaid on the same day on which it is made, such day shall be included in computing interest on such Loan.

4.4 Optional and Mandatory Payments. The Borrower shall have the right to prepay the Loans in whole or in part at any time without premium or penalty, subject to giving the Agent prior notice in accordance with the provisions of **Section 4.8** hereof, provided that (i) each such partial prepayment shall be in the aggregate principal amount of not less than Five Hundred Thousand Dollars (\$500,000) or the equivalent amount in the Funding Currency calculated in accordance with the Exchange Rate, and (ii) if any prepayment is made on any day other than the last day of the Interest Period therefor, it may be prepaid only upon three (3) Business Days prior notice to Agent and the Borrower shall pay to the Agent any applicable fees and amounts described in **Section 5.2(a)** below. Amounts prepaid in respect of Loans under this **Section 4.4** may be re-

borrowed subject to the terms and conditions hereof. The Borrower shall make mandatory principal payments on the Loans as provided in **Section 2.1(b)**, **Section 2.2** and **Section 3.3(d)** above.

4.5 Payments. (a) Except as otherwise provided herein and subject to **Section 4.8** below, all payments of principal, interest, Fees, taxes, charges, expenses and other items payable by the Borrower hereunder and under the Revolving Notes shall be made in the Funding Currency but shall be calculated by the Agent in Dollars and shall be credited on the date of receipt by the Agent for the Pro Rata benefit of the Lenders if received by the Agent at its principal office in Mumbai, in immediately available funds, prior to 4:00 p.m., Mumbai time, on a Business Day. Payments made in funds which are not immediately available shall be credited only when the funds are collected by the Agent, and payments received (whether from the Borrower in immediately available funds or through the collection of funds which were not immediately available at the time payment was tendered by the Borrower) after 4:00 p.m. (Mumbai time) will be credited on the next Business Day. The Agent reserves the right to apply all payments received by it from the Borrower and designated or authorized to be applied to the Revolving Notes first to any Fees and other charges then due to the Agent or the Lenders, then to accrued interest on such Revolving Notes for the benefit of the Lenders on a Pro Rata basis and then to reduction of the principal balance of such Revolving Notes for the benefit of the Lenders on a Pro Rata basis, or such other order as the Agent may determine in its sole discretion. The Agent shall also record in its records, in accordance with customary accounting practice, all interest, Fees, taxes, charges, expenses and other items properly chargeable to the Borrower with respect to the Loans, all payments received by the Agent for application to the Obligations, and all other appropriate debits and credits. The Agent's records shall constitute prima facie evidence of the amount of Obligations outstanding from time to time. All payments received by the Agent shall be distributed by Agent in accordance with this **Section 4.5**, subject to the rights of offset that Agent may have as to amounts otherwise to be remitted to a particular Lender by reason of amounts due to the Agent from such Lender under any of the Loan Documents.

(b) (i) Each Obligor shall make all payments by it required hereunder or under any other Loan Document without any Tax Deduction, unless a Tax Deduction is required by law.

(ii) The Borrower Agent shall promptly, upon any Obligor becoming aware that an Obligor has had or will have to make a Tax Deduction (or that there has been or will be a change in the rate at which or the basis on which any Tax Deduction has to be made), notify the Agent accordingly. Similarly, a Lender shall notify the Agent upon becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Borrower Agent and the applicable Obligor.

(iii) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment in respect of which the Tax Deduction is required to be made shall be increased to the amount which (after making any Tax Deduction)

will leave an amount equal to the payment which would have been due if no Tax Deduction had been required.

4.6 Status of Lenders. Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is a resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall deliver to the Borrower Agent (with a copy to the Agent), at the time or times prescribed by applicable law or reasonably requested by the Borrower Agent or the Agent, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by the Borrower Agent or the Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower Agent or the Agent as will enable the Borrower or the Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements.

Without limiting the generality of the foregoing, in the event that the Borrower is resident for tax purposes in the United States, any Foreign Lender shall deliver to the Borrower and the Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Borrower or the Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(i) duly completed copies of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States is a party,

(ii) duly completed copies of Internal Revenue Service Form W-8ECI,

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not (A) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Borrower within the meaning of section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code and (y) duly completed copies of Internal Revenue Service Form W-8BEN, or

(iv) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States Federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower Agent to determine the withholding or deduction required to be made.

4.7 Minimum Amounts. Each borrowing of, or conversion into, any Prime Lending Rate Loan shall be in an amount in the Funding Currency equal to at least One

Hundred Thousand Dollars (\$100,000) or a multiple of One Hundred Thousand Dollars (\$100,000) in excess thereof, and each borrowing of, conversion into, or continuation of, a MIBOR Rate Loan shall be in an amount in the Funding Currency equal to at least Five Hundred Thousand Dollars (\$500,000) or a multiple of One Hundred Thousand Dollars (\$100,000) in excess thereof, in each case calculated in accordance with the Exchange Rate; provided that fluctuations in the unpaid principal balance of any MIBOR Rate Loan resulting from the translation calculations set forth in **Section 3.3** shall not affect the Borrower's ability to request a continuation of a MIBOR Rate Loan as a result of it not meeting the minimum amount or multiple amount requirements of this **Section 4.7**.

4.8 Certain Requests and Notices. (a) The Borrower or the Borrower Agent on behalf of the Borrower will request borrowings and give notice to the Agent of all terminations or reductions of the Commitment or conversions, continuations and prepayments of Loans and duration of Interest Periods substantially in the form of **Exhibits 4.8-A and 4.8-B** hereto, as applicable (each a "**Loan Request**"). Each such notice shall be irrevocable and shall be effective only if received by the Agent not later than 11:00 a.m. Mumbai time (i) on the Business Day prior to the effective date of the requested termination or reduction of the Commitment, (ii) on the same day if it is a notice of a borrowing or prepayment of a Prime Lending Rate Loan (except that if such date is not a Business Day, then on the next Business Day), or (iii) three (3) Business Days prior to the requested effective date for a borrowing or prepayment of, conversion into or continuation of a MIBOR Rate Loan or any selection of an Interest Period for a MIBOR Rate Loan. Any such Loan Request for a borrowing of, conversion into or continuation of a MIBOR Rate Loan shall specify, (i) the amount of principal which shall comprise the MIBOR Rate Loan, (ii) the date on which the rate is to become effective, and (iii) the Interest Period for such MIBOR Rate Loan. For purposes of calculating the number of Business Days, the date the notice is received shall be included if received not later than 11:00 a.m. Mumbai time and excluded if received after 11:00 a.m. Mumbai time.

(b) **Fundings by Lenders.** Subject to its receipt of notice from Agent of a Loan Request for a borrowing as provided in **Section 4.8(a)** (except in the case of a deemed request by the Borrower for a Revolving Loan as provided herein, in which event no Notice of Borrowing need be submitted), each Lender shall timely honor its Revolving Credit Commitment by funding its Pro Rata share of each Revolving Loan that is properly requested by the Borrower or the Borrower Agent on behalf of the Borrower and that the Borrower is entitled to receive under this Agreement. Agent shall endeavor to notify Lenders of each Loan Request (or deemed request for a Borrowing), by 1:00 p.m. Mumbai time on the proposed funding date (in the case of Prime Lending Rate Loans) or by 3:00 p.m. Mumbai time at least 2 Business Days before the proposed funding date (in the case of MIBOR Rate Loans). Each Lender shall deposit with Agent an amount equal to its Pro Rata share of the Revolving Loan requested or deemed requested by the Borrower at Agent's designated bank in immediately available funds not later than 2:00 p.m. Mumbai time on the date of funding of such Revolving Loan, unless Agent's notice to the Lenders is received after 1:00 p.m. Mumbai time on the proposed funding date of a Prime Lending Rate Loan, in which event the Lenders shall deposit with Agent their respective Pro Rata shares of the requested Revolving Loan on or before

11:00 a.m. Mumbai time on the next Business Day. Subject to its receipt of such amounts from the Lenders, Agent shall make the proceeds of the Revolving Loans received by it available to the Borrower by disbursing such proceeds in accordance with the Borrower's or Borrower Agent's disbursement instructions set forth in the applicable Loan Request. Neither Agent nor any Lender shall have any liability on account of any delay by any bank or other depository institution in treating the proceeds of any Revolving Loan as collected funds or any delay in receipt, or any loss, of funds that constitute a Revolving Loan, the wire transfer of which was initiated by Agent in accordance with wiring instructions provided to Agent. Unless Agent shall have been notified in writing by a Lender prior to the proposed time of funding that such Lender does not intend to deposit with Agent an amount equal such Lender's Pro Rata share of the requested Revolving Loan (or deemed request), Agent may assume that such Lender has deposited or promptly will deposit its share with Agent and Agent may in its discretion disburse a corresponding amount to the Borrower on the applicable funding date. If a Lender's Pro Rata share of such Revolving Loan is not in fact deposited with Agent, then, if Agent has disbursed to the Borrower an amount corresponding to such share, then such Lender agrees to pay, and in addition the Borrower agrees to repay, to Agent forthwith on demand such corresponding amount, together with interest thereon, for each day from the date such amount is disbursed by Agent to or for the benefit of the Borrower until the date such amount is paid or repaid to Agent, (a) in the case of the Borrower, at the interest rate applicable to such Revolving Loan and (b) in the case of such Lender, at the Prime Lending Rate. If such Lender repays to Agent such corresponding amount, such amount so repaid shall constitute a Revolving Loan, and if both such Lender and the Borrower shall have repaid such corresponding amount, Agent shall promptly return to the Borrower such corresponding amount in same day funds. A notice from Agent submitted to any Lender with respect to amounts owing under this **Section 4.8(b)** shall be conclusive, absent manifest error.

4.9 Borrower Agent. The Borrower hereby irrevocably appoints Euronet Worldwide, Inc. and Euronet Worldwide, Inc. agrees to act under this Agreement, as the agent and representative of the Borrower for all purposes under this Agreement (in such capacity, "**Borrower Agent**"), including requesting Revolving Loans, selecting whether any Loan is to be a Prime Lending Rate Loan or a MIBOR Rate Loan, and receiving account statements and other notices and communications to the Borrower from Agent. Agent may rely, and shall be fully protected in relying, on any Loan Request, disbursement instructions, reports, information, or any other notice or communication made or given by Borrower Agent, either in its own name or on behalf of the Borrower, and Agent shall have no obligation to make any inquiry or request any confirmation from or on behalf of the Borrower as to the binding effect on the Borrower of any such Loan Request, instruction, report, information, or other notice or communication; **provided** that the provisions of this **Section 4.9** shall not be construed so as to preclude the Borrower from directly requesting Borrowings or taking other actions permitted to be taken by "the Borrower" hereunder.

**ARTICLE 5
FEES; COLLATERAL**

5.1 Fees.

(a) **[Intentionally Omitted.]**

(b) **Unused Commitment Fees.** The Borrower shall pay to the Agent an unused commitment fee equal to (i) the average daily unused portion of the aggregate Revolving Credit Commitments under the Credit Agreement, computed on the last day of each fiscal quarter of the Borrower Agent, based upon the daily utilization for such fiscal quarter as calculated by the Agent, *times* (ii) a rate per annum equal to the Applicable Margin calculated for the applicable quarterly or other period. Such unused commitment fee shall accrue from the Original Closing Date to the Revolving Credit Termination Date, and shall be due and payable quarterly in arrears on the last Business Day of each fiscal quarter of the Borrower, commencing on April 30, 2006, with the final payment to be made on the Revolving Credit Termination Date. The unused commitment fees provided for in this subsection shall accrue at all times after the Closing Date, including any time during which one or more of the conditions in **Article 6** are not met.

(c) **Letter of Credit Fees.** The Borrower agrees to pay to the Agent a fee in an amount equal to (i) the undrawn amount of all outstanding Letters of Credit, *times* (ii) a rate per annum equal to the Applicable Margin calculated for the applicable quarterly or other period.

5.2 Additional MIBOR Rate Loan Costs.

(a) The Borrower shall pay to the Agent for the benefit of the Lenders from time to time, upon request of the Agent, an administrative fee of Three Hundred Dollars (\$300) plus such amounts as the Agent may determine to be necessary to compensate the Lenders for any loss, cost or expense which the Lenders incur (including, without limitation, any loss, cost or expense incurred by reason of the liquidation or re-employment of deposits, but excluding loss of anticipated profits) that is attributable to (A) any payment, prepayment or conversion of a MIBOR Rate Loan made by the Borrower for any reason on a date other than the last day of an Interest Period for such Loan or (B) any failure by the Borrower for any reason (including, without limitation, the failure of any condition specified in **Article 6** hereof to be satisfied) to borrow, continue or convert a MIBOR Rate Loan on the date therefor specified in the request for borrowing or notice given pursuant to **Section 4.8** hereof. Such compensation may include an amount equal to the excess, if any, of (i) the amount of interest which would have accrued on the amount so prepaid, or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of the applicable Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein (excluding, however, the Applicable Margin included therein, if any) over (ii) the amount of interest (as reasonably determined by the

Agent) which would have accrued to the Lenders on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank Rupee market. The covenants of the Borrower set forth in this **Section 5.2** shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder. The Agent will notify the Borrower Agent of any event which will entitle the Agent or the Lenders to compensation pursuant to this **Section 5.2** as promptly as practicable after the Agent determines to require such compensation and will furnish the Borrower Agent with a certificate setting forth in reasonable detail the basis and amount of such compensation.

(b) Determinations by the Agent of the effect of any Regulatory Change (i) on its rate of return, (ii) on its cost of maintaining the MIBOR Rate Loans, (iii) on its obligation to make MIBOR Rate Loans or (iv) on amounts receivable by it in respect of the MIBOR Rate Loans and determinations of the amounts required to compensate the Agent or the Lenders under this **Section 5.2** shall be conclusive, provided that such determinations are made on a reasonable basis and are set forth in reasonable detail in the certificates referred to in **Section 5.2(a)** above.

(c) Anything herein to the contrary notwithstanding, if it becomes unlawful for the Agent or any Lender to honor its obligation to make or maintain MIBOR Rate Loans hereunder or if, on or prior to the determination of any MIBOR Rate for any Interest Period, the Agent determines (which determination shall be conclusive) that quotations of interest rates for the relevant deposits referred to in the definition of "MIBOR Rate" in **Exhibit 1** hereto are not being provided in the relevant amounts or for the relevant maturities for purposes of determining rates of interest for MIBOR Rate Loans, then the Agent shall give the Borrower Agent prompt notice thereof, and, so long as such condition remains in effect, the Agent and the Lenders shall be under no obligation to make additional MIBOR Rate Loans, to continue MIBOR Rate Loans or to convert Prime Lending Rate Loans into MIBOR Rate Loans, and the Borrower shall, on the last day(s) of the then current Interest Period(s) for the outstanding MIBOR Rate Loans, either prepay such Loans or convert such Loans into Prime Lending Rate Loans.

5.3 Reserve Costs. If, by reason of (i) any change in the law or in its interpretation or administration and/or (ii) compliance with any request from or requirement of the Reserve Bank of India (for increasing the capital adequacy costs) or other fiscal, monetary or other authority (including, without limitation, a request or requirement which affects the manner in which a Lender or any affiliate allocates capital resources to any Lender's obligations hereunder) and/or (iii) unavailability of funding and/or (iv) capital adequacy charge and/or funding losses:

(a) the Agent or any Lender or any affiliate incurs a cost as a result of such person having entered into and/or performing its obligation under this Agreement and/or assuming or maintaining the Commitment under this Agreement and/or in making any Loan or extending any Commitment hereunder;

(b) the Agent or any Lender or any affiliate is unable to obtain the rate of return on its overall capital which it would have been able to obtain but for such person having entered into this Agreement and/or performing its obligations hereunder and/or assuming or maintaining the Commitment;

(c) there is any increase in the cost to the Agent, any Lender or its affiliate of funding or maintaining all or any of its participation in any Commitment hereunder; or

(d) the Agent or any Lender or any of its affiliate becomes liable to make any payment on account of tax or otherwise on or calculated by reference to the amount of the Commitment or any Loan extended by the such person hereunder,

then the Borrower shall, from time to time on demand by the Agent, promptly pay to the Agent for the benefit of any person making a claim under this **Section 5.3**, such amounts as are sufficient to indemnify the Agent, any Lender or any of its affiliate against, as the case may be, (i) such additional cost (ii) such reduction in rate of return, (iii) such increased cost, or (iv) such liability. Neither the Agent nor any Lender nor any of their affiliates shall be under any obligation to disclose information, which it reasonably considers to be confidential in connection with its demand under this clause.

5.4 Notice of Increased Costs. If a Lender intends to make any claim or demand pursuant to **Section 5.3** above, it shall notify the Borrower or the Borrower Agent of the reason thereof in writing.

ARTICLE 6 CONDITIONS TO MAKING LOANS

The Lenders' obligation hereunder to make the Loans, extend credit and enter into transactions referred to in **Article 3** shall be subject to the satisfaction of the following conditions and, in the case of the conditions set forth in **Sections 6.4, 6.5, 6.7, 6.8** and **6.9**, as of each Disbursement Date and, in the case of the conditions set forth in **Sections 6.4, 6.7, 6.8** and **6.9**, as of each date a Letter of Credit is issued, renewed or extended.

6.1 Delivery of Loan Documents. The Borrower and the Borrower Agent shall have executed and delivered to the Agent, as applicable, this Agreement, the Note and the Guaranty Agreement to which the Borrower Agent is a party, all of which shall be in form and substance satisfactory to the Agent and its counsel. The US Borrowers shall have executed and delivered to Bank of America Amendment No. 8 to the US Credit Agreement and shall have satisfied any other conditions required for the effectiveness of such Amendment. The Euro Borrowers shall have executed and delivered to Bank of America Amendment No. 9 to the Euro Credit Agreement and shall have satisfied any other conditions required for the effectiveness of such Amendment.

6.2 Proper Proceedings; Charter Documents. The Borrower shall have taken all corporate or company proceedings necessary to authorize the Loan Documents and the transactions contemplated hereby. The Borrower shall have delivered to the Agent certificates, dated the Closing Date and signed by its Secretary, Managing Director, Director or other responsible officer, satisfactory to the Agent, respecting such proceedings and the incumbency of the officers executing the Loan Documents. The Borrower shall have delivered to the Agent copies of its memorandum and articles of organization or association or other charter documents, including all amendments thereto, certified by the appropriate officer, and copies of its bylaws or other constitutional documents, including all amendments thereto, certified by the appropriate officer. The Agent shall have received satisfactory results to all company and other final searches in relation to the Borrower as the Agent may reasonably request.

6.3 Legal Opinion. The Agent shall have received opinions from counsel to the Borrower, dated as of the Closing Date, in form and substance satisfactory to the Agent and its counsel.

6.4 No Adverse Changes; Representations; No Default. Since the date hereof, there shall have been no material adverse change in the business, operations, financial condition or prospects of the Borrower or the Euronet Entities taken as a whole. The representations and warranties contained in **Article 7** hereof shall be true and correct as though made on and as of the Closing Date or such Disbursement Date or such date of issuance, renewal or extension of a Letter of Credit, as the case may be, except that the representations and warranties set forth in the first sentence of **Section 7.4(b)**, **Section 7.7** and **Section 7.8** (which relate to disclosure **Schedules 7.4, 10.1** and **7.8**) are not required by this **Section 6.4** to be made as of any Disbursement Date or such date of issuance, renewal or extension of a Letter of Credit. No Default or Event of Default shall have occurred and be continuing. The Agent shall have received certifications of the Borrower Agent in form satisfactory to the Agent and dated the Closing Date or the date of the request for borrowing or for issuing, renewing or extending a Letter of Credit, as applicable, certifying as to each matter set forth in this **Section 6.4**, which certifications may be included in the Loan Request described in **Section 4.8** hereof.

6.5 Notice of Borrowing. Agent shall have received the Loan Request described in **Section 4.8** hereof.

6.6 [Intentionally Omitted.]

6.7 No Material Impairment. The Agent shall have determined that the prospect of payment of the Loans has not been materially impaired.

6.8 Required Consents and Approvals. All consents, approvals and authorizations of any Governmental Authority or any other Person necessary in connection with the execution and performance of the Loan Documents, the consummation of the transactions contemplated hereby or the making of the Loans hereunder shall have been obtained and shall be in full force and effect.

6.9 **Legality.** The making of any Loan shall not subject the Agent or any Lender to any penalty or special tax, shall not be prohibited by any law or governmental order or regulations applicable to the Agent, any Lender or to the Borrower and shall not violate any voluntary credit restraint program of the executive branch of the government of the United States or any other Governmental Authority, and all necessary consents, approvals and authorizations of any Governmental Authority to or of such Loan shall have been obtained.

6.10 **General.** All instruments and legal and corporate proceedings in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to the Agent and its counsel, and the Agent shall have received copies of all other documents, including records of corporate proceedings and opinions of counsel, which the Agent may have requested in connection therewith, such documents where appropriate to be certified by proper corporate or governmental authorities, and such other conditions shall have been fulfilled as may have been requested by the Agent.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES

Each Borrower Party (except as specifically set forth herein) represents and warrants to the Agent and the Lenders that:

7.1 **Corporate Existence and Standing.** Each Borrower Party is a corporation or company duly incorporated or organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization and has all requisite authority to own its property and to carry on its business in each jurisdiction where the failure to so qualify would have a material adverse effect on its business, properties, assets, operations or condition (financial or otherwise). Borrower Agent represents and warrants to the Agent and the Lenders that each Euronet Entity is an entity duly created, validly existing and in good standing under the laws of its jurisdiction of organization and has all requisite authority to own its property and to carry on its business in each jurisdiction where the failure to so qualify would have a material adverse effect on its business, properties, assets, operations or condition (financial or otherwise).

7.2 **Authorization and Validity.** Each Borrower Party has the power and authority and legal right to execute and deliver the Loan Documents to which it is a party and to perform its obligations thereunder. Such execution and delivery have been duly authorized by proper proceedings, and the Loan Documents constitute the legal, valid and binding obligations of each Borrower Party, enforceable against each of them in accordance with their respective terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization, receivership, liquidation, moratorium, and other similar laws affecting the rights and remedies of creditors generally and (ii) by general principles of equity (regardless of whether such enforcement is considered in equity or at law).

7.3 **No Conflict; Governmental Consent.** The execution, delivery and performance of the Loan Documents will not violate any law, rule, regulation, order, writ,

judgment, injunction, decree or award binding on any Borrower Party, any provision of each Borrower Party's respective articles or certificate of incorporation or organization, by-laws or other charter documents, or the provisions of any indenture, instrument or other written or oral agreement to which any Borrower Party is a party or is subject or by which any Borrower Party or any of its property is bound, or conflict therewith or constitute a default thereunder, or result in the creation or imposition of any Lien in, of or on any of its property pursuant to the terms of any such indenture, instrument or agreement. No order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by, any Governmental Authority is required by or in respect of the Borrower to authorize or is required in connection with the execution, delivery and performance of or the enforceability of any of the Loan Documents.

7.4 Compliance with Laws; Environmental and Safety Matters.

(a) Each Borrower Party represents and warrants to the Agent and the Lenders that each Euronet Entity, has complied with all applicable statutes, rules, regulations, orders and restrictions of any domestic or foreign government or Governmental Authority having jurisdiction over the conduct of its businesses or the ownership of its respective properties except to the extent that such non-compliance will not have a material adverse effect on the financial condition or business operations of Borrower, on a consolidated basis or on the Euronet Entities on a consolidated basis.

(b) Each Borrower Party has, except as disclosed in **Schedule 7.4** hereto and to each Borrower Party's actual knowledge, complied with all federal, national, state, local and other statutes, ordinances, orders, judgments, rulings and regulations relating to environmental pollution, environmental regulation or control, or employee health or safety, except to the extent that such non-compliance will not have a material adverse effect on the financial condition or business operations of the Borrower; no Borrower Party has received any written notice of any failure so to comply except as disclosed in **Schedule 7.4** hereto; and no Borrower Party's facilities treat, store or dispose of any hazardous wastes, hazardous substances, hazardous materials, toxic substances, toxic pollutants or substances ("**Hazardous Materials**") similarly denominated, as those terms or similar terms are used in RCRA, CERCLA, the Hazardous Materials Transportation Act, the Toxic Substances Control Act, the Clean Air Act, the Clean Water Act, the Occupational Safety and Health Act or any other state, local or federal applicable law, ordinance, rule or regulation relating to environmental pollution, environmental regulation or control or employee health and safety applicable in the US or any other applicable jurisdiction, including without limitation, India ("**Environmental Laws**") in a quantity or manner that requires a permit, registration, or another notification or authorization from a Governmental Authority except for the treatment, storage, or disposal of Hazardous Materials in a quantity or manner which, if in non-compliance with Environmental Laws, would not have a material adverse effect on the Borrower's financial condition or business operations, taken as a whole, except as disclosed in **Schedule 7.4** hereto. The conduct of the business and the condition of the property of the Borrower do not violate any Environmental Laws or any judicial interpretation thereof relating primarily to the environment or Hazardous Materials. The Borrower is not aware

of any events, conditions or circumstances involving environmental pollution or contamination or employee health or safety that could reasonably be expected to result in material liability on the part of the Borrower. Borrower Agent, with respect to each Euronet Entity, makes the same representations and warranties made by the Borrower herein.

7.5 US GAAP Financial Statements. The Borrower Parties have heretofore furnished to the Agent (a) (i) an audited consolidated balance sheet and related consolidated statements of earnings and cash flows for all of the Euronet Entities as a group, and (ii) as shown on **Schedule 7.5**, (A) an unaudited balance sheet and related statements of earnings and cash flows for the Borrower and (B) a balance sheet and statement of earnings and cash flows for the Borrower Agent, each as of and for the Borrower Agent's fiscal year ended December 31, 2005, and (b) (i) an unaudited consolidated balance sheet and unaudited statements of earnings and cash flows for all of the Euronet Entities as a group, and (ii) as shown on **Schedule 7.5**, (A) an unaudited combining balance sheet and unaudited statements of earnings and cash flows for the Borrower and (B) an unaudited individual balance sheet and unaudited statement of earnings and cash flows for the Borrower Agent, each as of and for the quarter ended September 30, 2005. Such financial statements fairly state the financial condition and results of operations of the applicable Person or Persons as of such dates and for such periods. No applicable Euronet Entity had on said date any material (on a consolidated basis) contingent liabilities, material (on a consolidated basis) liabilities for taxes, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments, except as referred to or reflected or provided for in said balance sheet or the notes thereto as at said date or otherwise disclosed as required under the rules and regulations of the SEC. If any such matters are not included in the financial statements of the Borrower Parties, but are otherwise disclosed in a Borrower Party's SEC filings or any other filings with the Registrar of Companies in India, then the Borrower Parties will provide a copy of such filings to the Agent and identify the relevant disclosure. Such financial statements were prepared in accordance with GAAP applied on a consistent basis. Since September 30, 2005, no material adverse change has occurred in the business, properties, financial condition, prospects or results of operations of the Borrower or the Euronet Entities (on a consolidated basis).

7.6 Ownership of Properties; Collateral Liens. The Borrower has good title, free and clear of all Liens (other than those permitted by **Section 10.2** hereof), to all of the properties and assets reflected in its financial statements as owned by it, and its interest in all other properties and assets in or to which it has an interest as a lessee, licensee or otherwise is free and clear of all Liens (other than those permitted under **Section 10.2** hereof).

7.7 Indebtedness. Except as disclosed on **Schedule 10.1** or as otherwise permitted by **Section 10.1**, the Borrower does not have any Indebtedness for money borrowed or any direct or indirect obligations under any leases or any agreements of guaranty or security except for the endorsement of negotiable instruments in the ordinary course of business for deposit or collection. The Indebtedness disclosed on **Schedule**

10.1 or that is otherwise permitted by **Section 10.1** is not superior in any right of payment or otherwise to any Indebtedness owing to the Agent or the Lenders.

7.8 Subsidiaries. The Euronet Entities' corporate structure is as set forth on **Schedule 7.8**. Except as described in **Schedule 7.8**, all of the issued and outstanding shares of capital stock or other ownership interests of each Euronet Entity has been duly authorized and issued and are fully paid and non-assessable, free and clear of all liens, restrictions and rights.

7.9 Litigation. Monetary loss arising from any litigation, arbitration, mediation, governmental investigations, proceedings or inquiries before any Governmental Authority, arbitrator or mediator that are pending or, to the knowledge of any of any Borrower Party's officers, threatened against or affecting the Borrower (other than those covered by insurance, but only to the extent so covered) is not reasonably expected to exceed, in the aggregate, One Million Dollars (\$1,000,000).

7.10 Material Agreements; Labor Matters. Any agreement or instrument of the Borrower that has or is likely to have a material effect on the assets, prospects, business, operations, financial condition, liabilities or capitalization of the Borrower is referred to in this **Section 7.10** as a "**Material Contract**." The Borrower is not in default under any Material Contract in any manner that could materially and adversely affect its assets, prospects, business, operations, financial condition, liabilities or capitalization of the Borrower or in any manner that could jeopardize the Borrower's right to require the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any Material Contract. There are no strikes or walkouts relating to any labor contracts (other than individual employment agreements) with the Borrower pending or threatened, and no labor contracts (other than individual employment agreements) are scheduled to expire during the term of this Agreement, and the Borrower Parties have no knowledge of, or reason to know of (in each case after a reasonable investigation), any efforts that are being made by any employees to form a union or collectively bargain with the Borrower.

7.11 Investment Company Act; Public Utility Holding Company Act. The Borrower is not an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended, or a "holding company," a "subsidiary company" of a "holding company" or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company," within the meaning of the Public Utility Holding Company Act of 1935, as amended.

7.12 Taxes. The Borrower has, and the Borrower Agent represents and warrants that each Euronet Entity has, filed all United States federal tax returns and all other tax returns which, to each Borrower Party's actual knowledge, are required to be filed and paid all taxes due pursuant to said returns or pursuant to any assessment received by it, including without limitation all federal and state withholding taxes and all taxes required to be paid pursuant to applicable law, except such taxes, if any, as are being contested in good faith, by appropriate proceedings and as to which adequate charges, accruals and reserves have been set aside. No tax Liens have been filed, and no

claims are being asserted with respect to any such taxes, except such tax Liens and claims that will not have a material adverse effect in the aggregate, on the assets, business, operations or financial condition of the Borrower or on the Euronet Entities on a consolidated basis. The charges, accruals and reserves on the books of the Borrower, and of the Euronet Entities, on a consolidated basis, in respect of any taxes or other governmental charges are adequate.

7.13 **Accuracy of Information.** No information, exhibit or report furnished by any Borrower Party to the Agent or any Lender in connection with the negotiation of the Loan Documents contained any material misstatement of fact or omitted to state a material fact or any fact necessary to make the statements contained therein not misleading.

7.14 **Employee Benefit Plans.** The Borrower does not maintain, sponsor or contribute to any Defined Benefit Pension Plan.

7.15 **No Undisclosed Dividend Restrictions.** Except for limitations on the payment of dividends under applicable corporate statutes or other laws, rules or regulations of any Governmental Authority with respect to companies or other business entities, no Borrower Party is subject to any agreement, covenant or understanding that limits or restricts its ability to declare or pay dividends.

7.16 **Absence of Default or Event of Default.** No Default and no Event of Default has occurred and is continuing.

7.17 **Disclosure.** The pro forma financial information contained in financial statements delivered to the Agent and any Lender, is, and will be, based upon good faith estimates and assumptions believed by each Borrower Party to be reasonable at the time made. There is no fact known to any Borrower Party (other than matters of a general economic nature) that has had or could reasonably be expected to have a material adverse effect and that has not been disclosed herein or in such other documents, certificates and statements furnished to the Agent or the Lenders for use in connection with the transactions contemplated by this Agreement.

7.18 **Solvency.** Based upon its financial and accounting records, each Borrower Party, individually, has assets of a value that exceeds the amount of its liabilities (excluding, for purposes of this representation, all intercompany loans from liabilities). Each Borrower Party reasonably anticipates that it will be able to meet their respective debts as they mature. Each Borrower Party has adequate capital to conduct the business in which it is engaged.

7.19 **Margin Regulations.** Neither the making of the Loans hereunder, nor the use of the proceeds thereof, will violate or be inconsistent with the provisions of Regulation T, U or X. No part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or to extend credit to others for the purpose of purchasing or carrying Margin Stock (as defined in said Regulation U).

7.20 **Copyrights, Patents and Other Rights.** Each Borrower Party possesses all licenses, patents, patent rights and patent licenses, trademarks, trademark rights and licenses, trade names, copyrights and all other intellectual property rights which are required or desirable to conduct its business as presently conducted; to the best of its knowledge, such rights do not infringe on or conflict with the rights of any other Person; and each Borrower Party has, and is current and in good standing with respect to, all governmental approvals, permits and certificates required to conduct its businesses as heretofore conducted.

7.21 **Fiscal Year.** Each Euronet Entity has a fiscal year which ends on December 31, except as otherwise required for tax or other reporting purposes imposed by any statute, rule, regulation, order or restriction of any foreign government or Governmental Authority applicable to a Foreign Subsidiary of the Borrower Agent.

ARTICLE 8 AFFIRMATIVE COVENANTS

Unless the Agent and the Required Lenders shall otherwise consent in writing, each Borrower Party agrees that it will:

8.1 **Conduct of Business and Maintenance of Properties.** Carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and do all things necessary to remain duly incorporated, validly existing and in good standing in its jurisdiction of organization and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted; maintain, preserve, protect and keep its properties in good repair, working order and condition; and comply in all material respects with all agreements and instruments to which it is a party.

8.2 **Insurance.** Maintain with financially sound and reputable insurance companies, insurance on all its property, covering such liabilities and such risks (including business interruption risks) and in such amounts as is consistent with sound business practice and reasonably satisfactory to the Agent and furnish to the Agent upon request full information as to the insurance carried.

8.3 **Compliance with Laws and Taxes.** Comply with, and the Borrower Agent shall cause each Euronet Entity to comply with, any and all laws, statutes, rules, regulations, orders, judgments, decrees and awards, a violation of which, in any respect, taken as a whole, may materially and adversely affect the Borrower's business, assets, operations or condition, financial or otherwise, including, without limitation, those regarding the collection, payment and deposit of employees' income, unemployment, and Social Security taxes and those regarding environmental matters; pay when due all taxes, assessments and governmental charges and levies upon it or its income, profits or property, except those which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside; make a timely payment or deposit of all FICA payments and withholding taxes required of it

under applicable law; and, upon request, furnish to the Agent evidence satisfactory to the Agent that such payments have been made.

8.4 Financial Statements, Reports, etc. Maintain, and Borrower Agent shall cause each Euronet Entity to maintain, a system of accounting established and administered in accordance with GAAP (as adopted in the United States) and furnish to the Agent:

(a) **Annual and Consolidating Financial Statements.** Within seventy-five (75) days after the close of the fiscal year of the Borrower Agent, (i) audited financial statements of the Euronet Entities as a group, prepared in accordance with GAAP, including a balance sheet and statements of stockholders' equity, income and cash flows, prepared on a consolidated basis and setting forth in comparative form the corresponding figures for the preceding fiscal year, all in reasonable detail, accompanied by an unqualified opinion thereon or an unqualified opinion with explanatory language added to the auditors' standard report of independent certified public accountants satisfactory to the Agent, which opinion shall state that the financial statements fairly present the financial condition and results of operations and cash flows of the Euronet Entities as a group as of the end of and for such fiscal year in conformity with GAAP, and a certificate of such accountants stating that, in making the examination necessary for their opinion, they obtained no knowledge, except as specifically stated, of any Default or Event of Default continuing as of the date of such certificate, (ii) unaudited financial statements of the Borrower, prepared in accordance with GAAP, including a balance sheet and statements of stockholders' equity, income and cash flows, in the format contained in **Schedule 7.5**, and (iii) unaudited individual financial statements of the Borrower Agent, prepared in accordance with GAAP, including a balance sheet and statements of stockholders' equity, in the format contained in **Schedule 7.5**.

(b) **Quarterly Reporting.** Within forty-five (45) days after the end of each fiscal quarter, (i) (a) consolidated financial statements for the Euronet Entities as a group, (b) financial statements for the Borrower, in the format contained in **Schedule 7.5** and (c) an individual financial statement for the Borrower Agent, in the format contained in **Schedule 7.5**, in each case for the quarter then ended, including a balance sheet and statements of stockholders' equity, income and cash flows for such quarter and for the period from the beginning of the respective fiscal year to the end of such quarter, setting forth in each case in comparative form the corresponding figures for the corresponding period in the preceding fiscal year, accompanied by (ii) a certificate of the chief financial officer or treasurer of the Borrower Agent, as applicable, stating that said financial statements set forth in subparagraph (i) above, fairly present the financial condition and results of operations of the applicable entity or entities in accordance with GAAP consistently applied, as of the end of and for such period (subject to normal year-end adjustments and to the absence of footnote disclosures) and that, to the best of such officer's knowledge, no Default or Event of Default has occurred under this Agreement or, if any Default or Event of Default exists, stating the nature and status thereof, and (iii) the most recent 10Q or 10K, as applicable, filed by any Borrower Party with the SEC.

(c) **[Intentionally Omitted.]**

(d) **Compliance Certificate.** Together with each set of financial statements required under paragraphs (a) and (b) of this **Section 8.4**, a compliance certificate of the Borrower Agent in substantially the form of **Exhibit 8.4** (a “**Compliance Certificate**”), signed on its behalf by the chief financial officer or treasurer of the Borrower Agent, showing the calculations necessary to determine compliance with all financial covenants contained in **Article 9** of this Agreement and stating that (i) all of the representations and warranties set forth in **Article 7** hereof (including those referring to the Schedules to this Agreement) with respect to each Borrower Party, shall be true and correct as though made on and as of the date of the Compliance Certificate, except for matters specifically updated or described in the Compliance Certificate, (ii) that no default or event of default exists pursuant to the Convertible Senior Debenture Documents or any Convertible Debenture Documents or, if any such default or event of default exists, stating the nature and status thereof, and (iii) that no other Default or Event of Default exists or, if any other Default or Event of Default exists, stating the nature and status thereof.

(e) **SEC and Other Filings.** Upon the request of the Agent, and as set forth in **Section 8.4(b)**, copies of all registration statements and annual, periodic or other regular reports, final proxy statements and such other similar information as shall be filed by any Borrower Party with the Securities and Exchange Commission (the “**SEC**”), any national securities exchange or (to the extent not duplicative) any other similar U.S. or foreign Governmental Authority and copies of all notices, financial statements, reports and proxy statements so mailed.

(f) **Litigation.** Prompt notice of all legal, arbitration or mediation proceedings and of all proceedings by or before any Governmental Authority affecting the Borrower which, if adversely determined, could reasonably be expected to result in a monetary loss in an amount in excess of One Million Dollars (\$1,000,000) in the aggregate for all such proceedings and of the issuance by any Governmental Authority of any injunction, order or other restraint prohibiting, or having the effect of prohibiting or delaying, any action on the part of any Borrower Party, which injunction, order or restraint could reasonably be expected to materially and adversely affect the business, properties or affairs of any Borrower Party (on a consolidated or unconsolidated basis) or the institution of any proceedings seeking any such injunction, order or other restraint.

(g) **Reportable Events.** If at any time after the Closing Date, any Borrower Party adopts, sponsors or contributes to any Defined Benefit Pension Plan, as soon as possible and in any event within ten (10) days after such Borrower Party knows that any Reportable Event has occurred with respect to any such Defined Benefit Pension Plan, a statement, signed by an authorized officer of such Borrower Party, describing said Reportable Event and the action which such Borrower Party proposes to take with respect thereto.

(h) **Environmental Notices.** As soon as possible and in any event within ten (10) days after receipt, a copy of (i) any notice or claim to the effect that any Borrower Party is or may be liable to any person as a result of the release by such Borrower Party, or any other Person of any toxic or hazardous waste or substance into the

environment or that all or any of its properties is subject to an Environmental Lien or (ii) any notice alleging any violation of any federal, state or local environmental, health or safety law or regulation by any Borrower Party after the Closing Date.

(i) **Other Information.** Such other information (including consolidating financial reports and other financial information) as the Agent may from time to time reasonably request.

On request of the Agent, the Borrower Parties shall deliver a letter to the Borrower Parties' accountants (i) authorizing them to provide to Agent the financial statements set forth in **Section 8.4(a)(i)**, (ii) directing them to send to the Agent true, correct, and exact copies of any and all financial statements and reports which are prepared as a result of any audit or other review of operations, finances or internal controls of the Borrower Parties (specifically including any reports dealing with improper accounting or financial practices, defalcation, financial irregularities, financial reporting errors or misstatements or fraud), and (iii) authorizing the Agent and each Lender to rely on financial statements of the Borrower Parties issued by such accountants, which letter shall be acknowledged and consented to in writing by such accountants.

8.5 Other Notices. Give prompt notice in writing to the Agent of the occurrence of any Default or Event of Default and of any other development, financial or otherwise, which might materially and adversely affect its business, properties or affairs of the Borrower or any other Obligor or the ability of the Borrower or any other Obligor to repay the Obligations, including, without limitation, the occurrence of any default or event of default under any Convertible Senior Debenture Document or Convertible Debenture Documents.

8.6 Access to Properties and Inspections. Permit the Agent to make reasonable inspections of the properties, corporate books and financial records of the Borrower Parties, to make reasonable examinations and copies of their respective books of account and other financial records and to discuss their respective affairs, finances and accounts with, and to be advised as to the same by, their officers, auditors, accountants and attorneys at such reasonable times and intervals as the Agent may designate. All of the Agent's reasonable expenses incurred for domestic travel in connection with such audits and inspections of the Borrower Parties shall be paid for by the Borrower Parties.

8.7 Use of Proceeds. Use the proceeds of the Revolving Loans to pay intercompany indebtedness existing on the date of this Agreement as permitted by this Agreement, to provide working capital and for other corporate purposes; provided, that no proceeds of the Revolving Loans shall be used by the Borrower to directly or indirectly make any Investments (other than Investments permitted pursuant to Section 10.9(f)) in, and no Letters of Credit shall be requested on behalf of, or for the benefit of, Euronet Payments & Remittance, Inc. (formerly known as TELECOMMUSA, LTD.) or in any other person that is a "Money services business" (as defined in 31 C.F.R. §103.11(uu) as amended, restated or replaced from time to time).

8.8 **Payment of Claims.** Promptly pay when due all lawful claims, whether for labor, materials or otherwise.

8.9 **Maintain Lender Accounts.** Each Borrower Party shall maintain its principal depository and operating accounts with Bank of America. The Borrower Agent shall cause each Euronet Entity to maintain its principal depository and operating accounts with Bank of America; provided, however, a Euronet Entity that is a Foreign Subsidiary may, upon prior notice to Bank of America, maintain accounts with other depository institutions necessary for the proper maintenance of such Foreign Subsidiary's business.

ARTICLE 9 FINANCIAL COVENANTS

9.1 **Euronet Consolidated Financial Covenants.** The Euronet Entities on a consolidated basis shall, so long as this Agreement shall remain in effect or any Obligations shall be unpaid:

(a) (i) **Consolidated Senior Funded Debt/EBITDA Ratio.** Maintain as of the last day of each fiscal quarter, a Consolidated Senior Funded Debt/EBITDA Ratio no greater than 2.50 to 1.00 for each fiscal quarter, determined in accordance with GAAP.

"Consolidated Senior Funded Debt/EBITDA Ratio" means the ratio of (i) the aggregate outstanding principal amount of Senior Funded Debt of the Euronet Entities as of the last day of the applicable fiscal quarter to (ii) EBITDA of the Euronet Entities for the four (4) quarters ending on such date *plus* the pro forma amount of historic EBITDA for the four (4) quarters ending on such date, of any Euronet Entity acquired during such fiscal quarter or during any of the three (3) prior fiscal quarters.

"Senior Funded Debt" means, without duplication, all long term and current Indebtedness of the Euronet Entities as described in subsections (i), (iii), (iv), (v) and (vi) of the definition of "Indebtedness" set forth in **Exhibit 1** hereto (including Indebtedness to shareholders), *less* any proceeds of any Indebtedness incurred by the Borrower Agent in connection with the issuance and sale of the Convertible Senior Debentures held by the Borrower Agent in the Proceeds Account, and excluding (A) Indebtedness incurred pursuant to Convertible Debentures permitted by Section 10.1(n) of the US Credit Agreement, (B) any Indebtedness as described in subsection (iv) of the definition of "Indebtedness" to the extent such Indebtedness is already included in subsections (i) or (iii) of the definition of "Indebtedness", (C) any Indebtedness as described in subsection (v) of the definition of "Indebtedness" to the extent such Indebtedness is already included in subsections (i), (iii) or (iv) of the definition of "Indebtedness" and (D) any Indebtedness as described in subsections (iv) and (v) of the definition of "Indebtedness" to the extent such Indebtedness secures or guarantees Indebtedness described in subsection (ii) of the definition of "Indebtedness" or is Indebtedness described in **Section 10.1(i)**, **Section 10.2(o)** and **Section 10.2(p)**.

(ii) **Consolidated Total Funded Debt/EBITDA Ratio.** Maintain as of the last day of each fiscal quarter, a Consolidated Total Funded Debt/EBITDA Ratio no greater than 3.25 to one for each fiscal quarter, determined in accordance with GAAP. “**Consolidated Total Funded Debt/EBITDA Ratio**” means the ratio of (i) the aggregate outstanding principal amount of Total Funded Debt of the Euronet Entities as of the last day of the applicable fiscal quarter to (ii) EBITDA of the Euronet Entities for the four (4) quarters ending on such date *plus* the pro forma amount of historic EBITDA for the four (4) quarters ending on such date, of any Euronet Entity acquired during such fiscal quarter or during any of the three (3) prior fiscal quarters. “**Total Funded Debt**” means, without duplication, all Senior Funded Debt *plus* any Indebtedness incurred pursuant to Convertible Debentures permitted by Section 10.1(n) of the US Credit Agreement *less* any proceeds of any Indebtedness incurred by the Borrower Agent in connection with the issuance and sale of the Convertible Debentures permitted by Section 10.1(n) of the US Credit Agreement held by the Borrower Agent in the Proceeds Account.

(b) **Consolidated Fixed Charge Coverage Ratio.** Maintain as of the last day of each fiscal quarter, a Consolidated Fixed Charge Coverage Ratio of at least 1.25 to 1.00, determined on a consolidated basis in accordance with GAAP. “**Consolidated Fixed Charge Coverage Ratio**” means, as of the last day of any fiscal quarter, for the Euronet Entities, the ratio of (i) EBITDAR for the four (4) fiscal quarters ending on such day *less* cash Capital Expenditures made during such four (4) fiscal quarters and tax expense (other than VAT taxes) paid and dividends paid during such four (4) fiscal quarters to (ii) the sum of interest expense and rent payments paid during such four (4) fiscal quarters, *plus* recurring payments of principal scheduled for the four (4) fiscal quarters after such day, all as calculated in accordance with GAAP, *plus* 33 1/3 % of the Revolving Credit Commitment.

(c) **Minimum Consolidated EBITDA.** Maintain, for the Euronet Entities, (i) for the period commencing the Closing Date and ending the last day of the first fiscal quarter to end after the Closing Date a minimum trailing twelve month Consolidated EBITDA equal to at least \$63,000,000 and (ii) for each fiscal quarter thereafter a minimum trailing twelve month EBITDA equal to the greater of (x) the minimum trailing twelve month EBITDA required hereunder for the previous fiscal quarter or (y) 85% of the trailing twelve month Consolidated EBITDA as of the last day of the previous fiscal quarter. “**Consolidated EBITDA**” means EBITDA of the Euronet Entities for each such period, determined on a consolidated basis in accordance with GAAP.

9.2 **Minimum Borrower EBITDA.** The Borrower shall, so long as this Agreement shall remain in effect or any Obligations shall be unpaid, maintain as of the last day of each fiscal quarter set forth in the grid below, a minimum trailing twelve month Borrower EBITDA for the Borrower equal to at least the amount set forth opposite such fiscal quarter, determined in accordance with GAAP.

Fiscal Quarter	EBITDA
June 30, 2006	\$1,500,000
September 30, 2006	\$2,250,000
December 31, 2006	\$2,500,000
March 31, 2007	\$3,000,000
June 30, 2007 and each fiscal quarter thereafter	\$3,500,000

**ARTICLE 10
NEGATIVE COVENANTS**

So long as this Agreement shall remain in effect or any of the Obligations shall be unpaid, unless the Agent and the Required Lenders shall otherwise consent in writing, the Borrower (unless otherwise specifically set forth herein) agrees that it will:

10.1 **Indebtedness.** Not incur, create or suffer to exist any Indebtedness (other than to the Lenders hereunder), except:

(a) trade payables incurred in the ordinary course of business;

(b) Indebtedness existing on the date of this Agreement and disclosed in **Schedule 10.1** hereto;

(c) intercompany Indebtedness to any direct or indirect Subsidiary of the Borrower Agent that is (i) a "Borrower" or "Obligor" as such terms are defined in the US Credit Agreement (provided that the conditions set forth in Section 6.11 of the US Credit Agreement have been satisfied with respect to any such "Borrower" or "Obligor") or (ii) a "Borrower" or "Obligor" as such terms are defined in the Euro Credit Agreement (provided that the conditions set forth in Section 6.11 or Section 8.10 of the Euro Credit Agreement have been satisfied with respect to any such "Borrower" or "Obligor");

(d) Indebtedness under any Interest Rate Contract to the extent relating to, (i) outstanding Indebtedness of the Borrower otherwise allowed under this Agreement, or (ii) Indebtedness for which a lender has provided a commitment in an amount reasonably anticipated to be incurred by the Borrower in the following twelve (12) months after such Interest Rate Contract has been entered into, and such Indebtedness is otherwise allowed under this Agreement;

(e) Indebtedness under other Hedging Agreements to the extent related to (i) Indebtedness of the Borrower otherwise allowed under this Agreement, or (ii) obligations to purchase assets, properties or services otherwise allowed under this Agreement; provided such Hedging Agreements do not increase the Indebtedness outstanding of the Borrower other than as a result of fluctuations in foreign currency

exchange rates or by reason of reasonable fees, indemnities and compensation payable thereunder;

(f) Indebtedness in respect of performance bonds and surety bonds incurred in the ordinary course of the Borrower's business;

(g) Indebtedness consisting of guarantees, indemnities or obligations in respect of purchase price adjustments in connection with the acquisition or disposition of Assets or shares of capital stock, so long as such acquisitions or dispositions are otherwise permitted under this Agreement;

(h) Indebtedness consisting of the Borrower's guaranty of its Subsidiary's Indebtedness to the extent that the Subsidiary's Indebtedness is reflected in the consolidated balance sheet of the Euronet Entities;

(i) Indebtedness consisting of limited financial guaranties or contractual performance guaranties executed by the Borrower to secure the performance obligation of any of its Subsidiaries incurred in the Borrower's ordinary course of business, consistent with past practice;

(j) Indebtedness to the extent it represents a replacement, renewal, refinancing or extension of outstanding Indebtedness provided for herein;

(k) Indebtedness incurred with respect to Acquisitions provided that the Borrower has complied with the provisions of **Section 10.4(e)**; and

(l) Indebtedness under capitalized leases incurred in the ordinary course of business.

Notwithstanding the foregoing, no Indebtedness otherwise permitted by this **Section 10.1**, shall result in or cause a breach or default under any Convertible Senior Debenture Document or any Convertible Debenture Document.

10.2 Liens. Not create, incur, or suffer to exist any other Lien in, of or on any of its properties (now owned or hereafter acquired) or on any income or revenues or rights in respect of any thereof, nor will the Borrower Parties permit any other Euronet Entity to create, incur, or suffer to exist any other Lien in, of or on any of their respective properties (now owned or hereafter acquired) or on any income or revenues or rights in respect of any thereof, except:

(a) (i) Liens in favor of the Agent and the Lenders created by the Loan Documents, (ii) Liens in favor of the "Agent" and the "Lenders" created by the "Loan Documents" as such terms are defined in the US Credit Agreement, and (iii) Liens in favor of the "Agent" and the "Lenders" created by the "Loan Documents" as such terms are defined in the Euro Credit Agreement;

(b) Liens for taxes, assessments or governmental charges or levies, if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings;

(c) Liens imposed by law, such as carriers', warehousemen's and mechanics' Liens and other similar Liens arising in the ordinary course of business, that secure payment of obligations not more than sixty (60) days past due except for such Liens as are being contested in good faith by appropriate proceedings;

(d) Liens arising out of pledges or deposits under laws relating to worker's compensation, unemployment insurance, old age pensions, or other social security or retirement benefits, or under similar laws;

(e) Liens existing on the date of this Agreement and disclosed in **Schedule 10.2** hereto;

(f) Liens securing equipment under equipment leases arising in the ordinary course of business, but only to the extent that such Liens secure only the equipment being leased;

(g) Liens securing Indebtedness incurred by any Euronet Entity which becomes a Euronet Entity as a result of an Acquisition;

(h) Easements, rights-of-way, restrictions and other similar charges or encumbrances incurred in the ordinary course of business not interfering in any material respect with Borrower's business or operations;

(i) Options to purchase stock of Borrower under stock-based compensation plans or arrangements in favor of employees of Borrower and non-employee directors of Borrower;

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

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

(l) Liens securing Interest Rate Contracts or other Hedging Agreements permitted under **Section 10.1**;

(m) Liens arising from purchase money indebtedness, so long as such Liens extend only to the assets constructed, expanded, installed, acquired or improved

with such purchase money indebtedness and do not secure any Indebtedness in an amount in excess of such purchase money indebtedness;

(n) Property ownership transfers made for security purposes (Sicherungseigentum), retention of title arrangements (Eigentumsvorbehalt) and assignments of claims, rights and receivables made for security purposes (Sicherungsabtretungen), in each case made in the ordinary course of business;

(o) Any extension, renewal, or replacement, in whole or in part, of any Lien described in the foregoing clauses (a) through (n); provided that any such extension, renewal or replacement shall be no more restrictive in any material respect than the Lien so extended, renewed or replaced;

(p) Cash deposited with banks that participate in any Euronet Entities' ATM network in the ordinary course of business to secure cash contributed by such banks for use in the ATM network and cash deposited with vendors or suppliers of PINs or mobile phone time to any Euronet Entity in the ordinary course of business to secure accounts payable to such vendors or suppliers;

(q) Rights or Liens granted to vendors or suppliers of PINs or on-line mobile or long distance phone time (including, without limitation, telephone operators) in PIN inventory, PIN accounts receivable or restricted cash accounts associated with the purchase or sale of such PINs or phone time including the rights and Liens of mobile operators in the Mobile Network Trust Arrangement;

(r) Pledges of the stock, shares or other equity interests in any entity acquired in an Acquisition permitted by **Section 10.4(e)** to secure Indebtedness permitted by **Section 10.1(k)**; and

(s) Liens to secure up to 19,000,000 Euro of the Indebtedness to Bank of America pursuant to standby letters of credit and Liens on up to an additional 10,000,000 Euro of cash collateral to secure Indebtedness with any Person pursuant to standby letters of credit to secure bank guarantees required by mobile phone operators.

Provided, however, the Liens set forth in subsections (j) through (m) above, and any extensions, renewals, or replacements of such Liens, shall not encumber assets of the Euronet Entities at any time with a value in excess of One Million Dollars (\$1,000,000) in the aggregate; **provided, further** that no Lien otherwise permitted by this **Section 10.2** shall result in the creation or imposition of a Lien on the assets of the Borrower Agent or any of its Subsidiaries that would cause a breach or default under any Convertible Senior Debenture Document or any Convertible Debenture Document.

10.3 Sale and Lease-Back Transactions. Not enter into any arrangement, directly or indirectly, with any person whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred,

provided that Borrower may enter into any sale and lease-back transaction if (a) at the time of such transaction no Default or Event of Default shall have occurred and be continuing, (b) the proceeds from the sale of the subject property shall be at least equal to its fair market value, and (c) the subject property shall have been acquired by the Borrower after the date of this Agreement and held by it for not more than one year or for such longer time as may be agreed to by the Agent. The provisions of this **Section 10.3** shall not apply to a sale and lease back of ATM machines or POS terminals in the ordinary course of business when such sale and leaseback is entered into in connection with an agreement between the Borrower and a customer for the provision of services, such as the outsourced operation of the ATMs or POS terminals or the licensing and maintenance of software for the operation of such ATMs or POS terminals.

10.4 Mergers, Transfers of Assets, Acquisitions. Not merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it; sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) any Assets or any capital stock of the Borrower; or be a party to any Acquisition of another Person or any acquisition of all or substantially all of another Person's assets, other than:

(a) sales of inventory in the ordinary course of business;

(b) the lease of terminal equipment in the ordinary course of business;

(c) the disposition of obsolete or worn-out fixed assets or other property no longer required by or useful to it in connection with the operation of its business;

(d) sales, assignments, transfers or other dispositions of Assets for cash consideration, but only so long as (i) the consideration received by Borrower is not less than fair market value of the Assets sold; and (ii) the cash consideration thereof is used within twelve (12) months to, (A) permanently repay or prepay any then outstanding Obligations, or (B) invest in properties or assets useful in an ATM network business or transaction processing business and which will benefit Borrower;

(e) any Acquisition by the Borrower, so long as Borrower Agent gives Agent thirty (30) days prior written notice of such Acquisition or completion of an Acquisition under an Agreement executed prior to the Closing Date, so long as the Borrower Agent has notified the Agent of such Acquisition prior to the Closing Date. In each case Borrower Agent shall provide to the Agent the following information: pro forma financial statements and projections and a pro forma Compliance Certificate, demonstrating that the Borrower Parties will be, after giving effect to the Acquisition, in compliance with each of the financial covenants set forth in **Article 9** of this Agreement. For purposes of such pro forma financial statements and pro forma Compliance Certificate, to calculate the Borrower Parties' compliance with the financial covenants set forth in **Article 9** hereof, after an acquisition of one hundred percent (100%) of the stock or assets of an Acquired Company, the EBITDA and EBITDAR of the Acquired

Company, based upon pro forma numbers acceptable to the Agent, from its last four rolling quarters may be included to the extent that such numbers reflect cash flow from assets fully transferred to the Borrower as a result of the acquisition of the Acquired Company, with adjustments for any transactions not in the ordinary course of business. If the Borrower acquires less than one hundred percent (100%) of the stock or assets of an Acquired Company, the Agent shall make a good faith determination of what portion, if any, of such Acquired Company's EBITDA and EBITDAR to include in the pro forma financial statements. The Agent may require that any Acquired Company enter into and deliver a Guaranty Agreement in form and substance satisfactory to the Agent; and

(f) issuances of capital stock or treasury stock made in the ordinary course of Borrower's business so long as such issuance or issuances does not result in an Event of Default under **Section 11.1(j)**.

10.5 Creation of Subsidiaries. Not create any Foreign Subsidiaries or U.S. Subsidiaries without the Agent's prior written consent. The Agent may require any such Subsidiaries enter into and deliver a Guaranty Agreement in form and substance satisfactory to the Agent.

10.6 Subsidiary Dividend Restrictions. Not permit any Subsidiary of the Borrower to be bound by or enter into any agreement, amendment, covenant, understanding or revision to any agreement which prohibits or restricts the ability of any such subsidiary to declare and pay dividends or make any other distribution to the Borrower.

10.7 [Intentionally Omitted.]

10.8 Use of Proceeds. Not use any of the proceeds of the Loans (a) for any purpose that entails a violation of, or that is inconsistent with, the provisions of the regulations of the Board of Governors of the Federal Reserve System, including without limitation Regulations T, U and X or (b) to make any Acquisition for which the board of directors of the target company has not given its consent or approval.

10.9 Loans, Advances and Investments. Not make, nor permit any of its Subsidiaries that are Obligor to make, any loans, advances or extensions of credit to, or investments (whether acquisitions of stock or securities or otherwise) in, or acquire any Assets of, any Persons, including, without limitation, any Affiliates of the Borrower or any of its partners, shareholders, officers or employees (collectively, "**Investments**"), other than:

(a) Assets acquired or expenses advanced in the ordinary course of business, including extensions of credit to Borrower's customers in the ordinary course of Borrower's business consistent with past practice;

(b) Investments in short-term obligations issued or fully guaranteed by the U.S. Government and funds comprised of such obligations;

(c) certificates of deposit and other time deposits with, and any other Investment purchased through Bank of America;

(d) commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Investors Service, Inc.;

(e) existing Investments listed on **Schedule 10.9** hereto;

(f) Investments made to acquire Acquisitions permitted under **Section 10.4** above;

(g) Investments of the Borrower in or to any one or more Obligors pursuant to this Agreement;

(h) Investments permitted under **Section 10.1** of this Agreement;

(i) Investments in minority interests in other Persons and Investments for the purchase of tradenames, software or patents not to exceed One Million Dollars (\$1,000,000) in the aggregate, unless otherwise approved in writing by Lender; and

(j) Investments in money market funds governed by Rule 2a-7 of the Investment Company Act of 1940, as amended (each a "**Money Market Fund**").

In no event will any Investment otherwise permitted by this **Section 10.9** result in or cause a breach or default under any Convertible Senior Debenture Document or any Convertible Debenture Document.

10.10 Negative Pledge. Not permit to exist any Lien on any of its property or the property of any other Euronet Entity, except as permitted under **Section 10.2** above. On the request of the Agent, the Borrower will, and the Borrower Agent will cause the other Euronet Entities to, execute acknowledgments or other forms of notice of such negative pledge, and the Agent may record or file the same in the appropriate filing offices.

10.11 Liquidation or Change in Business. Not liquidate, dissolve or discontinue the Borrower or any material business line, materially change its general business purpose or the character of its business, engage in any type of business not reasonably related to its business as conducted on the Closing Date.

10.12 Money Services Business. Not engage in any business, nor permit any other Obligor to engage in any business, that could reasonably be classified as a "Money services business" (as defined in 31 C.F.R. §103.11(uu) as amended, restated or replaced from time to time).

ARTICLE 11
EVENTS OF DEFAULT

11.1 **Events of Default.** Each of the following events shall constitute an Event of Default under this Agreement:

(a) **Misrepresentation.** Any representation or warranty made or deemed made by or on behalf of any Borrower Party to the Agent and the Lenders under or in connection with this Agreement, any Loan, or any certificate or information delivered in connection with this Agreement or any other Loan Document shall be materially false on the date as of which made;

(b) **Nonpayment.** Any Borrower Party shall fail to pay any principal of the Note, any interest upon the Note, any reimbursement obligation respecting any Letter of Credit or any Fee or other Obligations within five (5) Business Days after the same becomes due;

(c) **Non-Performance of Other Covenants.** Any Borrower Party shall fail to perform or comply with any of the terms or provisions of **Article 8** of this Agreement and such failure is not cured within fifteen (15) days or any Borrower Party shall fail to perform or comply with or violates any covenant set forth in **Article 9, Article 10** or any other covenant, term or provision hereof;

(d) **Other Indebtedness.** The failure of any Euronet Entity to make any payment of principal or interest within five (5) Business Days after the same becomes due on any Indebtedness to the Agent, any Lender or any of the Agent's or Lenders' affiliates or subsidiaries (other than Indebtedness relating to the Loans) or with respect to any Indebtedness to any other Person or Persons or any default occurs under any agreement which evidences, secures or relates to, any such Indebtedness;

(e) **Insolvency.** Any Borrower Party shall (i) have an order for relief entered with respect to it under the federal Bankruptcy Code or under any other laws relating to bankruptcy, insolvency, dissolution, winding up, liquidation or reorganization or relief of debtors, (ii) not pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, administrator, examiner, liquidator or similar official for it or any substantial part of its property, (v) institute any proceeding seeking an order for relief under the federal Bankruptcy Code or under any other laws relating to bankruptcy, insolvency, dissolution, winding up, liquidation or reorganization or relief of debtors, (vi) take any corporate action to authorize or effect any of the foregoing actions set forth in this paragraph (e), or (vii) fail to contest in good faith any appointment or proceeding described in paragraph (f) of this **Section 11.1**, or any of the foregoing shall occur with respect to any Euronet Entity (other than the Borrower) which would have a material adverse effect on the business or financial condition of the Borrower or on the Euronet Entities taken as a whole;

(f) **Appointment of Receiver.** Without the application, approval or consent of any Euronet Entity, a receiver, trustee, administrator, examiner, liquidator or similar official shall be appointed for any Euronet Entity or any substantial part of its property, or a proceeding described in clause (v) of paragraph (e) of this **Section 11.1** shall be instituted against any Euronet Entity;

(g) **Judgment.** Any Borrower Party shall fail within forty-five (45) days to pay, bond or otherwise discharge any judgment or order for the payment of money in excess of Seven Hundred Fifty Thousand Dollars (\$750,000) in the aggregate against the Borrower that is not stayed on appeal or otherwise being appropriately contested in good faith;

(h) **ERISA.** Any Reportable Event shall occur in connection with any Defined Benefit Pension Plan adopted or sponsored by any Borrower Party or to which a Borrower Party makes contributions, which occurrence may have a materially adverse effect on such entity's business or financial condition;

(i) **Material Adverse Change.** Upon the occurrence of any event or condition which the Agent, in its reasonable sole discretion, determines is a material adverse change in the business or financial condition of the Borrower or which materially and adversely affects the Borrower's ability to perform its obligations to the Agent and the Lenders; or

(j) **Change of Control.** (i) Except as permitted by **Section 10.4**, any Change of Control of any U.S. Subsidiary of the Borrower or any Obligor, or any acquisition by a third-party of more than fifty percent (50%) of the ownership or voting capital of Borrower Agent or (ii) a "Change of Control" as defined in the Convertible Senior Debenture Indenture shall have occurred, or (iii) a change of control or substantively similar concept as provided in any Convertible Debenture Document shall have occurred.

(k) **Other Credit Agreements.** Any "Event of Default" shall have occurred pursuant to the US Credit Agreement or the Euro Credit Agreement.

11.2 Rights and Remedies. Upon the occurrence of each and every Event of Default (other than an event described in **paragraphs (e), (f) or (k)** of **Section 11.1** above and, in the case of an event described in **paragraph (k)** of **Section 11.1**, the effect of such event is to accelerate the maturity of any Indebtedness pursuant to the US Credit Agreement or the Euro Credit Agreement), and at any time thereafter during the continuance of such event, the Agent may (and shall at the instruction of the Required Lenders), by notice to the Borrower Agent, take either or both of the following actions, at the same or different times: (i) terminate forthwith the Commitment and (ii) declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with all accrued interest thereon and all other Obligations shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower or the Borrower Agent on its behalf, anything

contained herein or in any other Loan Document to the contrary notwithstanding; and in the case of any event described in **paragraphs (e), (f) or (k)** of **Section 11.1** above and, in the case of an event described in **paragraph (k)** of **Section 11.1**, the effect of such event is to accelerate the maturity of any Indebtedness pursuant to the US Credit Agreement or the Euro Credit Agreement, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with all accrued interest thereon and all other Obligations shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower or the Borrower Agent on its behalf, anything contained herein or in any other Loan Document to the contrary notwithstanding.

Upon the occurrence and during the continuance of any Event of Default, the Agent may also exercise any or all of its rights and remedies, whether existing under this Agreement, other Loan Documents, applicable law or otherwise.

ARTICLE 12

AGENT

12.1 Appointment and Authority. Each of the Lenders and the L/C Issuer hereby irrevocably appoints Bank of America to act on its behalf as the Agent hereunder and under the other Loan Documents and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Agent, the Lenders and the L/C Issuer, and neither the Borrower nor any other Obligor shall have rights as a third party beneficiary of any of such provisions.

12.2 Rights as a Lender. The Person serving as the Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower Parties or any Subsidiary or other Affiliate thereof as if such Person were not the Agent hereunder and without any duty to account therefor to the Lenders.

12.3 Exculpatory Provisions. The Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Agent is required to

exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Agent to liability or that is contrary to any Loan Document or applicable law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower Parties or any of its Affiliates that is communicated to or obtained by the Person serving as the Agent or any of its Affiliates in any capacity.

The Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Agent shall believe in good faith shall be necessary, under the circumstances as provided in **Sections 13.9 and 11.2**) or (ii) in the absence of its own gross negligence or willful misconduct. The Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Agent by the Borrower, the Borrower Agent, a Lender or the L/C Issuer.

The Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in **Article 6** or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agent.

12.4 Reliance by Agent. The Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the L/C Issuer, the Agent may presume that such condition is satisfactory to such Lender or the L/C Issuer unless the Agent shall have received notice to the contrary from such Lender or the L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

12.5 Delegation of Duties. The Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Agent. The Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent.

12.6 Resignation of Agent. (a) The Agent may at any time give notice of its resignation to the Lenders, the L/C Issuer and the Borrower Agent. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower Agent, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may on behalf of the Lenders and the L/C Issuer, appoint a successor Agent meeting the qualifications set forth above; provided that if the Agent shall notify the Borrower Agent and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Agent on behalf of the Lenders or the L/C Issuer under any of the Loan Documents, the retiring Agent shall continue to hold such collateral security until such time as a successor Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Agent shall instead be made by or to each Lender and the L/C Issuer directly, until such time as the Required Lenders appoint a successor Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Agent, and the retiring Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower or Borrower Agent to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and **Section 13.6** shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Agent was acting as Agent.

(b) Any resignation by Bank of America as Agent pursuant to this Section shall also constitute its resignation as L/C Issuer. In the event of any such resignation as L/C Issuer, the Borrower shall be entitled to appoint from among the Lenders a successor L/C Issuer hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of Bank of America as L/C Issuer, as the case may be. Upon the acceptance of a successor's appointment as Agent hereunder, (a) such successor shall succeed to and become vested with all of the

rights, powers, privileges and duties of the retiring L/C Issuer, (b) the retiring L/C Issuer shall be discharged from all of its respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangement satisfactory to the retiring L/C Issuer to effectively assume the obligations of the retiring L/C Issuer with respect to such Letters of Credit.

12.7 Non-Reliance on Agent and Other Lenders. Each Lender and the L/C Issuer acknowledges that it has, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the L/C Issuer also acknowledges that it will, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

12.8 Agent May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Borrower Party or other Obligor, the Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Agent shall have made any demand on the Borrower Parties) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuer and the Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuer and the Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuer and the Agent under **Section 13.6**) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the L/C Issuer to make such payments to the Agent and, in the event that the Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuer, to pay to the Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agent and its agents and counsel, and any other amounts due the Agent under **Section 13.6**.

Nothing contained herein shall be deemed to authorize the Agent to authorize or consent to or accept or adopt on behalf of any Lender or the L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Agent to vote in respect of the claim of any Lender in any such proceeding.

12.9 Collateral and Guaranty Matters. The Lenders and the L/C Issuer irrevocably authorize the Agent, at its option and in its discretion,

(a) to release any Lien on any property granted to or held by the Agent under any Loan Document (i) upon termination of the Commitments and payment in full of all Obligations (other than contingent indemnification obligations) and the expiration or termination of all Letters of Credit, (ii) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Loan Document, or (iii) subject to **Section 13.9**, if approved, authorized or ratified in writing by the Required Lenders; and

(b) to subordinate any Lien on any property granted to or held by the Agent under any Loan Document to the holder of any Lien on such property that is permitted by **Section 10.2**.

Upon request by the Agent at any time, the Required Lenders will confirm in writing the Agent's authority to release or subordinate its interest in particular types or items of property pursuant to this **Section 12.9**.

ARTICLE 13 MISCELLANEOUS

13.1 Notices. Notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed or sent by telecopy or other telegraphic communications equipment of the sending party, as follows:

(a) if to Borrower Agent or the Borrower, to it c/o Euronet Worldwide, Inc. at 4601 College Boulevard, Suite 300, Leawood, Kansas 66211 (Facsimile: 913-327-1921) or in the case of Borrower also as follows: Euronet Services India Pvt., Ltd. , North Quadrant, II Floor , IL&FS Financial Center , BKC, Bandra East, Mumbai — 400 051 (Tel: +91 — 22 — 3064 7040 and Fax: +91 — 22 — 2653 3103);

(b) if to the Agent, to Bank of America, N.A., Mumbai branch, Express Towers, Nariman Point, Mumbai 400021 India, attention – Loan Servicing Department, (Telephone: +91-22-5632-3064, +91-22-5632-3048);

or to such other address or telecopy number as any party may direct by notice given as provided in this **Section 13.1**. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt if delivered by hand or overnight courier service or sent by telecopy or other telegraphic communications equipment of the sender, if received on or before 5:00 p.m., local time of the recipient, on a Business Day, or on the next Business

Day if received after 5:00 p.m. on a Business Day or on a day that is not a Business Day, or on the date five (5) Business Days after dispatch by certified or registered mail if mailed, in each case delivered, sent or mailed (properly addressed) to such party as provided in this **Section 13.1** or in accordance with the latest unrevoked direction from such party given in accordance with this **Section 13.1**.

13.2 [Intentionally Omitted.]

13.3 Survival of Agreement. All covenants, agreements, representations and warranties made by the Borrower Parties herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Agent and the Lenders and shall survive the making by the Lenders of the Loans and the execution and delivery to the Lenders of the Notes, regardless of any investigation made by the Agent of the Lenders or on its behalf, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any other Obligations are outstanding.

13.4 Binding Effect. This Agreement shall become effective when it shall have been executed by the Borrower Agent, the Borrower, the Agent and the Lenders and thereafter shall be binding upon and inure to the benefit of the Borrower Agent, the Borrower, the Agent, the Lenders and their respective successors and permitted assigns, except that neither the Borrower Agent nor the Borrower shall have the right to assign or delegate any of their respective rights or duties hereunder or any interest herein without the prior written consent of the Agent.

13.5 Successors and Assigns; Participations. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Borrower nor any other Obligor may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of subsection (b) of this **Section 13.5**, (ii) by way of participation in accordance with the provisions of subsection (d) of this **Section 13.5**, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this **Section 13.5** (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in **Section 13.5(d)** and, to the extent expressly contemplated hereby, the Related Parties of each of the Agent, the L/C Issuer and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) **Assignments by Lenders.** Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans (including for

purposes of this **Section 13.5(b)**, participations in L/C Obligations) at the time owing to it); provided that

(i) except in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$5,000,000 unless each of the Agent and, so long as no Event of Default has occurred and is continuing, the Borrower Agent otherwise consents (each such consent not to be unreasonably withheld or delayed);

(ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned;

(iii) any assignment of a Commitment must be approved by the Agent and the L/C Issuer unless the Person that is the proposed assignee is itself a Lender (whether or not the proposed assignee would otherwise qualify as an Eligible Assignee);

(iv) the parties to each assignment shall execute and deliver to the Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500, and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Agent a questionnaire in the form provided by the Agent; and

(v) so long as no Default or Event of Default has occurred and continuing, there shall be no more than three (3) Lenders party to the Credit Agreement at any time without the consent of the Borrower Agent (such consent not to be unreasonably withheld or delayed).

Subject to acceptance and recording thereof by the Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of **Sections 3.5, 5.2 and 13.6** with respect to facts and circumstances occurring prior to the effective date of such assignment. Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply

with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) **Register.** The Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at the Agent's principal office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive, and the Borrower, the Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower Parties and the L/C Issuer at any reasonable time and from time to time upon reasonable prior notice. In addition, at any time that a request for a consent for a material or substantive change to the Loan Documents is pending, any Lender wishing to consult with other Lenders in connection therewith may request and receive from the Agent a copy of the Register.

(d) **Participations.** Any Lender may at any time, without the consent of, or notice to, the Borrower or the Agent, sell participations to any Person (other than a natural person or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Agent, the Lenders and the L/C Issuer shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification requiring the consent of all Lenders or the Lenders affected thereby, that affects such Participant. Subject to subsection (e) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of **Section 5.2** to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of **Section 13.7** as though it were a Lender.

(e) **Limitations upon Participant Rights.** A Participant shall not be entitled to receive any greater payment under **Section 5.2** than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the

Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of **Section 4.5(b)** unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with **Section 4.6** as though it were a Lender.

(f) **Certain Pledges.** Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) **Electronic Execution of Assignments.** The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(h) **Resignation as L/C Issuer after Assignment.** Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Commitments and Loans pursuant to **Section 13.5(b)** above, Bank of America may, upon 30 days' notice to the Borrower Agent and the Lenders, resign as L/C Issuer. In the event of any such resignation as L/C Issuer, the Borrower shall be entitled to appoint from among the Lenders a successor L/C Issuer hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of Bank of America as L/C Issuer, as the case may be. If Bank of America resigns as L/C Issuer, it shall retain all the rights and obligations of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Prime Lending Rate Loans or fund risk participations in Unreimbursed Amounts).

13.6 Expenses; Indemnity.

(a) The Borrower agrees to pay all out-of-pocket expenses reasonably incurred by the Lenders and the Agent in connection with the preparation of this Agreement and the other Loan Documents or in connection with any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions hereby contemplated shall be consummated) or incurred by the Agent and the Lenders in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents or in connection with the Loans made or the Note issued hereunder, including, but not limited to, all appraisal fees (equipment or otherwise), filing fees and search fees, the fees, charges and disbursements of Lathrop & Gage L.C., counsel for the Agent, and, in connection with any such

amendment, modification or waiver or any such enforcement or protection, the fees, charges and disbursements of any other counsel for the Agent or the Lenders. The Borrower further agrees that it shall indemnify the Agent and the Lenders from and hold it harmless against any documentary taxes, assessments or charges made by any Governmental Authority by reason of the Loans or this Agreement or any of the other Loan Documents other than taxes on the income of the Agent or any Lender.

(b) The Borrower agrees to indemnify the Agent and each Lender and their respective directors, officers, employees and agents (each such person being called an **"Indemnitee"**) against, and to hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable counsel fees, charges and disbursements, incurred by or asserted against any Indemnitee arising out of, in any way connected with, or as a result of (i) the execution or delivery of this Agreement or any other Loan Document or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder or the consummation of the transactions contemplated thereby, (ii) the making of any Loans or the use of the proceeds of the Loans or (iii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto (each an **"Indemnified Claim"**); provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (i) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the negligence or willful misconduct of such Indemnitee and (ii) have not, in whole or in part, arisen out of or resulted from any act, or omission to act, of any Borrower Party or any of their Affiliates.

(c) The provisions of this **Section 13.6** shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document or any investigation made by or on behalf of the Agent or any Lender. All amounts due under this **Section 13.6** shall be payable on written demand therefor.

13.7 Right of Setoff. If an Event of Default shall have occurred and be continuing, the Agent and each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Agent or any such Lender to or for the credit or the account of the Borrower Agent or the Borrower against any and all of the Obligations, irrespective of whether or not the Agent or such Lender shall have made any demand under this Agreement or such other Loan Document and notwithstanding that such Obligations may be unmatured. The rights of the Agent and the Lenders under this **Section 13.7** are in addition to other rights and remedies (including other rights of setoff) which the Agent of the Lenders may have.

13.8 Applicable Law. This Agreement and the other Loan Documents, except as otherwise expressly provided in such other Loan Documents, shall be governed by and

construed and enforced under and in accordance with the laws of the State of Missouri applicable to contracts made and to be performed wholly within said state, without giving effect to choice of law or conflict of law principles.

13.9 Waivers; Amendment. (a) No failure or delay of the Agent or any Lender in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agent and each Lender hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies which the Agent or the Lenders would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by any Borrower Party therefrom shall in any event be effective unless the same shall be contained in a written instrument signed by the Agent and the Required Lender, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any Borrower Party in any case shall entitle Borrower Parties to any other or further notice or demand in similar or other circumstances. Notwithstanding the foregoing:

(i) without the prior written consent of Agent, no amendment or waiver shall be effective with respect to any provision in any of the Loan Documents (including **Section 12**) to the extent such provision relates to the rights, duties, immunities or discretion of Agent;

(ii) without the prior written consent of all Lenders, no waiver of any Default or Event of Default shall be effective if the Default or Event of Default relates to either any Borrower Party's failure to observe or perform any covenant that may not be amended without the unanimous written consent of Lenders (and, where so provided hereinafter, the written consent of Agent) as hereinafter set forth in this Section 13.9; and

(iii) written agreement of all Lenders (except a defaulting Lender) shall be required to effectuate any amendment, modification or waiver that would:

A. increase or extend the Commitment of any Lender;

B. postpone or delay any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document;

C. reduce the principal of, or the rate of interest specified herein on any Loan, or any fees or other amounts payable hereunder or under any other Loan Document;

D. change the percentage of the Commitments or of the aggregate unpaid principal amount of the Revolving Loans which is required for the Lenders or any of them to take any action hereunder; provided that **Schedule E-1** hereto (Revolving Commitments) may be amended from time to time by Agent alone to reflect assignments of Commitments in accordance herewith so long as the total of the Commitments is not modified except as otherwise permitted hereunder;

E. amend this Section or any provision of this Agreement providing for consent or other action by all Lenders;

F. release Collateral other than as expressly permitted by this Agreement; or

G. change the definitions "Required Lenders";

(iv) without the prior written consent of the L/C Issuer, no amendment or waiver with respect to the provisions of **Sections 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, 2.11, 2.12, 2.13, 2.14, and 2.15** shall be effective;

If any fees are paid to the Lenders as consideration for amendments, waivers or consents with respect to this Agreement, at Agent's election, such fees may be paid only to those Lenders that agree to such amendments, waivers or consents within the time specified for submission thereof.

(b) If, in connection with any proposed amendment, waiver or consent (a "**Proposed Change**") requiring the consent of all Lenders, the consent of Required Lenders is obtained, but the consent of other Lenders is not obtained (any such Lenders whose consent is not obtained a "**Non-Consenting Lender**") then, so long as the Agent is not a Non-Consenting Lender, at the Borrower Agent's request, an Eligible Assignee selected by the Borrower Agent or otherwise shall have the right (but not the obligation) with the Agent's approval, to purchase from the Non-Consenting Lenders, and the Non-Consenting Lenders agree that they shall sell, all the Non-Consenting Lenders' Commitments for an amount equal to the principal balances thereof and all accrued interest and fees with respect thereto through the date of sale pursuant to an assignment and acceptance agreement, without premium or discount.

13.10 Suretyship Waivers. The Borrower hereby expressly waives (a) diligence, presentment, demand for payment, protest, benefit of any statute of limitations affecting the Borrower's liability under this Agreement or the Loan Documents; (b) discharge due to any disability of any Obligor; (c) any defenses of the Borrower to obligations under this Agreement or the Loan Documents not arising under the express terms of this Agreement or the Loan Documents or from a material breach thereof by Agent or the Lenders which under applicable law has the effect of discharging any Obligor from the obligations as to which any Loan Document is sought to be enforced;

(d) the benefit of any act or omission by Agent or the Lenders which directly or indirectly results in or aids the discharge of any Obligor from any of the Obligations by operation of law or otherwise; (e) except as expressly provided herein, all notices whatsoever, including, without limitation, notice of acceptance of the incurring of the Indebtedness; (f) any right it may have to require the Agent or the Lenders to disclose to it any information that the Agent or the Lenders may now or hereafter acquire concerning the financial condition or any circumstance that bears on the risk of nonpayment by any Obligor, including, without limitation, the release of any such Obligor from the Indebtedness; and (g) any requirement that the Agent or the Lenders exhaust any right, power or remedy or proceed against any Obligor or any other security for, or any guarantor of, or any other party liable for, any of the Indebtedness, or any portion thereof. The Borrower specifically agrees that it shall not be necessary or required, and the Borrower shall not be entitled to require, that the Agent or the Lenders (i) file suit or proceed to assert or obtain a claim for personal judgment against any Obligor for all or any part of the Indebtedness; (ii) make any effort at collection or enforcement of all or any part of the Obligations from any Obligor; (iii) foreclose against or seek to realize upon any security now or hereafter existing for all or any part of the Indebtedness; (iv) file suit or proceed to obtain or assert a claim for personal judgment against any Obligor or other party liable for all or any part of the Indebtedness; (v) exercise or assert any other right or remedy to which the Agent or any Lender is or may be entitled in connection with the Obligations or any security or guaranty relating thereto to assert; or (vi) file any claim against assets of one Obligor before or as a condition of enforcing the liability of any other Obligor under this Agreement or the Loan Documents.

Without limiting the foregoing in any way, the Borrower hereby irrevocably waives and releases:

(a) Any and all rights it may have at any time (whether arising directly or indirectly, by operation of law, contract or otherwise) to require the marshaling of any assets of the Borrower, which right of marshaling might otherwise arise from any such payments made or Obligations performed;

(b) Until such time as the Obligations have been satisfied in full, any and all rights that would result in the Borrower being deemed a "Creditor" under the United States Bankruptcy Code of any Obligor or any other person, on account of payments made or Obligations performed by the Borrower; and

(c) Until such time as the Obligations have been satisfied in full, any claim, right or remedy which it may now have or hereafter acquire against any Obligor that arises hereunder and/or from the performance by it hereunder including, without limitation, any claim, remedy or right of subrogation, reimbursement, exoneration, contribution, indemnification or participation in any claim, right or remedy of the Agent or any Lender against any Obligor or any collateral security which the Agent or any Lender now has or may hereafter acquire, whether or not such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise.

13.11 Interest Rate Limitation. Notwithstanding anything herein or in the Note to the contrary, if at any time the applicable interest rate, together with all fees and charges which are treated as interest under applicable law (collectively the “**Charges**”), as provided for herein or in any other document executed in connection herewith, or otherwise contracted for, charged, received, taken or reserved by the Agent or the Lenders, shall exceed the maximum lawful rate (the “**Maximum Rate**”) which may be contracted for, charged, taken, received or reserved by the Agent or the Lenders in accordance with applicable law, the rate of interest payable under the Note, together with all Charges payable to the Agent or the Lenders, shall be limited to the Maximum Rate.

13.12 Entire Agreement. This Agreement and the other Loan Documents constitute the entire contract between the parties relative to the subject matter hereof. Any previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement and the other Loan Documents. Nothing in this Agreement or in the other Loan Documents, expressed or implied, is intended to confer upon any party other than the parties hereto and thereto any rights, remedies, obligations or liabilities under or by reason of this Agreement or the other Loan Documents.

13.13 Severability. In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

13.14 Counterparts. This Agreement may be executed in two or more counterparts, all of which when taken together shall constitute but one contract, and shall become effective as provided in **Section 13.4**.

13.15 Headings. Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

13.16 Jurisdiction; Consent to Service of Process.

(a) Each Borrower Party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any Missouri state court or the federal court for the Western District of Missouri, any appellate court from any thereof, in any action or proceeding brought by the Lenders to obtain provisional or ancillary remedies described in **Section 13.20(b)**. Nothing in this Agreement shall affect any right that the Agent or the Lenders may otherwise have to bring any action or proceeding to obtain any such provisional or ancillary remedy in the courts of any jurisdiction. For the avoidance of doubt, the parties hereto hereby acknowledge and confirm that all Claims (as defined in **Section 13.20**) between or among the parties hereto shall be determined by binding arbitration in accordance with the provisions of **Section 13.20**.

(b) Each Borrower Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any action or proceeding to obtain any provisional or ancillary remedies described in **Section 13.20(b)** in any Missouri state court or federal court for the Western District of Missouri. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in **Section 13.1**. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

13.17 Terms Generally. The definitions contained in this Agreement and in **Exhibit 1** hereto shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time, provided, however, that, for purposes of determining compliance with any covenant set forth in **Article 9**, such terms shall be construed in accordance with GAAP as in effect on the date of this Agreement applied on a basis consistent with the application used in preparing the Borrower Parties’ financial statements referred to in **Article 9**.

13.18 English Language.

(a) Any notice given under or in connection with any Loan Document must be in English.

(b) All other documents provided under or in connection with any Loan Document must be:

(i) in English; or

(ii) if not in English, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

13.19 USA PATRIOT Act Notice. Each Lender that is subject to the USA Patriot Act and the Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “**US Patriot Act**”), it is required to obtain, verify and record information that identifies the Borrower, which information

includes the name and address of the Borrower and other information that will allow such Lender or the Agent, as applicable, to identify the Borrower in accordance with the Act.

13.20 **ARBITRATION.** EXCEPT AS SET OUT BELOW, ANY CONTROVERSY OR CLAIM BETWEEN OR AMONG THE PARTIES HERETO, INCLUDING BUT NOT LIMITED TO THOSE ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY RELATED DOCUMENTS, INCLUDING ANY CLAIM BASED ON OR ARISING FROM AN ALLEGED TORT (COLLECTIVELY, "CLAIM"), SHALL BE DETERMINED BY BINDING ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT (OR IF NOT APPLICABLE, THE APPLICABLE STATE LAW), THE RULES OF PRACTICE AND PROCEDURE FOR THE ARBITRATION OF COMMERCIAL DISPUTES OF J.A.M.S./ENDISPUTE OR ANY SUCCESSOR THEREOF ("J.A.M.S."), AND THE "SPECIAL RULES" SET FORTH BELOW. IN THE EVENT OF ANY INCONSISTENCY, THE SPECIAL RULES SHALL CONTROL. JUDGMENT UPON ANY ARBITRATION AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. ANY PARTY TO THIS AGREEMENT MAY BRING AN ACTION, INCLUDING A SUMMARY OR EXPEDITED PROCEEDING, TO COMPEL ARBITRATION OF ANY CLAIM IN ANY COURT HAVING JURISDICTION OVER SUCH ACTION. THE INSTITUTION AND MAINTENANCE OF AN ACTION FOR ANY SUCH JUDICIAL RELIEF SHALL NOT CONSTITUTE A WAIVER OF THE RIGHT OF ANY PARTY, INCLUDING THE PLAINTIFF, TO SUBMIT THE CLAIM TO ARBITRATION IF ANY OTHER PARTY CONTESTS SUCH ACTION FOR JUDICIAL RELIEF.

(a) **SPECIAL RULES.** ANY ARBITRATION SHALL BE CONDUCTED IN THE COUNTY OF BORROWER AGENT'S DOMICILE AT THE TIME OF THE EXECUTION OF THIS AGREEMENT, OR IF THERE IS REAL OR PERSONAL PROPERTY COLLATERAL, IN THE COUNTY WHERE SUCH REAL OR PERSONAL PROPERTY IS LOCATED, AND ADMINISTERED BY J.A.M.S. WHO WILL APPOINT AN ARBITRATOR; IF J.A.M.S. IS UNABLE OR LEGALLY PRECLUDED FROM ADMINISTERING THE ARBITRATION, THEN THE AMERICAN ARBITRATION ASSOCIATION WILL SERVE. ALL ARBITRATION HEARINGS WILL BE COMMENCED WITHIN 90 DAYS OF THE DEMAND FOR ARBITRATION; FURTHER, THE ARBITRATION SHALL ONLY, UPON A SHOWING OF CAUSE, BE PERMITTED TO EXTEND THE COMMENCEMENT OF SUCH HEARING FOR UP TO AN ADDITIONAL 60 DAYS. ANY DISPUTE CONCERNING THIS ARBITRATION PROVISION OR WHETHER A CLAIM IS ARBITRABLE SHALL BE DETERMINED BY THE ARBITRATOR. THE ARBITRATOR SHALL HAVE THE POWER TO AWARD LEGAL FEES PURSUANT TO THE TERMS OF THIS AGREEMENT. The parties agree that the arbitration award shall be foreign award within the meaning of the Indian Arbitration and Conciliation Act, 1996 (the "Act") and that either party may enforce the award against the other party in India in accordance with the provisions of the Act. It is further agreed by and between the parties that Part I of the Act shall not apply to the Borrower Parties in case of any arbitration held in accordance with the terms of this clause. The parties further agree that the Borrower Parties shall not approach the courts of law in India and

the courts of law in India by virtue of this clause shall not have jurisdiction to grant interim injunctions on an application made by the Borrower Parties under section 9 of the Act.

(b) **RESERVATION OF RIGHTS.** NOTHING IN THIS ARBITRATION PROVISION SHALL BE DEEMED TO (I) LIMIT THE APPLICABILITY OF ANY OTHERWISE APPLICABLE STATUTES OF LIMITATION OR REPOSE AND ANY WAIVERS CONTAINED IN THIS AGREEMENT; OR (II) BE A WAIVER BY BANK OF THE PROTECTION AFFORDED TO IT BY 12 U.S.C. SEC. 91 OR ANY SUBSTANTIALLY EQUIVALENT STATE LAW; OR (III) LIMIT THE RIGHT OF ANY PARTY HERETO (A) TO EXERCISE SELF HELP REMEDIES SUCH AS (BUT NOT LIMITED TO) SETOFF, OR (B) TO FORECLOSE AGAINST OR SELL ANY REAL OR PERSONAL PROPERTY OR COLLATERAL, OR (C) TO OBTAIN FROM A COURT PROVISIONAL OR ANCILLARY REMEDIES SUCH AS (BUT NOT LIMITED TO) INJUNCTIVE RELIEF, WRIT OF POSSESSION OR THE APPOINTMENT OF A RECEIVER, ANY PARTY MAY EXERCISE SUCH SELF HELP RIGHTS, FORECLOSE OR SELL COLLATERAL OR OBTAIN SUCH PROVISIONAL OR ANCILLARY REMEDIES BEFORE, DURING OR AFTER THE PENDENCY OF ANY ARBITRATION PROCEEDING BROUGHT PURSUANT TO THIS AGREEMENT. NONE OF THESE ACTIONS SHALL CONSTITUTE A WAIVER OF THE RIGHT OF ANY PARTY, INCLUDING THE CLAIMANT IN ANY SUCH ACTION, TO ARBITRATE THE MERITS OF THE CLAIM OCCASIONING RESORT TO SUCH REMEDIES OR PROCEDURES.

(c) **WAIVER OF CERTAIN DAMAGES.** THE PARTIES HERETO WAIVE ANY RIGHT OR REMEDY EITHER MAY HAVE AGAINST THE OTHER TO RECOVER PUNITIVE OR EXEMPLARY DAMAGES ARISING OUT OF ANY CLAIM WHETHER THE CLAIM IS RESOLVED BY ARBITRATION OR BY JUDICIAL ACTION.

ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. TO PROTECT YOU (BORROWER) AND US (CREDITOR) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

THIS DOCUMENT, TOGETHER WITH OTHER WRITTEN AGREEMENTS BETWEEN BORROWER AND BANK OF AMERICA, N.A., IS THE FINAL EXPRESSION OF THE CREDIT AGREEMENT BETWEEN SUCH PARTIES. THIS DOCUMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR OR CONTEMPORANEOUS ORAL CREDIT AGREEMENTS OR

PRIOR WRITTEN CREDIT AGREEMENTS BETWEEN SUCH PARTIES RELATING TO THE SUBJECT MATTER HEREOF. ANY ADDITIONAL TERMS OF THE CREDIT AGREEMENT BETWEEN SUCH PARTIES ARE SET FORTH BELOW.

THERE ARE NO SUCH ORAL AGREEMENTS BETWEEN SUCH PARTIES.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement on the _____ day of _____, 2006, by their duly authorized officers, effective for all purposes as of _____, 2006.

THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

BORROWER AGENT:

EURONET WORLDWIDE, INC.,
a Delaware corporation

By: /s/ Rick Weller

Name: Rick Weller

Title: EVP & CFO

BORROWER

EURONET SERVICES INDIA PVT LTD,
a company organized under the laws of India

By: /s/ Jeff Newman

Name: Jeff Newman

Title: Director

Signature Page to Euronet Rupee Credit Agreement

AGENT AND LENDER

BANK OF AMERICA, N.A., a national
banking association

By: /s/ John Mills

Name: John P. Mills

Title: Vice President

Signature Page to Euronet Rupee Credit Agreement

EXHIBIT 1
DEFINITIONS

For purposes of said Credit Agreement, the following terms shall have the meanings specified below:

“**Acquired Company**” shall mean any company acquired (in whole or in part) pursuant to **Section 10.4(e)**.

“**Acquisition**” shall mean any transaction, or any series of related transactions, consummated after the date of this Agreement, by which the Borrower (in one transaction or as the most recent transaction in a series of transactions) (i) acquires any going business or all or substantially all of the assets of any Person (including, in the case of a corporation, any division thereof), whether through purchase of assets, merger or otherwise, (ii) directly or indirectly acquires control of at least a majority (in number of votes) of the securities of a corporation which have voting power for the election of directors, or (iii) directly or indirectly acquires control of a majority ownership interest in any partnership or joint venture.

“**Affiliate**” shall mean, when used with respect to a specified person, another person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the person specified and in any case shall include, when used with respect to the Borrower, any joint venture in which the Borrower holds an equity interest.

“**Agent**” is defined in the preamble to this Agreement.

“**Agent’s Spot Rate of Exchange**” means the Agent’s spot rate of exchange for the purchase of the Funding Currency with the Base Currency in the London foreign exchange market at or about 11:00 a.m. on a particular day.

“**Agreement**” or “**Credit Agreement**” shall mean this Agreement, together with all exhibits and schedules hereto, as it may be amended from time to time.

“**Applicable Margin**” shall mean the percentage set forth below opposite the applicable Consolidated Senior Funded Debt/EBITDA Ratio calculated and adjusted on the first day of the month following the receipt by the Agent of each quarterly Compliance Certificate; any change in the “Applicable Margin” shall be effective with respect to any MIBOR Rate Loan, any Prime Lending Rate Loan, any unused commitment fee and any Letter of Credit Fee on or after each such date.

If the Euronet Entities' Consolidated Senior Funded Debt / EBITDA Ratio is	MIBOR Rate Loans	Prime Lending Rate Loans	Unused Commitment Fee	Letter of Credit Fee
greater than 2.50:1.00	2.50%	.25%	.25%	1.75%
less than or equal to 2.50:1.00, but greater than 2.00:1.00	2.25%	0%	.25%	1.75%
less than or equal to 2.00:1.00, but greater than 1.50:1.00	1.75%	0%	.20%	1.75%
less than or equal to 1.50:1.00, but greater than 1.00:1.00	1.25%	0%	.20%	1.75%
less than or equal to 1.00: 1.00	1.00%	0%	.15%	1.75%

Notwithstanding anything in this definition to the contrary, the Borrower must maintain a Consolidated Senior Funded Debt Ratio in accordance with **Section 9.1** or pay interest at the Default Rate in accordance with **Section 4.3(b)**.

“**Approved Fund**” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“**Assets**” shall mean all assets which, under GAAP, would appear as assets on the balance sheet of a Borrower Party.

“**Assignment and Assumption**” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by **Section 13.5(b)**), and accepted by the Agent, in form and substance approved by the Agent.

“**Bank of America**” is defined in the preamble to this Agreement.

“**Base Currency**” means lawful money of the United States.

“**Borrower**” is defined in the preamble to this Agreement.

“**Borrower Agent**” is defined in **Section 4.9** of this Agreement.

“**Borrower EBITDA**” shall mean, for any period, operating income *plus* depreciation *plus* amortization *plus*, upon the request of the Borrower with the prior consent of the Agent, certain one-time, non-cash charges included in operating income.

“**Borrower Parties**” shall mean the Borrower and the Borrower Agent.

“**Business Day**” shall mean any day (other than a day which is a Saturday, Sunday or legal holiday in the jurisdiction in which the Agent’s principal office is located) on which banks in the jurisdiction in which the Agent’s principal office is located are open for business, and in relation to any date for payment or purchase of Rupees, any day on which banks in Mumbai, India are open for business.

“**Calculation Date**” is defined in **Section 3.3** of this Agreement.

“**Capital Expenditures**” shall mean, without duplication, (i) expenditures (whether paid in cash or accrued as a liability) for fixed assets, tooling, plant and equipment (including without limitation the incurrence of Capital Lease Obligations), and (ii) any other expenditures that would be classified as capital expenditures under GAAP. Capital Expenditures shall not include the amount of consideration paid or any monetary obligation incurred in respect of the purchase price for any Acquisition.

“**Capital Lease Obligations**” shall mean, as to any Person, the obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) real or personal property which obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP; and, for purposes of this Agreement, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP.

“**Cash Collateral**” is defined in **Section 2.10** of this Agreement.

“**Cash Collateral Account**” shall mean a demand deposit, money market or other account established by Agent at such financial institution as Agent may select in its discretion, which account shall be in Agent’s name and subject to Agent’s Liens for the Pro Rata benefit of the Lenders.

“**Cash Collateralize**” is defined in **Section 2.10** of this Agreement.

“**CERCLA**” shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986.

“**Charges**” is defined in **Section 13.11** of this Agreement.

“**Closing Date**” shall mean May 26, 2006.

“**Code**” shall mean the Internal Revenue Code of 1986, as the same may be amended from time to time.

“**Collateral**” shall mean the any property of any Obligor that is subject to a security interest or other Lien granted pursuant to any Loan Document.

“**Commitment**” shall mean each Lender’s Revolving Credit Commitments.

“**Compliance Certificate**” is defined in **Section 8.4(d)** of this Agreement.

“**Consolidated EBITDA,**” and “**Consolidated Fixed Charge Coverage Ratio,**” are defined in **Article 9** of this Agreement.

“**Consolidated Senior Funded Debt/EBITDA Ratio,**” and “**Consolidated Total Funded Debt/EBITDA Ratio**” are defined in **Article 9** of this Agreement.

“**Control**” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by contract or otherwise, and “**Controlling**” and “**Controlled**” shall have meanings correlative thereto.

“**Convertible Debenture Indenture**” shall mean the Indenture between the Borrower Agent, and US Bank National Association, as trustee with respect to the Convertible Debentures, as the same may be amended, restated, supplemented or otherwise modified in accordance with the terms of this Agreement.

“**Convertible Debentures**” shall mean the convertible debentures issued by the Borrower Agent, at any time or from time to time, in the maximum aggregate principal amount not to exceed \$175,000,000, that are expressly subordinated to the Obligations pursuant to this Agreement and the “Obligations” pursuant to the US Credit Agreement, in each case as the same may be amended, restated, supplemented or otherwise modified in accordance with the terms of this Agreement. “Convertible Debentures” do not include the “Convertible Senior Debentures”.

“**Convertible Debenture Documents**” shall mean the Convertible Debenture Indenture and the Convertible Debentures.

“**Convertible Senior Debenture Indenture**” shall mean that certain Indenture between the Borrower Agent and U.S. Bank National Association, as Trustee, dated as of December 15, 2004, as the same may be amended, restated, supplemented or otherwise modified in accordance with the terms of this Agreement.

“**Convertible Senior Debentures**” shall mean the Convertible Senior Debentures issued by the Borrower Agent pursuant to the Convertible Senior Debenture Indenture, in the maximum aggregate principal amount not to exceed \$125,000,000 (or such greater amount to the extent the initial purchaser’s option to purchase additional Convertible Senior Debentures is exercised in accordance with its terms, **provided** that such amount shall not exceed \$140,000,000), as the same may be amended, restated, supplemented or otherwise modified in accordance with the terms of this Agreement.

“**Convertible Senior Debenture Documents**” shall mean the Convertible Senior Debenture Indenture and the Convertible Senior Debentures.

“**Debtor Relief Laws**” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“**Default**” shall mean any event or condition which upon notice, lapse of time or both would constitute an Event of Default.

“**Default Rate**” shall mean a rate of interest per annum equal to two percent (2.000%) plus the rate otherwise prevailing hereunder.

“Defaulting Lender” means any Lender that (a) has failed to fund any portion of the Loans or participations in L/C Obligations required to be funded by it hereunder within one Business Day of the date required to be funded by it hereunder, (b) has otherwise failed to pay over to the Agent or any other Lender any other amount required to be paid by it hereunder within one Business Day of the date when due, unless the subject of a good faith dispute, or (c) has been deemed insolvent or become the subject of a bankruptcy or insolvency proceeding.

“Defined Benefit Pension Plan” shall mean any employee pension benefit plan that is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code as to which the Borrower may have any liability.

“Disbursement Date” shall mean the date on which Agent makes a disbursement of a Loan, which date shall be a Business Day.

“Dollars”, “dollars” or “\$” shall mean lawful money of the United States of America.

“EBITDA” shall mean, for any period, (i) operating income, *plus* (ii) depreciation, *plus* (iii) amortization *plus* (iv) interest income from the operations of the Prepaid Processing Segment, *plus* (v) upon the request of the Borrower Agent with the prior consent of the Agent, certain one-time, non-cash charges included in operating income, *plus* (vi) non-cash expenses recognized pursuant to Financial Accounting Standards Board Statement No. 123(R), (Share-Based Payments); provided that if any non-cash expense referred to in the immediately preceding clauses (v) and (vi), including for stock options, becomes a cash charge in a future period then EBITDA shall be adjusted by the amount of such cash charge.

“EBITDAR” shall mean, for any period, (i) operating income, *plus* (ii) depreciation, *plus* (iii) amortization, *plus* (iv) interest income from the operations of the Prepaid Processing Segment, *plus* (v) rent, *plus* (vi) upon the request of the Borrower Agent with the prior consent of the Agent, certain one-time, non-cash charges included in operating income, *plus* (vii) non-cash expenses recognized pursuant to Financial Accounting Standards Board Statement No. 123(R), (Share-Based Payments); provided that if any non-cash expense referred to in the immediately preceding clauses (vi) and (vii), including for stock options, becomes a cash charge in a future period then EBITDAR shall be adjusted by the amount of such cash charge.

“Eligible Assignee” means (a) a Lender; (b) an Affiliate of a Lender; (c) an Approved Fund; and (d) any other Person (other than a natural person) approved by (i) the Agent, and (ii) unless an Event of Default has occurred and is continuing, the Borrower Agent (each such approval not to be unreasonably withheld or delayed), and in the case of each of (a), (b), (c) or (d) as may be permitted by any applicable law; provided that notwithstanding the foregoing, **“Eligible Assignee”** shall not include the Borrower Parties or any of the Borrower Parties’ Affiliates or Subsidiaries.

“Environmental Laws” is defined in **Section 7.4(b)** of this Agreement.

“**Environmental Lien**” shall mean a Lien in favor of any Governmental Authority or other Person for (a) any liability under Environmental Laws, or (b) damages arising from, or costs incurred by such Governmental Authority in response to, a release or threatened release of any toxic or hazardous waste or substance into the environment.

“**ERISA**” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

“**Euro Borrowers**” are the “Borrowers” as defined in the Euro Credit Agreement.

“**Euro Credit Agreement**” shall mean that certain \$30,000,000 EURO/GBP Credit Agreement dated as of October 25, 2004, as amended or otherwise modified by that certain Amendment No. 1 and Limited Waiver, dated as of December 14, 2004, that certain Limited Waiver dated as of December 23, 2004, that certain Limited Waiver dated as of February 10, 2005, that certain Amendment No. 2, dated as of March 14, 2005, that certain Limited Waiver dated as of May 11, 2005, that certain Limited Waiver dated as of May 17, 2005, that certain Amendment No. 3 dated as of May 25, 2005, that certain Amendment No. 4 dated as of June 8, 2005, that certain Limited Waiver dated as of June 9, 2005, that certain Amendment No. 5 dated as of June 16, 2005, that certain Amendment No. 6 dated as of July 15, 2005, that certain Amendment No. 7 dated as of September 28, 2005, that certain Limited Waiver dated as of November 4, 2005, that certain Amendment No. 8 dated as of November 17, 2005, that certain Amendment No. 9 dated as of May 26, 2006 and as further amended, supplemented or modified from time to time, by and among the Borrower Agent, e-pay Holdings Limited, Delta Euronet GmbH, Bank of America, as agent and a lender and the other financial institutions from time to time party thereto.

“**Euronet Entities**” shall mean the Borrower Agent and each U.S. Subsidiary and Foreign Subsidiary of the Borrower Agent and each U.S. Subsidiary and Foreign Subsidiary of each such subsidiary.

“**Euros**” shall mean lawful money of the European Union.

“**Event of Default**” is defined in **Article 11** of this Agreement.

“**Exchange Rate**” shall mean, on any day, with respect to the Funding Currency, the rate at which the Funding Currency may be exchanged into the Base Currency, as set forth at approximately 11:00 a.m., Mumbai time, on such day on the Reuters World Currency Page for the Funding Currency. In the event that such rate does not appear on any Reuters World Currency Page, the Exchange Rate shall be determined by reference to such other publicly available service for exchange rates as the Agent shall determine, and in the event there is no other publicly available service, the Exchange Rate shall be the Agent’s Spot Rate of Exchange on such Date for the purchase of the Base Currency for delivery two Business Days later; provided that the Agent’s Spot Rate of Exchange is not determinable on such date, the Agent may use any commercially reasonable method it deems appropriate to determine such rate, and such determination shall be presumed correct absent manifest error.

“**Facility Office**” means the office or offices notified by a Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days’ written notice) as the office or offices through which it will perform its obligations under this Agreement.

“**Fees**” shall mean the fees payable under **Article 5** of this Agreement.

“**Foreign Lender**” means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower Agent is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“**Foreign Subsidiary**” shall mean a subsidiary of any Person not organized and existing under the laws of the United States of America or any state thereof.

“**Fund**” means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

“**Funding Currency**” shall mean Rupees.

“**GAAP**” shall mean generally accepted accounting principles, applied on a consistent basis.

“**Governmental Authority**” shall mean any federal, state, local or foreign court or governmental agency, board, authority, instrumentality or regulatory body.

“**Guarantee**” or “**Guaranty**” of a Person shall mean any agreement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes liable upon, the obligation of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person or otherwise assures any creditor of such other Person against loss, including, without limitation, any comfort letter, operating agreement or take-or-pay contract and shall include, without limitation, the contingent liability of such person in connection with any application for a letter of credit. The term “Guarantee” used as a verb has a corresponding meaning.

“**Guaranty Agreement**” shall mean the Guaranty by the Borrower Agent in favor of the Agent on behalf of the Lenders or any other Guaranty by any Affiliate of a Borrower Party in favor of the Agent on behalf of the Lenders that may be entered into from time to time.

“**Hazardous Materials**” is defined in **Section 7.4(b)** of this Agreement.

“**Hedging Agreement**” shall mean any Interest Rate Contract, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement at any time entered into by the Borrower with any Lender (or any Affiliate of any Lender) or Agent.

“**Honor Date**” is defined in **Section 2.6(a)** of this Agreement.

“**Increase Effective Date**” is defined in **Section 2.3(d)** of this Agreement.

“**Indebtedness**” shall mean, as to any Person, on a consolidated basis with such Person’s subsidiaries (unless otherwise specified), without duplication: (i) all obligations of such Person for borrowed money or evidenced by bonds, debentures, notes or similar instruments (including all indebtedness to stockholders, howsoever evidenced), (ii) all obligations of such Person for the deferred purchase price of property or services, except trade accounts payable and accrued liabilities arising in the ordinary course of business which are not overdue by more than sixty (60) days or which are being contested in good faith by appropriate proceedings, (iii) all Capital Lease Obligations of such Person, (iv) all Indebtedness of others secured by a Lien on any properties, assets or revenues of such Person to the extent of the value of the property subject to such Lien, (v) all Indebtedness of others Guaranteed by such Person and (vi) all obligations of such Person, contingent or otherwise, in respect of any letters of credit or bankers’ acceptances, unless such letters of credit or banker’s acceptances are fully secured by cash. The Indebtedness of any Person shall include the Indebtedness of any partnership in which such Person is a general partner.

“**Indemnified Claims**” is defined in **Section 13.6** of this Agreement.

“**Indemnitee**” is defined in **Section 13.6(b)** of this Agreement.

“**Interest Period**” shall mean, with respect to any MIBOR Rate Loan, each period commencing on the date such Loan is made or is converted from a Prime Lending Rate Loan type or the last day of the next preceding Interest Period for such Loan, and ending on the date that is thirty (30), sixty (60) or ninety (90) days thereafter, as the Borrower (or Borrower Agent on behalf of the Borrower) may select. Notwithstanding the foregoing: (i) any Interest Period for any Loan which would otherwise extend beyond the Revolving Credit Termination Date shall end on the Revolving Credit Termination Date; (ii) each Interest Period that would otherwise end on a day which is not a Business Day shall end on the immediately succeeding Business Day; and (iii) the Borrower (or Borrower Agent on behalf of the Borrower) shall select the duration of Interest Periods in such a way so that notwithstanding clauses (i) and (ii) above, no Interest Period shall have a duration of less than thirty (30) days (and, if any MIBOR Rate Loans would otherwise have an Interest Period of a shorter duration, they shall be Prime Lending Rate Loans for the relevant period).

“**Interest Rate Contract**” shall mean any interest rate agreement, interest rate collar agreement, interest rate swap agreement, or other agreement or arrangement at any time entered into by the Borrower with any Lender (or any Affiliate of a Lender or Agent) that is designed to protect against fluctuations in interest rates.

“**Investments**” is defined in **Section 10.9** of this Agreement.

“**ISP**” means, with respect to any Letter of Credit, the “International Standby Practices 1998” published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance).

“**Issuer Documents**” means with respect to any Letter of Credit, the Letter Credit Application, and any other document, agreement and instrument entered into by the L/C Issuer and the Borrower or in favor the L/C Issuer and relating to any such Letter of Credit.

“**L/C Advance**” means, with respect to each Lender, such Lender’s funding of its participation in any L/C Borrowing in accordance with its Pro Rata Share.

“**L/C Borrowing**” means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Loan.

“**L/C Credit Extension**” means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

“**L/C Issuer**” means Bank of America in its capacity as issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder.

“**L/C Obligations**” means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with **Section 2.15**. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be “outstanding” in the amount so remaining available to be drawn.

“**Lender**” and “**Lenders**” is defined in the preamble to this Agreement.

“**Letter of Credit**” means (i) any standby letter of credit issued hereunder and (ii) any guarantee, indemnity or other instrument in a form requested by the Borrower or the Borrower Agent and agreed by the Agent and the L/C Issuer.

“**Letter of Credit Application**” means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the L/C Issuer.

“**Letter of Credit Expiration Date**” means the day that is seven days prior to the Revolving Credit Termination Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).

“**Letter of Credit Fee**” is defined in **Section 2.12** of this Agreement.

“**Lien**” shall mean, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, encumbrance, charge or security interest in or on such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement relating to such asset, and (c) in the case of securities, any purchase option, call, restriction on right to sell or similar right of a third party with respect to such securities.

“**Loan**” shall mean any Revolving Loan or any advance under this Agreement, and “**Loans**” shall mean all Revolving Loans and advances thereunder collectively.

“**Loan Request**” is defined in **Section 4.8** of this Agreement.

“**Loan Documents**” shall mean, collectively, this Agreement, the Revolving Notes, the Guaranty Agreements and all other documents, agreements and instruments executed by any Borrower Party or Obligor in favor of the Agent or any Lender in connection with the transactions contemplated by this Agreement.

“**Material Contracts**” is defined in **Section 7.10** of this Agreement.

“**Maximum Rate**” is defined in **Section 13.11** of this Agreement.

“**MIBOR Rate**” shall mean, for any Interest Period with respect to a MIBOR Rate Loan, the rate per annum equal to the rate published by the National Stock Exchange (NSE) of India. If such rate is not available at such time for any reason, then the “**MIBOR Rate**” for such Interest Period shall be the rate per annum determined by the Agent to be the rate at which deposits in Rupees for delivery on the first day of such Interest Period in same day funds in the approximate amount of the MIBOR Rate Loan being made, continued or converted by Bank of America and with a term equivalent to such Interest Period would be offered by Bank of America’s Mumbai Branch to major banks in the Mumbai interbank market at their request at approximately 11:00 a.m. (Mumbai time) on the first day of the commencement of such Interest Period.

“**MIBOR Rate Loan**” shall mean a Loan that accrues interest at the MIBOR Rate.

“**Mobile Network Trust Arrangement**” shall mean (i) the arrangements, whether registered or unregistered, between e-Pay Limited, the Law Debenture Trust Corporation plc and certain mobile telephone networks in the UK, including Orange, Vodafone, O2, Virgin Mobile and T-Mobile pursuant to which e-pay Limited collects fees for mobile telephone top-ups, holds cash and accounts for, and distributes cash amounts to, such networks and itself; (ii) any other similar arrangements entered into from time to time.

“**Money Market Fund**” is defined in **Section 10.9(j)** of this Agreement.

“**Non-Consenting Lender**” is defined in **Section 13.9** of this Agreement.

“**Notes**” shall mean the Revolving Notes.

“Obligations” shall mean all unpaid principal of and accrued and unpaid interest on the Revolving Notes, all accrued and unpaid Fees, and all other obligations and liabilities of the Borrower to the Agent or any Lender now existing or hereafter arising under the Loan Documents and any Hedging Agreements, including, without limitation, all renewals, replacements, extensions and modifications thereof and thereto and any and all draws under any and all Letters of Credit and any other letters of credit issued by the L/C Issuer or Bank of America for the account of the Borrower.

“Obligor” shall mean each Borrower Party and each direct or indirect Subsidiary of any Borrower Party which is a party to a Guaranty Agreement, or party to any security agreement, mortgage, deed of trust or other document or instrument provided to the Agent in support of the Borrower’s Obligations pursuant to this Agreement and the other Loan Documents from time to time.

“Participant” is defined in **Section 13.5(d)** of this Agreement.

“PBGC” shall mean the Pension Benefit Guarantee Corporation referred to and defined in ERISA.

“Person” or **“person”** shall mean any natural person, corporation, business trust, joint venture, association, company, partnership or government, or any agency or political subdivision thereof.

“Prepaid Processing Segment” shall mean the reportable “Prepaid Processing” segment as reported in the Borrowing Agent’s form 10-Q and 10-K filings with the Securities and Exchange Commission.

“Prime Lending Rate” shall mean, at any date, the rate of interest per annum then most recently established by the Mumbai Office of Bank of America as its “prime lending rate,” it being understood and agreed that such rate is set by Bank of America as a general reference rate of interest, taking into account such factors as Bank of America may deem appropriate, that it is not necessarily the lowest or best rate actually charged to any customer or a favored rate, that it may not correspond with future increases or decreases in interest rates charged by other lenders or market rates in general, and that Bank of America may make various business or other loans at rates of interest having no relationship to such rate.

“Prime Lending Rate Loan” shall mean a Loan that accrues interest at the Prime Lending Rate.

“Pro Rata” shall mean a share of or in all Revolving Loans, participations in L/C Obligations, liabilities, payments, proceeds, collections, Collateral and, which share for any Lender on any date shall be a percentage (expressed as a decimal, rounded to the ninth decimal place) arrived at by dividing the amount of the Revolving Credit Commitment of such Lender on such date by the aggregate amount of all of the Revolving Credit Commitments of all Lenders on such date.

“Proceeds Account” shall mean that certain account maintained with the Agent, established by the Borrower Agent for the purpose of depositing proceeds in connection with the issuance and sale of the Convertible Senior Debentures permitted pursuant to Section 10.1(m) of the US Credit Agreement or any Subordinated Securities permitted pursuant to Section 10.1(n) of the US Credit Agreement, unless such account offers inferior interest rates or fees than a comparable account with another reputable banking institution, and in such case the Borrower Agent may designate such comparable account as the Proceeds Account.

“RCRA” shall mean the Resource Conservation and Recovery Act, as the same may be amended from time to time.

“Related Parties” is defined in **Section 2.9** of this Agreement.

“Relevant Interbank Market” means the Mumbai interbank market.

“Register” is defined in **Section 13.5(c)** of this Agreement.

“Regulation T, U or X” shall mean Regulation T, U or X, respectively, of the Board of Governors of the Federal Reserve System as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“Regulatory Change” shall mean, with respect to the Agent or any Lender, any change after the date of this Agreement in (i) United States federal or state law or regulations, or the entry, adoption, or making after such date of any order, interpretation, directive, or request of or under any United States federal or state law or regulations (whether or not having the force of law) by any court or governmental or monetary authority charged with the interpretation or administration thereof, or (ii) Indian central or state law or regulations, or the entry, adoption, or making after such date of any order, interpretation, directive, or request of or under any Indian central or state law or regulations (whether or not having the force of law) by any court or governmental or monetary authority charged with the interpretation or administration thereof, in each case applying to a class of banks including Agent or any Lender.

“Reportable Event” shall mean any reportable event, as defined in Section 4043 of ERISA and the regulations issued under such Section, with respect to a Defined Benefit Pension Plan, excluding, however, such events as to which the PBGC by regulation has waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event; provided that a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA involving an amount aggregating \$50,000 or more shall be a Reportable Event regardless of the issuance of any waiver in accordance with Section 412(d) of the Code.

“Required Lenders” shall mean at any date of determination thereof, Aggregate Lenders having Aggregate Revolving Credit Commitments representing at least 51% of the Aggregate Revolving Credit Commitments at such time; provided, however, that if any Aggregate Lender shall be in breach of any of its obligations hereunder to the

Borrower or Agent, under the US Credit Agreement to the “Borrowers” or “Agent” party thereto or under the Euro Credit Agreement to the “Borrowers” or “Agent” party thereto, including any breach resulting from its failure to honor any of its Aggregate Revolving Credit Commitments in accordance with the terms of this Agreement, the US Credit Agreement or the Euro Credit Agreement, as applicable, then, for so long as such breach continues, the term “**Required Lenders**” shall mean Aggregate Lenders (excluding each Aggregate Lender that is in breach of such obligations) having Aggregate Revolving Credit Commitments representing at least 51% of the Aggregate Revolving Credit Commitments (excluding the Aggregate Revolving Credit Commitments of each Aggregate Lender that is in breach of such obligations) outstanding at such time; provided further, however, that if the Aggregate Revolving Credit Commitments have been terminated, the term “**Required Lenders**” shall mean the Aggregate Lenders (excluding each Aggregate Lender that is in breach of such obligations) holding Aggregate Revolving Loans representing at least 51% of the aggregate principal amount of all Aggregate Revolving Loans (excluding the Aggregate Revolving Loans of each Aggregate Lender that is in breach of such obligations) outstanding at such time; **provided, that** in addition to the foregoing, in the event there are less than four Aggregate Lenders then the term Required Lenders must also constitute at least two Aggregate Lenders. For the purposes of the definition of Required Lenders the following terms shall have the following meanings: “**Aggregate Lenders**” shall mean the Lenders under this Agreement, the “Lenders” under the US Credit Agreement and the “Lenders” under the Euro Credit Agreement; “**Aggregate Revolving Credit Commitments**” shall mean the Revolving Credit Commitments under this Agreement, *plus* the “Revolving Credit Commitments” under the US Credit Agreement, *plus* the “Revolving Credit Commitments” under the Euro Credit Agreement; and “**Aggregate Revolving Loans**” shall mean the Revolving Loans under this Agreement, *plus* the “Revolving Loans” under the US Credit Agreement, *plus* the “Revolving Loans” under the Euro Credit Agreement.

“**Reset Date**” is defined in **Section 3.3** of this Agreement.

“**Revolving Credit Commitment**” shall mean the aggregate of all Revolving Credit Commitments of each Lender set forth on Schedule E-1 or such amount reduced as provided in **Section 2.1(a)** of this Agreement.

“**Revolving Credit Termination Date**” shall mean May 26, 2009 or such other date as may be agreed to by Agent, the Required Lenders, the Borrower Agent and the Borrower from time to time; provided that no Lender shall be required to extend its Commitment without such Lender’s consent.

“**Revolving Loan**” is defined in **Section 2.1** of this Agreement.

“**Revolving Notes**” is defined in **Section 2.2** of this Agreement.

“**Rupees**” shall mean the lawful currency of India.

“**SEC**” is defined in **Section 8.4(e)** of this Agreement.

“**Senior Funded Debt**” is defined in **Section 9.1** of this Agreement.

“**subsidiary**” shall mean, with respect to any person (herein referred to as the “parent”), any corporation, partnership, association or other business entity (a) of which securities or other ownership interests representing more than fifty percent (50%) of the equity or more than fifty percent (50%) of the voting power or more than fifty percent (50%) of the general partnership interests are, at the time any determination is being made, owned, controlled or held by the parent, or (b) which is, at the time any determination is made, otherwise Controlled by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“**Subsidiary**” shall mean any subsidiary of the Borrower Agent or the Borrower, direct or indirect, now existing or hereafter acquired or created, whether a U.S. Subsidiary or a Foreign Subsidiary.

“**Sum**” is defined in **Section 3.5(a)** of this Agreement.

“**Tax**” shall mean any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“**Tax Deduction**” shall mean a deduction or withholding for or on account of a Tax from a payment under a Loan Document or a Hedging Agreement.

“**Unreimbursed Amount**” is defined in **Section 2.6(a)** of this Agreement.

“**US Borrowers**” are the Borrowers as defined in the US Credit Agreement.

“**US Credit Agreement**” shall mean that certain \$10,000,000 U.S. Credit Agreement dated as of October 25, 2004, as amended, supplemented or otherwise modified by that certain Amendment No. 1 and Limited Waiver, dated as of December 14, 2004, that certain Limited Waiver dated as of December 23, 2004, that certain Limited Waiver dated as of February 10, 2005, that certain Amendment No. 2 dated as of March 14, 2005, that certain Limited Waiver dated as of April 14, 2005, that certain Limited Waiver dated as of May 11, 2005, that certain Limited Waiver dated as of May 17, 2005, that certain Amendment No. 3 dated as of May 25, 2005, that certain Amendment No. 4 dated as of June 8, 2005, that certain Limited Waiver dated as of June 9, 2005, that certain Supplement No. 1 dated as of June 15, 2005, that certain Amendment No. 5 dated as of July 15, 2005, that certain Amendment No. 6 dated as of September 28, 2005, that certain Limited Waiver dated as of November 4, 2005, that certain Amendment No. 7 dated as of November 17, 2005, that certain Amendment No. 8 dated as of May 26, 2006 and as further, amended, supplemented or modified from time to time by and among the Borrower Agent, PaySpot, Inc., a Delaware corporation, Euronet USA, Inc., an Arkansas corporation, and Call Processing, Inc., a Texas corporation, Bank of America, as agent and a lender, and the other financial institutions from time to time party thereto.

“U.S. Subsidiary” shall mean a subsidiary of any Person organized and existing under the laws of the United States of America or any state thereof.

Revolving Credit Commitments

Lender
Bank of America, N.A.

Revolving Credit Commitment
\$10,000,000

Exhibit 2.2
Revolving Note
- 2 -

Exhibit 4.8-A

Notice of Borrowing

Exhibit 4.8-B

Notice of Termination or Reduction

Exhibit 8.4

Compliance Certificate

Schedule 7.4

Environmental Matters

None.

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Schedule 7.5

Financial Statements

Schedule 7.8

Corporate Structure

Schedule 10.1

Existing Indebtedness

Schedule 10.2

Existing Liens

- 10 -

Schedule 10.9

LOANS, ADVANCES AND INVESTMENTS

**RUPEE CREDIT FACILITY
GUARANTY AGREEMENT**

THIS GUARANTY is made as of the 26th day of May, 2006, by and between **Euronet Worldwide, Inc.**, a Delaware corporation (the "**Guarantor**"), and **Bank of America, N.A. ("Bank of America")**, a national banking association acting through its branch in Mumbai, India, as agent (in such capacity, the "**Agent**"), pursuant to that certain Credit Agreement dated as of the date hereof, by and among Euronet Services India Pvt Ltd, a company organized under the laws of India (the "**Borrower**"), the Guarantor, as Borrower Agent, the Agent and the financial institutions party thereto from time to time as Lenders (as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**").

WHEREAS, the Borrower is a Subsidiary of the Guarantor, and the Guarantor, as the parent of Borrower will derive direct and indirect economic benefits from the making of the Loans and other financial accommodations provided to the Borrower pursuant to the Credit Agreement and the other Loan Documents; and

WHEREAS, in order to induce the Agent and the Lenders to make Loans pursuant to the Credit Agreement, the Guarantor has agreed to provide this Guaranty of the Borrower's Obligations under the Credit Agreement and the other Loan Documents;

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, and to induce Lenders to provide the Loans and other financial accommodations under the Credit Agreement and the other Loan Documents, it is agreed as follows:

ARTICLE 1

DEFINITIONS

Capitalized terms used herein shall have the meanings assigned to them in the Credit Agreement, unless otherwise defined herein.

References to this "**Guaranty**" or this "**Agreement**" shall mean this Guaranty, including all amendments, modifications and supplements and any annexes, exhibits and schedules to any of the foregoing, and shall refer to this Guaranty as the same may be in effect at the time such reference becomes operative.

ARTICLE 2

2.1 Guaranty of Guaranteed Obligations of the Borrower. The Guarantor unconditionally guarantees to Agent and Lenders, and their respective successors, endorsees, transferees and assigns, the prompt payment (whether at stated maturity, by acceleration or otherwise) and performance of the Obligations of the Borrower (hereinafter the "**Guaranteed Obligations**"). Guarantor agrees that this Guaranty is a guaranty of payment and performance and not of collection, and that its obligations under this Guaranty shall be primary, absolute and unconditional, irrespective of, and unaffected by:

- (a) the genuineness, validity, regularity, enforceability or any future amendment of, or change in this Guaranty, the Credit Agreement or any other Loan Document or any other agreement, document or instrument to which any obligor for the Guaranteed Obligations is or may become a party;
- (b) the absence of any action to enforce this Guaranty, the Credit Agreement or any other Loan Document or the waiver or consent by Agent and/or Lenders with respect to any of the provisions thereof;
- (c) the existence, value or condition of, or failure to perfect its Liens against, any Collateral for the Guaranteed Obligations or any action, or the absence of any action, by Agent in respect thereof (including, without limitation, the release of any such security); or
- (d) the insolvency of the Borrower or any other obligor for the Guaranteed Obligations; or
- (e) any other action or circumstances which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor,

it being agreed by the Guarantor that its obligations under this Guaranty shall not be discharged until all Commitments under the Credit Agreement to lend have been terminated and all Obligations have been indefeasibly paid in full in cash. Upon the occurrence and during the continuance of an Event of Default, the Guarantor shall be regarded, and shall be in the same position, as principal debtor with respect to the Guaranteed Obligations. The Guarantor agrees that any notice or directive given at any time to Agent which is inconsistent with the waiver in the immediately preceding sentence shall be null and void and may be ignored by the Agent and the Lenders, and, in addition, may not be pleaded or introduced as evidence in any litigation relating to this Guaranty for the reason that such pleading or introduction would be at variance with the written terms of this Guaranty, unless the Agent and the Lenders have specifically agreed otherwise in writing. It is agreed among the Guarantor, the Agent and the Lenders that the foregoing waivers are of the essence of the transaction contemplated by the Credit Agreement and the other Loan Documents and that, but for this Guaranty and such waivers, Agent and Lenders would decline to enter into the Credit Agreement and the other Loan Documents.

2.2 Demand by Agent or Lenders. In addition to the terms of the Guaranty set forth in **Section 2.1** hereof, and in no manner imposing any limitation on such terms, it is expressly understood and agreed that, if, at any time, the outstanding principal amount of the Guaranteed Obligations under the Credit Agreement or any other Loan Document (including all accrued interest thereon) is declared to be immediately due and payable, then the Guarantor shall, without demand, pay to the holders of the Guaranteed Obligations the entire outstanding Guaranteed Obligations due and owing to such holders. Payment by the Guarantor shall be made to Agent in immediately available Dollars or an Optional Currency, calculated at the Exchange Rate to an account designated by Agent or at the address set forth herein for the giving of notice to Agent or at any other address that may be specified in writing from time to time by Agent, and shall be credited and applied to the Guaranteed Obligations.

2.3 Enforcement of Guaranty. In no event shall Agent have any obligation (although it is entitled, at its option) to proceed against the Borrower or any obligor for the Guaranteed Obligations or any Collateral pledged to secure the Guaranteed Obligations before seeking satisfaction from the Guarantor, and Agent may proceed, prior or subsequent to, or simultaneously with, the enforcement of Agent's rights hereunder, to exercise any right or remedy which it may have against any Collateral, as a result of any Lien it may have as security for all or any portion of the Guaranteed Obligations.

2.4 Waiver. In addition to the waivers contained in **Section 2.1** hereof, Guarantor waives, and agrees that it shall not at any time insist upon, plead or in any manner whatever claim or take the benefit or advantage of, any appraisal, valuation, stay, extension, marshaling of assets or redemption laws, or exemption, whether now or at any time hereafter in force, which may delay, prevent or otherwise affect the performance by the Guarantor of its Guaranteed Obligations under, or the enforcement by Agent or Lenders of, this Guaranty. The Guarantor hereby waives diligence, presentment and demand (whether for non-payment or protest or of acceptance, maturity, extension of time, change in nature or form of the Guaranteed Obligations, acceptance of further security, release of further security, composition or agreement arrived at as to the amount of, or the terms of, the Guaranteed Obligations, notice of adverse change in the Borrower's financial condition or any other fact which might increase the risk to the Guarantor) with respect to any of the Guaranteed Obligations or all other demands whatsoever and waive the benefit of all provisions of law which are or might be in conflict with the terms of this Guaranty. The Guarantor represents, warrants and agrees that, as of the date of this Guaranty, its obligations under this Guaranty are not subject to any offsets or defenses against the Agent or the Lenders or any obligor for the Guaranteed Obligations. The Guarantor further agrees that its obligations under this Guaranty shall not be subject to any counterclaims, offsets or defenses against Agent or any Lender or any other obligor for the Guaranteed Obligations which may arise in the future.

2.5 Benefit of Guaranty. The provisions of this Guaranty are for the benefit of the Agent and the Lenders and their respective successors, transferees, endorsees and assigns, and nothing herein contained shall impair, as between any obligor for the Guaranteed Obligations and the Agent or the Lenders, the obligations of any obligor for the Guaranteed Obligations under the Loan Documents. In the event all or any part of the Guaranteed Obligations are transferred, endorsed or assigned by Agent or any Lender to any Person or Persons, any reference to "Agent" or "Lender" herein shall be deemed to refer equally to such Person or Persons.

2.6 Modification of Guaranteed Obligations, Etc. Guarantor hereby acknowledges and agrees that the Agent and the Lenders may at any time or from time to time, with or without the consent of, or notice to, the Guarantor or any other obligor for the Guaranteed Obligations:

- (a) change or extend the manner, place or terms of payment of, or renew or alter all or any portion of, the Guaranteed Obligations;
- (b) take any action under or in respect of the Credit Agreement or any other Loan Document in the exercise of any remedy, power or privilege contained therein or

available to it at law, equity or otherwise, or waive or refrain from exercising any such remedies, powers or privileges;

(c) amend or modify, in any manner whatsoever, the Credit Agreement or any other Loan Document;

(d) extend or waive the time for any obligor for the Guaranteed Obligations performance of, or compliance with, any term, covenant or agreement on its part to be performed or observed under the Credit Agreement or any other Loan Document, or waive such performance or compliance or consent to a failure of, or departure from, such performance or compliance;

(e) take and hold Collateral for the payment of the Guaranteed Obligations guaranteed hereby or sell, exchange, release, dispose of, or otherwise deal with, any property pledged, mortgaged or conveyed, or in which the Agent or the Lenders have been granted a Lien, to secure any Obligations;

(f) release anyone who may be liable in any manner for the payment of any amounts owed by the Guarantor or any other obligor for the Guaranteed Obligations to the Agent or any Lender;

(g) modify or terminate the terms of any intercreditor or subordination agreement pursuant to which claims of other creditors of the Guarantor or any other obligor for the Guaranteed Obligations are subordinated to the claims of the Agent and the Lenders; and/or

(h) apply any sums by whomever paid or however realized to any amounts owing by the Guarantor or other obligor for the Guaranteed Obligations to the Agent or any Lender in such manner as the Agent or any Lender shall determine in its discretion;

and the Agent and the Lenders shall not incur any liability to Guarantor as a result thereof, and no such action shall impair or release the Guaranteed Obligations of Guarantor under this Guaranty.

2.7 Reinstatement. This Guaranty shall remain in full force and effect and continue to be effective should any petition be filed by or against the Guarantor or any other obligor for the Guaranteed Obligations for liquidation or reorganization, should the Guarantor or any other obligor for the Guaranteed Obligations become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of the assets of such Guarantor or any obligor for the Guaranteed Obligations, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Guaranteed Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by Agent or any Lender, whether as a “voidable preference”, “fraudulent conveyance”, or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Guaranteed Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

2.8 Deferral of Subrogation, Etc. Notwithstanding anything to the contrary in this Guaranty, or in any other Loan Document, Guarantor hereby:

(a) expressly and irrevocably waives, on behalf of itself and its successors and assigns (including any surety) until all commitments under the Credit Agreement to lend have terminated and all Obligations of the Borrower have been indefeasibly paid in full in cash, any and all rights at law or in equity to subrogation, to reimbursement, to exoneration, to contribution, to indemnification, to set off or to any other rights that could accrue to a surety against a principal, to a guarantor against a principal, to a guarantor against a maker or obligor, to an accommodation party against the party accommodated, to a holder or transferee against a maker, or to the holder of any claim against any Person, and which Guarantor may have or hereafter acquire against any obligor for the Guaranteed Obligations in connection with or as a result of Guarantor's execution, delivery and/or performance of this Guaranty, or any other documents to which Guarantor is a party or otherwise; and

(b) acknowledges and agrees (i) that this waiver is intended to benefit the Agent and the Lenders and shall not limit or otherwise effect the Guarantor's liability hereunder or the enforceability of this Guaranty, and (ii) that the Agent, the Lenders and their respective successors and assigns are intended third party beneficiaries of the waivers and agreements set forth in this **Section 2.8** and their rights under this **Section 2.8** shall survive payment in full of the Guaranteed Obligations.

2.9 Election of Remedies. If the Agent may, under applicable law, proceed to realize benefits under any of the Loan Documents giving the Agent and the Lenders a Lien upon any Collateral owned by any obligor for the Guaranteed Obligations, either by judicial foreclosure or by non-judicial sale or enforcement, the Agent may, at its sole option, determine which of such remedies or rights it may pursue without affecting any of such rights and remedies under this Guaranty. If, in the exercise of any of its rights and remedies, the Agent shall forfeit any of its rights or remedies, including its right to enter a deficiency judgment against any obligor for the Guaranteed Obligations, whether because of any applicable laws pertaining to "election of remedies" or the like, the Guarantor hereby consents to such action by the Agent and waives any claim based upon such action, even if such action by the Agent shall result in a full or partial loss of any rights of subrogation which the Guarantor might otherwise have had but for such action by the Agent. Any election of remedies which results in the denial or impairment of the right of the Agent to seek a deficiency judgment against any obligor for the Guaranteed Obligations shall not impair the Guarantor's obligation to pay the full amount of the Guaranteed Obligations. In the event the Agent shall bid at any foreclosure or trustee's sale or at any private sale permitted by law or the Loan Documents, the Agent may bid all or less than the amount of the Guaranteed Obligations and the amount of such bid need not be paid by the Agent but shall be credited against the Guaranteed Obligations. To the fullest extent permitted by law, the amount of the successful bid at any such sale shall be conclusively deemed to be the fair market value of the collateral and the difference between such bid amount and the remaining balance of the Guaranteed Obligations shall be conclusively deemed to be the amount of the Guaranteed Obligations guaranteed under this Guaranty.

2.10 **Funds Transfers.** If the Guarantor shall engage in any transaction as a result of which the Borrower is required to make a mandatory prepayment with respect to the Guaranteed Obligations under the terms of the Credit Agreement (including any issuance or sale of Guarantor's capital stock or any sale of its assets), to the extent the Borrower is unable to make such mandatory prepayment, the Guarantor shall distribute to, or make a contribution to the capital of, the Borrower an amount equal to the mandatory prepayment required under the terms of the Credit Agreement.

ARTICLE 3

DELIVERIES

In a form satisfactory to Agent, Guarantor shall deliver to Agent (with sufficient copies for each Lender), concurrently with the execution of this Guaranty and the Credit Agreement, the Loan Documents and other instruments, certificates and documents as are required to be delivered by Guarantor to Agent under the Credit Agreement.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

To induce Lenders to make the Loans under the Credit Agreement, Guarantor makes the following representations and warranties to the Agent and each Lender, each and all of which shall survive the execution and delivery of this Guaranty:

4.1 **Corporate Existence and Standing.** Guarantor is a corporation or company duly incorporated or organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization and has all requisite authority to own its property and to carry on its business in each jurisdiction where the failure to so qualify would have a material adverse effect on its business, properties, assets, operations or financial condition taken as a whole.

4.2 **Authorization and Validity.** Guarantor has the power and authority and legal right to execute and deliver this Agreement and each other Loan Document to which it is a party and to perform its obligations thereunder. Such execution and delivery have been duly authorized by proper proceedings, and this Agreement and such other Loan Documents constitute the legal, valid and binding obligations of Guarantor, enforceable against it in accordance with their respective terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization, receivership, liquidation, moratorium, and other similar laws affecting the rights and remedies of creditors generally and (ii) by general principles of equity (regardless of whether such enforcement is considered in equity or at law).

4.3 **No Conflict; Governmental Consent.** The execution, delivery and performance of this Agreement and the other Loan Documents to which Guarantor is a party will not violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on any Guarantor, any provision of Guarantor's respective articles or certificate of incorporation or organization, by-laws or other charter documents, or the provisions of any indenture, instrument or other written or oral agreement to which Guarantor is a party or is subject or by which the Guarantor or any of its property is bound, or conflict therewith or constitute a default thereunder,

or result in the creation or imposition of any Lien in, of or on any of its property pursuant to the terms of any such indenture, instrument or agreement (other than any Lien permitted by Section 10.2 of the Credit Agreement). No order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by, any Governmental Authority is required by or in respect of the Guarantor to authorize or is required in connection with the execution, delivery and performance of or the enforceability of this Agreement or any of the other Loan Documents to which Guarantor is a party, except as otherwise required by the terms of such Loan Document.

4.4 Compliance with Laws; Environmental and Safety Matters. (a) Guarantor represents and warrants to the Agent and the Lenders that Guarantor has complied with all applicable statutes, rules, regulations, orders and restrictions of any domestic or foreign government or Governmental Authority having jurisdiction over the conduct of its businesses or the ownership of its respective properties except to the extent that such non-compliance will not have a material adverse effect on the financial condition or business operations of the Borrower or on the Euronet Entities on a consolidated basis.

(b) Guarantor has complied with all federal, national, state, local and other statutes, ordinances, orders, judgments, rulings and regulations relating to environmental pollution, environmental regulation or control, or employee health or safety, except to the extent that such non-compliance will not have a material adverse effect on the financial condition or business operations of the Borrower; Guarantor has not received any written notice of any failure so to comply; and none of Guarantor's facilities treat, store or dispose of any hazardous wastes, hazardous substances, hazardous materials, toxic substances, toxic pollutants or substances (collectively, "**Hazardous Materials**") similarly denominated, as those terms or similar terms are used in RCRA, CERCLA, the Hazardous Materials Transportation Act, the Toxic Substances Control Act, the Clean Air Act, the Clean Water Act, the Occupational Safety and Health Act or any other state, local or federal applicable law, ordinance, rule or regulation relating to environmental pollution, environmental regulation or control or employee health and safety (collectively, "**Environmental Laws**") in a quantity or manner that requires a permit, registration, or another notification or authorization from a Governmental Authority except for the treatment, storage, or disposal of Hazardous Materials in a quantity or manner which, if in non-compliance with Environmental Laws, would not have a material adverse effect on the Borrower's financial condition or business operations, taken as a whole. The conduct of the business and the condition of the property of Guarantor does not violate any Environmental Laws or any judicial interpretation thereof relating primarily to the environment or Hazardous Materials. Guarantor is not aware of any events, conditions or circumstances involving environmental pollution or contamination or employee health or safety that could reasonably be expected to result in material liability on the part of the Borrower taken as a whole.

4.5 Ownership of Properties; Collateral Liens. Guarantor has good title, free and clear of all Liens (other than those permitted by Section 10.2 of the Credit Agreement), to all of the properties and assets reflected in its financial statements as owned by it, and its interest in all other properties and assets in or to which it has an interest as a lessee, licensee or otherwise is free and clear of all Liens (other than those permitted under Section 10.2 of the Credit Agreement).

4.6 **Taxes.** Guarantor has filed all federal tax returns and all other tax returns which are required to be filed and paid all taxes due pursuant to said returns or pursuant to any assessment received by it, including without limitation all federal and state withholding taxes and all taxes required to be paid pursuant to applicable law, except such taxes, if any, as are being contested in good faith, by appropriate proceedings and as to which adequate charges, accruals and reserves have been set aside. No tax Liens have been filed, and no claims are being asserted with respect to any such taxes, except such tax Liens and claims that will not have a material adverse effect in the aggregate, on the assets, business, operations or financial condition of the Euronet entities on a consolidated basis. The charges, accruals and reserves on the books of the Euronet Entities, on a consolidated basis, in respect of any taxes or other governmental charges are adequate.

4.7 **Solvency.** Guarantor reasonably anticipates that it will be able to meet its debts as they mature. Guarantor has adequate capital to conduct the business in which it is engaged.

4.8 **Executive Offices.** Guarantor's executive office and principal place of business are as set forth on **Schedule 4.8.**

ARTICLE 5 COVENANTS

Guarantor agrees that it will:

5.1 **Conduct of Business and Maintenance of Properties.** Carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and do all things necessary to remain duly incorporated, validly existing and in good standing in its jurisdiction of organization and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted; maintain, preserve, protect and keep its properties in good repair, working order and condition; and comply in all material respects with all agreements and instruments to which it is a party.

5.2 **Insurance.** Maintain with financially sound and reputable insurance companies, insurance on all its property, covering such liabilities and such risks (including business interruption risks) and in such amounts as is consistent with sound business practice and reasonably satisfactory to the Agent and furnish to the Agent upon request full information as to the insurance carried.

5.3 **Compliance with Laws and Taxes.** Comply with, any and all laws, statutes, rules, regulations, orders, judgments, decrees and awards, a violation of which, in any respect, taken as a whole, may materially and adversely affect the Guarantor's business, assets, operations or condition, financial condition taken as a whole, including, without limitation, those regarding the collection, payment and deposit of employees' income, unemployment, and Social Security taxes (or similarly established social insurance and healthcare taxes) and those regarding environmental matters; pay when due all taxes, assessments and governmental charges and levies upon it or its income, profits or property, except those which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside; make a timely payment or deposit of all FICA payments and withholding taxes (or similarly established

social insurance and healthcare taxes) required of it under applicable law; and, upon request, furnish to the Agent evidence satisfactory to the Agent that such payments have been made.

5.4 **Financial Statements, Reports, etc.** Maintain a system of accounting established and administered in accordance with GAAP (as adopted in the United States).

5.5 **Further Assurances.** The Guarantor agrees, upon the written request of Agent or any Lender, to execute and deliver to Agent or such Lender, from time to time, any additional instruments or documents reasonably considered necessary by Agent or such Lender to cause this Guaranty to be, become or remain valid and effective in accordance with its terms.

ARTICLE 6

PAYMENTS FREE AND CLEAR OF TAXES

All payments required to be made by Guarantor hereunder shall be made to Agent and Lenders free and clear of, and without deduction for, any and all present and future taxes. If Guarantor shall be required by law to deduct any withholding taxes from or in respect of any sum payable hereunder, (a) the sum payable shall be increased as much as shall be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this **Section 6**) Agent or Lenders, as applicable, receive an amount equal to the sum they would have received had no such deductions been made, (b) Guarantor shall make such deductions, and (c) Guarantor shall pay the full amount deducted to the relevant taxing or other authority in accordance with applicable law. Guarantor shall not be required, however, to gross up payments to Agent or Lenders for an amount higher than the withholding tax rate established in the treaty existing at such time of payment between Guarantor's country of legal domicile and the United States. Within thirty (30) days after the date of any payment of taxes, or within five (5) Business Days following receipt by Guarantor of evidence of payment from Guarantor's taxing authority, whichever is later, Guarantor shall furnish to Agent the original or a certified copy of a receipt evidencing payment thereof. Guarantor shall indemnify and, within ten (10) days of demand therefor, pay Agent and each Lender for the full amount of withholding taxes (including any withholding taxes imposed by any jurisdiction on amounts payable under this **Section 6**) paid by Agent or such Lender, as appropriate, and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such taxes were correctly or legally asserted, so long as paid by such Agent or such Lender in good faith.

ARTICLE 7

OTHER TERMS

7.1 **Entire Agreement.** This Agreement and the other Loan Documents constitute the entire contract between the parties relative to the subject matter hereof. Any previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement and the other Loan Documents. Nothing in this Agreement or in the other Loan Documents, expressed or implied, is intended to confer upon any party other than the parties hereto and thereto any rights, remedies, obligations or liabilities under or by reason of this Agreement or the other Loan Documents.

7.2 **Headings.** Section headings used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

7.3 **Severability.** In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

7.4 **Notices.** Notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed or sent by telecopy or other telegraphic communications equipment of the sending party, as follows:

if to Guarantor, to it at 4601 College Boulevard, Suite 300, Leawood, Kansas 66211 (Facsimile: 913-327-1921).

if to the Agent, to it at PO Box 219038, MO8-060-12-02, 64121-9038, Attention: Middle Market Banking (Facsimile: 816-979-7174) (if by hand delivery or overnight courier service then to 1200 Main, Suite 1400, Kansas City, Missouri 64105, Attention: Middle Market Banking) with a required copy to Scott Long, Lathrop & Gage L.C., 2345 Grand Boulevard, Kansas City, Missouri 64108 (Facsimile: 816/292-2001);

or to such other address or telecopy number as any party may direct by notice given as provided in this **Section 7.4**. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt if delivered by hand or overnight courier service or sent by telecopy or other telegraphic communications equipment of the sender, if received on or before 5:00 p.m., local time of the recipient, on a Business Day, or on the next Business Day if received after 5:00 p.m. on a Business Day or on a day that is not a Business Day, or on the date five (5) Business Days after dispatch by certified or registered mail if mailed, in each case delivered, sent or mailed (properly addressed) to such party as provided in this **Section 7.4** or in accordance with the latest unrevoked direction from such party given in accordance with this **Section 7.4**.

7.5 **Successors and Assigns; Participations.** Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and permitted assigns of such party. The Agent and any Lender may assign or delegate to one or more of its Affiliates all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of the Loans and the Note). Each Lender may sell participations to one or more of its Affiliates in all or a portion of its rights and obligations under this Agreement (including all or a portion of the Loans and the Notes). Each Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this **Section 7.5**, disclose to the assignee or participant or proposed assignee or participant any information relating to the Borrower Agent, the Borrower and the Euronet Entities furnished to the Agent or the Lenders by or on behalf of the Borrower Agent or the Borrower.

7.6 No Waiver; Cumulative Remedies; Amendments. Neither the Agent nor any Lender shall by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder, and no waiver shall be valid unless in writing, signed by Agent and then only to the extent therein set forth. A waiver by the Agent, for itself and the ratable benefit of the Lenders, of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Agent would otherwise have had on any future occasion. No failure to exercise nor any delay in exercising on the part of the Agent or any Lender, any right, power or privilege hereunder, shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or future exercise thereof or the exercise of any other right, power or privilege. The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights and remedies provided by law. None of the terms or provisions of this Guaranty may be waived, altered, modified, supplemented or amended except by an instrument in writing, duly executed by the Agent and the Guarantor.

7.7 Termination. This Guaranty is a continuing guaranty and shall remain in full force and effect until all commitments under the Credit Agreement (including any amendment, restatement or refinancing thereof with Bank of America) to lend have been terminated and all Obligations of the Borrower have been indefeasibly paid in full. Upon payment and performance in full of the Guaranteed Obligations, Agent shall deliver to the Guarantor such documents as the Guarantor may reasonably request to evidence such termination.

7.8 Counterparts. This Agreement may be executed in two or more counterparts, all of which when taken together shall constitute but one contract.

7.9 Applicable Law. This Agreement and the other Loan Documents shall be governed by and construed and enforced under and in accordance with the laws of the State of Missouri applicable to contracts made and to be performed wholly within said state, without giving effect to choice of law or conflict of law principles.

7.10 ARBITRATION. (a) EXCEPT AS SET OUT BELOW, ANY CONTROVERSY OR CLAIM BETWEEN OR AMONG THE PARTIES HERETO, INCLUDING BUT NOT LIMITED TO THOSE ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY LOAN DOCUMENTS, INCLUDING ANY CLAIM BASED ON OR ARISING FROM AN ALLEGED TORT (COLLECTIVELY, "CLAIM"), SHALL BE DETERMINED BY BINDING ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT ADOPTED BY THE UNITED STATES (OR IF NOT APPLICABLE, THE APPLICABLE LAW IN THE STATE OF MISSOURI), THE RULES OF PRACTICE AND PROCEDURE FOR THE ARBITRATION OF COMMERCIAL DISPUTES OF J.A.M.S./ENDISPUTE OR ANY SUCCESSOR THEREOF ("J.A.M.S."), AND THE "SPECIAL RULES" SET FORTH BELOW. IN THE EVENT OF ANY INCONSISTENCY, THE SPECIAL RULES SHALL CONTROL. JUDGMENT UPON ANY ARBITRATION AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. ANY PARTY TO THIS AGREEMENT MAY BRING AN ACTION, INCLUDING A SUMMARY OR EXPEDITED PROCEEDING, TO COMPEL ARBITRATION OF ANY CLAIM IN ANY COURT HAVING JURISDICTION OVER SUCH ACTION. THE INSTITUTION AND MAINTENANCE OF AN ACTION FOR ANY JUDICIAL RELIEF SHALL NOT

CONSTITUTE A WAIVER OF THE RIGHT OF ANY PARTY, INCLUDING THE PLAINTIFF, TO SUBMIT THE CLAIM TO ARBITRATION IF ANY OTHER PARTY CONTESTS SUCH ACTION FOR JUDICIAL RELIEF.

(b) **SPECIAL RULES.** ANY ARBITRATION SHALL BE CONDUCTED IN THE COUNTY OF BORROWER AGENT'S DOMICILE AT THE TIME OF THE EXECUTION OF THIS AGREEMENT, OR IF THERE IS REAL OR PERSONAL PROPERTY COLLATERAL, IN THE COUNTY WHERE SUCH REAL OR PERSONAL PROPERTY IS LOCATED, AND ADMINISTERED BY J.A.M.S. WHO WILL APPOINT AN ARBITRATOR; IF J.A.M.S. IS UNABLE OR LEGALLY PRECLUDED FROM ADMINISTERING THE ARBITRATION, THEN THE AMERICAN ARBITRATION ASSOCIATION WILL SERVE. ALL ARBITRATION HEARINGS WILL BE COMMENCED WITHIN 90 DAYS OF THE DEMAND FOR ARBITRATION; FURTHER, THE ARBITRATION SHALL ONLY, UPON A SHOWING OF CAUSE, BE PERMITTED TO EXTEND THE COMMENCEMENT OF SUCH HEARING FOR UP TO AN ADDITIONAL 60 DAYS. ANY DISPUTE CONCERNING THIS ARBITRATION PROVISION OR WHETHER A CLAIM IS ARBITRABLE SHALL BE DETERMINED BY THE ARBITRATOR. THE ARBITRATOR SHALL HAVE THE POWER TO AWARD LEGAL FEES PURSUANT TO THE TERMS OF THIS AGREEMENT.

(c) **RESERVATION OF RIGHTS.** NOTHING IN THIS ARBITRATION PROVISION SHALL BE DEEMED TO (I) LIMIT THE APPLICABILITY OF ANY OTHERWISE APPLICABLE STATUTES OF LIMITATION OR REPOSE AND ANY WAIVERS CONTAINED IN THIS AGREEMENT; OR (II) BE A WAIVER BY AGENT OR ANY LENDER OF THE PROTECTION AFFORDED TO IT BY 12 U.S.C. SEC. 91 OR ANY SUBSTANTIALLY EQUIVALENT STATE LAW; OR (III) LIMIT THE RIGHT OF ANY PARTY HERETO (A) TO EXERCISE SELF HELP REMEDIES SUCH AS (BUT NOT LIMITED TO) SETOFF, OR (B) TO FORECLOSE AGAINST OR SELL ANY REAL OR PERSONAL PROPERTY OR COLLATERAL, OR (C) TO OBTAIN FROM A COURT PROVISIONAL OR ANCILLARY REMEDIES SUCH AS (BUT NOT LIMITED TO) INJUNCTIVE RELIEF, WRIT OF POSSESSION OR THE APPOINTMENT OF A RECEIVER, ANY PARTY MAY EXERCISE SUCH SELF HELP RIGHTS, FORECLOSE OR SELL COLLATERAL OR OBTAIN SUCH PROVISIONAL OR ANCILLARY REMEDIES BEFORE, DURING OR AFTER THE PENDENCY OF ANY ARBITRATION PROCEEDING BROUGHT PURSUANT TO THIS AGREEMENT. NONE OF THESE ACTIONS SHALL CONSTITUTE A WAIVER OF THE RIGHT OF ANY PARTY, INCLUDING THE CLAIMANT IN ANY SUCH ACTION, TO ARBITRATE THE MERITS OF THE CLAIM OCCASIONING RESORT TO SUCH REMEDIES OR PROCEDURES.

(d) **WAIVER OF CERTAIN DAMAGES.** THE PARTIES HERETO WAIVE ANY RIGHT OR REMEDY EITHER MAY HAVE AGAINST THE OTHER TO RECOVER PUNITIVE OR EXEMPLARY DAMAGES ARISING OUT OF ANY CLAIM WHETHER THE CLAIM IS RESOLVED BY ARBITRATION OR BY JUDICIAL ACTION.

ARTICLE 8

NEGATIVE PLEDGE

Guarantor covenants and agrees that it shall not permit to exist any Lien on any of its property, except Liens of the nature or type the Euronet Entities are permitted to have pursuant to **Section 10.2** of the Credit Agreement. On the request of the Agent, the Guarantor will execute acknowledgments or other forms of notice of such negative pledge, and the Agent may record or file the same in the appropriate filing offices.

ARTICLE 9

SPECIAL INDIA LAW PROVISIONS

9.1 Guarantor's obligations under this Guaranty shall not be affected or impaired by any act, omission, circumstance (other than complete payment of the Guaranteed Obligations), matter or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Agreement or which might otherwise constitute a legal or equitable discharge or defence of a surety or a guarantor, including (whether or not known to the Guarantor or to the Agent or any Lender) the dissolution, liquidation, reorganization or other alteration of the legal status or structure of the Borrower or the Guarantor including as a sick company under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985.

9.2 If the Borrower becomes a sick company under the provision of the Sick Industrial Companies (Special) Provisions) Act, 1985 or a reference is made to the Board of Industrial and Financial Reconstruction under the provision of the Sick Industrial Companies (Special) Provisions) Act, 1985 or if the Borrower becomes bankrupt and the enters into a composition or makes any arrangement with its creditors, or is dissolved, liquidated or wound up, the Guarantor shall not claim, rank, prove or vote as a creditor of the Borrower or its estate in competition with Bank of America or any other Lenders in respect of any amounts owing to the Guarantor by the Borrower on any account whatsoever, but instead shall give the Agent, on behalf of the Lenders, the benefit of any such proof and of all amounts to be received in respect of that proof until all Guaranteed Obligations have been fully paid and/or all obligations of the Borrower under the Credit Agreement and any the other Loan Documents have been fulfilled and fully paid to the Agent and the Lenders. Further, the Guarantor confirms and undertakes that it shall forthwith on demand by the Agent deposit with the Agent on behalf of the Lenders such amount of cash collateral and/or such other security as may be acceptable to the Agent.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Guaranty Agreement as of the date first above written.
THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

EURONET WORLDWIDE, INC.

By: /s/ Rick Weller
Name: Rick Weller
Title: Executive Vice President and Chief Financial
Officer

BANK OF AMERICA, N.A., as Agent

By: /s/ John Mills
Name: John P. Mills
Title: Vice President

Signature Page to Guaranty by Euronet Worldwide, Inc.
Pursuant to the Rupee Credit Agreement

SCHEDULE 4.8

4601 College Boulevard, Suite 300, Leawood, Kansas 66211

**EURONET WORLDWIDE, INC.
2006 STOCK INCENTIVE PLAN**

RESTRICTED STOCK AGREEMENT

Date of Grant: _____

Number of Restricted Shares Granted: _____ ()

This Agreement dated ____, is made by and between Euronet Worldwide, Inc., a Delaware corporation (the "Company"), and ____("Participant").

RECITALS:

A. Effective May 18, 2006, the Company's stockholders approved the Euronet Worldwide, Inc. 2006 Stock Incentive Plan (the "Plan") pursuant to which the Company may, from time to time, grant Shares of Restricted Stock to current or prospective key employees, non-employee directors or outside consultants of the Company.

B. Participant is an employee, consultant or non-employee director of the Company or one of its Affiliates and the Company desires to encourage him/her to own Shares and to give him/her added incentive to advance the interests of the Company, and desires to grant Participant shares of Restricted Stock of the Company under the terms and conditions established by the Committee.

AGREEMENT:

In consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Incorporation of Plan. All provisions of this Award Agreement and the rights of Participant hereunder are subject in all respects to the provisions of the Plan and the powers of the Committee therein provided. Capitalized terms used in this Agreement but not defined shall have the meaning set forth in the Plan. The Plan and a Prospectus including a summary of the Plan are available on the Euronet website at <http://eworld.eeft.com> and may be obtained from the Human Resources Director of Euronet.

2. Grant of Restricted Stock. Subject to the conditions and restrictions set forth in this Agreement and in the Plan, the Company hereby grants to Participant that number of Shares of Restricted Stock identified above opposite the heading "Number of Restricted Shares Granted" (the "Restricted Shares").

3. Consideration to the Company. In consideration of the granting of the Restricted Shares by the Company, Participant will render faithful and efficient services as a Service Provider to the Company. Nothing in this Agreement or in the Plan will confer upon Participant any right to continue as a Service Provider to the Company or will interfere with or restrict in any way

the rights of the Company, which are hereby expressly reserved, to terminate Participant's position as a Service Provider to the Company at any time for any reason whatsoever, with or without cause.

4. Restrictions on Transfer/Vesting Date. Subject to any exceptions set forth in this Agreement or in the Plan, the Restricted Shares or the rights relating thereto may not be sold, transferred, gifted, bequeathed, pledged, assigned, or otherwise alienated or hypothecated, voluntarily or involuntarily, prior to the vesting date for such Restricted Shares (the "Vesting Date"), as identified below. On the Vesting Date, such restriction on transfer shall lapse and the Restricted Shares, if not previously forfeited pursuant to Section 5 below, will become freely transferable under this Agreement and the Plan, subject only to such further limitations on transfer, if any, as may exist under applicable law or any other agreement binding upon Participant. Subject to any exceptions listed in this Agreement or in the Plan, the Restricted Shares will become vested in accordance with the criteria set forth below:

a) Time Vesting	Subject to accelerated vesting under Section 4(b) below, the Restricted Shares under this Award Agreement shall vest as follows: [Insert any Time Vesting Criteria] If the above sums do not derive a whole number of shares as of any Vesting Date, then the number of shares vested shall be the lower whole number resulting from such sum with any residual shares vesting as of the last Vesting Date.
b) Performance Criteria	Notwithstanding the terms provided in the box entitled "Time Vesting " above, if Performance Criteria are set forth below, vesting of the Restricted Shares under this Award Agreement will be accelerated, and the Restricted Shares will vest in accordance with the schedule provided below, if such Performance Criteria are met: [Insert any Performance Criteria] Provided that the above will be subject in each case to the following: (i) to Participant's service with the Company not terminating prior to the date vesting occurs under the Performance Criteria; and (ii) the Committee's determination and certification in writing that the Performance Criteria have been achieved.

The Committee may, in its sole discretion, accelerate the Vesting Date for any or all of the Restricted Shares if in its judgment the performance of Participant has warranted such acceleration and/or such acceleration is in the best interests of the Company.

5. Forfeiture Prior to Vesting. Unless otherwise provided below, if Participant's position as a Service Provider with the Company or any of its Affiliates is terminated prior to the Vesting Date for the Restricted Shares, Participant shall thereupon immediately forfeit any and all unvested Restricted Shares, and the full ownership of such Restricted Shares and rights shall thereupon revert to the Company. Upon such forfeiture, Participant shall have no further rights under this Agreement. For purposes of this Agreement, transfer of employment between the Company and any of its Affiliates (or between Affiliates) shall not constitute a termination of Participant's position as a Service Provider. In the event that Participant's position as a Service Provider with the Company or any of its Affiliates is terminated by the Company or any of its Affiliates prior to the Vesting Dates and due to Participant's death or Disability, the Restricted Shares shall become vested, and any restrictions on the transferability of such Restricted Shares shall lapse and cease to be effective, as of the date of Participant's termination as a Service Provider.

6. Certificates. The Restricted Shares shall be issued in the name of Participant or a nominee of Participant as of the Date of Grant. One or more certificates representing the Restricted Shares shall bear a legend evidencing the nature of the Restricted Shares and will be held by the Company or by its transfer agent, together with a stock power to be executed by Participant in favor of the Company, until the Vesting Date, at which time the certificate(s) representing the Restricted Shares then vesting will be delivered to Participant.

7. Dividends and Voting. From the Date of Grant to the date a share of Restricted Stock becomes vested, the Participant shall be entitled to receive all dividends, payable in stock, in cash or in kind, or other distributions, declared on or with respect to the Restricted Share as of a record date that occurs on or after the Date of Grant hereunder and prior to any transfer or forfeiture of such Restricted Share by Participant. Any dividends paid in cash will be held in escrow by the Company and, both those cash dividends and any other non-cash distributions received on the Restricted Shares will be subject to the same rights, restrictions on transfer and conditions regarding vesting and forfeiture as the Restricted Share with respect to which such dividends or distributions are paid at the time of payment. From the Date of Grant to the date a share of Restricted Stock becomes vested, the Participant shall be entitled to exercise all voting rights with respect to the Restricted Share, if the record date for the exercise of such voting rights occurs on or after the Date of Grant hereunder and prior to any transfer or forfeiture of such Restricted Share. In the event of forfeiture by Participant of any or all of the Restricted Shares or any of the equity securities distributed to Participant with respect thereto, Participant will forfeit all cash dividends held in escrow and relating to the underlying forfeited Restricted Shares and shall be required to return to the Company any distributions previously paid to Participant with respect to the forfeited Restricted Shares.

8. Long-Term Consideration for Award. Participant recognizes and agrees that the Company's key consideration in granting this Award is securing Participant's long-term commitment to advance and promote the Company's business interests and objectives. Accordingly, Participant agrees to the following as material and indivisible consideration for this Award:

(a) Fiduciary Duty. During his/her employment with the Company, Participant shall devote his/her full energies, abilities, attention and business time to the performance of his/her job responsibilities and shall not engage in any activity which conflicts or interferes with, or in any way compromises, performance of such responsibilities.

(b) Confidential Information. Participant recognizes that by virtue of his/her employment with the Company, Participant will be granted otherwise prohibited access to confidential information and proprietary data which are not known to the Company's competitors. This information (the "Confidential Information") includes, but is not limited to, current and prospective customers; the identity of key contacts at such customers; customers' particularized preferences and needs; marketing strategies and plans; financial data; personnel data; compensation data; proprietary procedures and processes; and other unique and specialized practices, programs and plans of the Company and its customers and prospective customers. Participant recognizes that this Confidential Information constitutes a valuable property of the Company, developed over a significant period of time and at substantial expense. Accordingly, Participant agrees that he/she shall not, at any time during or after his or her employment with the Company, divulge such Confidential Information or make use of it for his/her own purposes or the purposes of any person or entity other than the Company.

(c) Non-Solicitation of Customers. Participant recognizes that by virtue of his/her employment with the Company Participant will be introduced to and involved in the solicitation and servicing of existing customers of the Company and new customers obtained by the Company during Participant's employment. Participant understands and agrees that all efforts expended in soliciting and servicing such customers shall be for the permanent benefit of the Company. Participant further agrees that during his/her employment with the Company Participant will not engage in any conduct which could in any way jeopardize or disturb any of the Company's customer relationships. Participant also recognizes the Company's legitimate interest in protecting, for a reasonable period of time after his/her employment with the Company, the Company's customers. Accordingly, Participant agrees that, for a period beginning on the date hereof and ending one (1) year after termination of his/her employment with the Company, regardless of the reason for such termination, Participant shall not, directly or indirectly, without the prior written consent of the Chairman of the Company, market, offer, sell or otherwise furnish any products or services similar to, or otherwise competitive with, those offered by the Company to any customer of the Company.

(d) Non-Solicitation of Employees. Participant recognizes the substantial expenditure of time and effort which the Company devotes to the recruitment, hiring, orientation, training and retention of its employees. Accordingly, Participant agrees that, for a period beginning on the date hereof and ending two (2) years after termination of his/her employment with the Company, regardless of the reason for such termination, Participant shall not, directly or indirectly, for himself or herself or on behalf of any other person or entity, solicit, offer employment to, hire or otherwise retain the services of any employee of the Company.

(e) Survival of Commitments; Potential Recapture of Award and Proceeds. Participant acknowledges and agrees that the terms and conditions of this Section 8 regarding confidentiality and non-solicitation shall survive both (i) the termination of his/her employment with the Company for any reason, and (ii) the termination of the Plan, for any reason. Participant acknowledges and agrees that the grant of Restricted Shares in this Award Agreement is just and adequate consideration for the survival of the restrictions set forth herein, and that the Company may pursue any or all of the following remedies if Participant either violates the terms of this Section or succeeds for any reason in invalidating any part of it (it being understood that the invalidity of any term hereof would result in a failure of consideration for the Award):

(i) declaration that the Award is null and void and of no further force or effect;

(ii) recapture of any cash paid or Shares issued to Participant, or any designee or beneficiary of the Participant, pursuant to the Award;

(iii) recapture of the proceeds, plus reasonable interest, with respect to any Shares that are both issued pursuant to this Award and sold or otherwise disposed of by Participant, or any designee or beneficiary of Participant.

The remedies provided above are not intended to be exclusive, and the Company may seek such other remedies as are provided by law, including equitable relief.

(f) Acknowledgement. Participant acknowledges and agrees that adherence to the foregoing requirements will not prevent him/her from engaging in his/her chosen occupation and earning a satisfactory livelihood following the termination of his/her employment with the Company.

9. Section 83(b) Election Notice. If Participant makes an election under Section 83(b) of the Code, with respect to the Shares underlying Participant's Restricted Shares (a "Section 83(b) election"), Participant agrees to provide a copy of such election to the Company within 10 days after filing that election with the Internal Revenue Service. Appendix A contains a suggested form of Section 83(b) election.

10. Forfeitures Due to Section 280G Limitations. Notwithstanding anything to the contrary in this Award Agreement, in the event that the vesting of the Restricted Shares is accelerated because of a Change in Control as defined in the Plan and subject to the modifications of this Section 10, and such acceleration results in Participant being liable or obligated for the payment of any Federal excise taxes under Section 4999(a) of the Code, and/or any state or local excise taxes attributable to an "excess parachute payment" under Section 280G of the Code, the number of Restricted Shares granted to Participant as to which the vesting period shall lapse may be reduced by the smallest number necessary to eliminate such tax liability.

11. Designation of Beneficiary. Notwithstanding anything to the contrary contained herein or in the Plan, following the execution of this Award Agreement, Participant may

expressly designate a beneficiary (the "Beneficiary"), if any, in the Restricted Shares awarded hereby. Participant shall designate the Beneficiary by completing and executing a designation of beneficiary agreement substantially in the form attached hereto as Appendix B (the "Designation of Beneficiary") and delivering an executed copy of the Designation of Beneficiary to the Company.

12. Tax Withholding. Participant is solely responsible and liable for the satisfaction of all taxes and penalties that may arise in connection with this Award Agreement (including any taxes arising under Section 409A of the Code), and the Company shall not have any obligation to indemnify or otherwise hold Participant harmless from any or all of such taxes. To the extent that the Award of any Restricted Shares granted hereunder may obligate the Company to pay withholding taxes on Participant's behalf, the Company shall have the power to withhold, or require Participant to remit to the Company, an amount sufficient to satisfy any such federal, state, local or foreign withholding taxes.

13. Notices. Any notice or communication required or permitted by any provision of this Award Agreement to be given to Participant shall be in writing and shall be delivered personally or sent by certified mail, return receipt requested, addressed to the last address that the Company had for Participant on its records. Each party may, from time to time, by notice to the other party hereto, specify a new address for delivery of notices relating to this Award Agreement. Any such notice shall be deemed to be given as of the date such notice is personally delivered or properly mailed.

14. Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

15. Amendment. This Agreement may be amended only by a writing executed by the parties hereto which specifically states that it is amending this Agreement.

16. Governing Law. The laws of the State of Delaware will govern the interpretation, validity and performance of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

17. Binding Effect. Except as expressly stated herein to the contrary, this Agreement will be binding upon and inure to the benefit of the respective heirs, legal representatives, successors and assigns of the parties hereto.

This Agreement has been executed and delivered by the parties hereto.

The Company:

EURONET WORLDWIDE, INC.

By: _____

Name: _____

Title: _____

Participant:

Address of Participant:

APPENDIX A

**EURONET WORLDWIDE, INC.
2006 STOCK INCENTIVE PLAN**

Section 83(b) Election Form

Attached is an Internal Revenue Code Section 83(b) Election Form. If you wish to make a Section 83(b) election, you must do so within 30 days after the date the RESTRICTED SHARES covered by the election were transferred to you. In order to make the election, you must completely fill out the attached form and file one copy with the Internal Revenue Service office where you file your tax return. In addition, one copy of the statement also must be submitted with your income tax return for the taxable year in which you make this election. Finally, you also must submit a copy of the election form to the Company within 10 days after filing that election with the Internal Revenue Service. A Section 83(b) election normally cannot be revoked.

**EURONET WORLDWIDE, INC.
2006 STOCK INCENTIVE PLAN**

**Election to Include Value of Restricted Shares in Gross Income
in Year of Transfer Under Internal Revenue Code Section 83(b)**

Pursuant to Section 83(b) of the Internal Revenue Code, I hereby elect within 30 days after receiving the property described herein to be taxed immediately on its value specified in item 5 below.

1. My General Information:

Name: _____
Address: _____

S.S.N. _____
or T.I.N.: _____

2. Description of the property with respect to which I am making this election:

_____ shares of _____ stock of Euronet Worldwide, Inc. (the "Restricted Shares").

3. The Restricted Shares were transferred to me on _____, 20___. This election relates to the 20___ calendar taxable year.

4. The Restricted Shares are subject to the following restrictions:

The Restricted Shares are forfeitable until they are vested in accordance with Section 4 of the Euronet Worldwide, Inc. 2006 Stock Incentive Plan ("Plan") Restricted Stock Agreement ("Award Agreement") or other Award Agreement or Plan provisions. The Restricted Shares generally are not transferable until my interest becomes vested and nonforfeitable, pursuant to the Award Agreement and the Plan.

5. Fair market value:

The fair market value at the time of transfer (determined without regard to any restrictions other than restrictions which by their terms never will lapse) of the Restricted Shares with respect to which I am making this election is \$_____ per share.

6. Amount paid for Restricted Shares:

The amount I paid for the Restricted Shares is \$_____ per share.

7. Furnishing statement to employer:

A copy of this statement has been furnished to my employer, _____. If the transferor of the Restricted Shares is not my employer, that entity also has been furnished with a copy of this statement.

8. Award Agreement or Plan not affected:

Nothing contained herein shall be held to change any of the terms or conditions of the Award Agreement or the Plan.

Dated: _____, 200__.

Taxpayer

APPENDIX B

**EURONET WORLDWIDE, INC.
2006 STOCK INCENTIVE PLAN**

Designation of Beneficiary

In connection with the RESTRICTED SHARE AWARD AGREEMENT (the "Award Agreement") entered into on _____, 200____ between Euronet Worldwide, Inc. (the "Company") and _____, an individual residing at _____ (the "Recipient"), the Recipient hereby designates the person specified below as the beneficiary of the Recipient's interest in Restricted Stock (as defined in the 2006 Stock Incentive Plan of the Company awarded pursuant to the Award Agreement. This designation shall remain in effect until revoked in writing by the Recipient.

Name of Beneficiary: _____

Address: _____

Social Security No.: _____

The Recipient understands that this designation operates to entitle the above-named beneficiary to the rights conferred by the Award Agreement from the date this form is delivered to the Company until such date as this designation is revoked in writing by the Recipient, including by delivery to the Company of a written designation of beneficiary executed by the Recipient on a later date.

Date: _____

By: _____
[Recipient Name]

County of _____

State of _____

Sworn to before me this _____ day of _____, 200____

Notary Public

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 quarterly 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 officers 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 officers 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 function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial data; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: August 4, 2006

/s/ MICHAEL J. BROWN

Michael J. Brown
Chairman and Chief Executive Officer

CERTIFICATIONS OF CHIEF FINANCIAL OFFICER

I, Rick L. Weller, Chief Financial Officer and Principal Accounting 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 officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15e and 15d-15e) 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 officers 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 function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial data; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

Date: August 4, 2006

/s/ RICK L. WELLER

Rick L. Weller
Chief Financial Officer and Chief Accounting 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 June 30, 2006 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

August 4, 2006

In connection with the Quarterly Report on Form 10-Q of Euronet Worldwide, Inc. (the "Company") for the period ended June 30, 2006 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 and Chief Accounting Officer

August 4, 2006