

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

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

**July 26, 2005**

Date of Report (date of earliest event reported):

**Euronet Worldwide, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction  
of incorporation)

**0-22167**

(Commission File Number)

**74-2806888**

(IRS Employer  
ID Number)

**4601 College Boulevard**

**Leawood, Kansas**

(Address of principal executive offices)

**66211**

(Zip Code)

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

**N/A**

(Former name or former address, if changed since last report)

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

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

On July 26, 2005, Euronet Worldwide, Inc. issued a press release to announce its financial results for the second quarter ended June 30, 2005. The press release is attached hereto as Exhibit 99.1.

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

ITEM 9.01. Financial Statements and Exhibits

(c) Exhibits

Exhibit 99.1 - Press Release dated July 26, 2005

SIGNATURES

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

**Euronet Worldwide, Inc.**

Date: July 26, 2005

By: /s/ Rick L. Weller

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Rick L. Weller  
Chief Financial Officer



# News Release

## Corporate Headquarters

4601 College Boulevard,  
Suite 300  
Leawood, Kansas 66211  
USA  
+1-913-327-4200

## For Immediate Release

Date: July 26, 2005

|                          |                  |                |  |
|--------------------------|------------------|----------------|--|
| Media Contact:           | Shruthi Dyapaiah | 1-913-327-4225 | <a href="mailto:sdypaiah@euronetworldwide.com">sdypaiah@euronetworldwide.com</a> |
| Investor Relations (US): | IR Dept          | 1-913-327-4200 | <a href="mailto:investor@euronetworldwide.com">investor@euronetworldwide.com</a> |

## Euronet Worldwide Reports Second Quarter 2005 Financial Results

**LEAWOOD, KANSAS, USA—July 26, 2005**—Euronet Worldwide, Inc. (NASDAQ: EEFT), a leading electronic payments provider, announced consolidated revenues of \$132.2 million for the second quarter ended June 30, 2005. These results compare to \$87.0 million for the second quarter ended June 30, 2004. Consolidated operating income for the quarter was \$12.5 million, compared to \$7.4 million for the second quarter 2004. Adjusted EBITDA (operating income plus depreciation and amortization) was \$18.2 million for second quarter 2005, compared to \$10.8 million for the second quarter 2004.

Net income for the second quarter 2005 was \$3.9 million, or \$0.10 diluted earnings per share, compared to a net income of \$4.4 million, or \$0.13 diluted earnings per share, for the second quarter 2004. The second quarter 2005 net income included a foreign exchange translation loss of \$4.7 million; excluding this loss, diluted earnings per share were \$0.23, and net income was \$8.6 million. Net income for the second quarter 2004 included a foreign exchange translation gain of \$0.3 million and a loss of less than \$0.1 million on early retirement of debt; excluding this gain and loss, diluted earnings per share were \$0.12, and net income was \$4.1 million.

**The EFT Processing Segment** posted second quarter 2005 revenues of \$26.0 million, compared to \$18.0 million reported for the second quarter 2004. Operating income for the second quarter was \$6.3 million, compared to the prior year's second quarter of \$3.1 million. Second quarter 2005 Adjusted EBITDA was \$8.7 million, compared to \$4.9 million for the second quarter 2004. The EFT Processing Segment processed 86.8 million transactions in the second quarter 2005 compared to 54.1 million transactions for the same period last year. The segment completed the quarter with 6,565 ATMs owned or operated, compared to 5,097 ATMs at the end of the second quarter 2004. The improved results of the second quarter 2005 over the same quarter last year are largely attributable to the continued growth in ATMs under management, primarily in our Indian, Polish and Romanian markets, together with transactional growth from those ATMs and all other managed ATMs. Euronet owns and/or operates ATMs in Hungary, Poland, Germany, Croatia, the Czech Republic, U.K., Greece, Romania, Serbia, Slovakia, Kosovo, Albania and India.

**The Prepaid Processing Segment** reported second quarter 2005 revenues of \$102.5 million, compared to \$65.6 million reported for the second quarter 2004. Operating income for the second quarter 2005 was \$8.3 million, compared to the prior year's second quarter results of \$6.3 million. Adjusted EBITDA for the second quarter 2005 was \$11.3 million, compared to \$7.7 million for the second quarter 2004. Total transactions processed by the Prepaid Processing Segment in the second quarter 2005 were 86.2 million, compared to 54.6 million prepaid transactions processed in the second quarter 2004. The Prepaid Processing Segment processes electronic point-of-sale prepaid transactions at more than 208,000 point-of-sale terminals across more than 101,000 retailers in Europe, Asia Pacific, Africa, and the U.S. As previously announced, the company intends to expand its Prepaid Processing Segment both domestically and internationally through internal sales and promotional efforts as well as, if appropriate, acquisitions.

The Prepaid Processing Segment's second quarter's year-over-year revenue improvements were the result of a continuation of transaction growth together with benefits of acquisitions completed during and after the first quarter 2004.

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The quarterly Adjusted EBITDA and operating income improvements generally correlated to the increases in revenues. Operating income in the second quarter 2005 included approximately \$0.2 million in operating losses related to a recently acquired money transfer company, TelecommUSA, and approximately \$0.7 million in incremental and recurring marketing expenses in the U.S. market. Depreciation and amortization included approximately \$1.6 million for amortization of intangible assets assigned for purchase accounting related to the acquisitions in the Prepaid Processing Segment.

**Corporate Services and Other** had \$2.8 million of operating expenses in the second quarter 2005, compared to \$2.4 million for the second quarter 2004, primarily due to increases in professional fees, largely driven by the requirements of the Sarbanes-Oxley Act of 2002, professional fees related to acquisition analysis and salary expense resulting from overall company growth.

All segments included, transactions processed in the second quarter 2005 were 173.0 million, compared to 108.7 million processed in the second quarter 2004. This increase was primarily due to the EFT Processing Segment implementation of ATM outsourcing agreements in India, Romania and Poland, combined with continued growth and acquisitions in the Prepaid Processing Segment.

The company's unrestricted cash on hand was \$50.3 million as of June 30, 2005 as compared to \$73.0 million at March 31, 2005. The decrease in unrestricted cash was largely due to acquisition-related payments. Euronet's total indebtedness was \$178.7 million, including \$140 million in contingently convertible bonds issued in December 2004, as of June 30, 2005, compared to \$164.5 million at March 31, 2005. The increase of \$14.2 million largely related to short-term draws on the company's \$50 million revolving credit agreement to accommodate certain month-end trade payables and has been largely repaid after June 30, 2005.

Euronet also announced that it expects diluted earnings per share for the third quarter 2005 to be approximately \$0.24. This increase does not take into consideration the effects of foreign exchange gains or losses, gains or losses on the early retirement of debt, discontinued operations, and other non-operating or unusual items that Euronet cannot reasonably project.

In December 2004, the company issued convertible senior debentures, that if converted in the future, would have a potentially dilutive effect on the company's stock. The debentures are potentially convertible into approximately 4.2 million shares of common stock, subject to adjustment. As required by EITF 04-8, "The Effect of Contingently Convertible Debt on Diluted Earnings per Share," contingently convertible shares shall be included in the per share calculations on the "if converted" basis if the per share result is dilutive. Since the assumed conversion of the debentures is not dilutive for the three months ended June 30, 2005, the impact has been excluded from the calculation of diluted earnings per share; however, the impact on earnings per share is expected to be dilutive in future periods, and, accordingly, the 4.2 million shares would be included in the calculation of diluted earnings per share.

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

Euronet Worldwide will host an analyst conference call on Wednesday, July 27, 2005, at 10:00 a.m. U.S. Eastern Time to discuss these results. The conference call will be broadcast on the Internet and can be accessed via the Euronet Worldwide Internet site at [www.euronetworldwide.com](http://www.euronetworldwide.com) or via Vcall at <http://www.vcall.com/CEPage.asp?ID=92670>. Participants should go to the web site at least 15 minutes before this event to download and install any necessary audio software. For those without Internet access, the conference call-in number is +1-877-407-9210 (USA) or +1-201-689-8049 (non-USA). The password is "Euronet."

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For those unable to attend the live broadcast, a replay will be available beginning approximately one hour after the event at <http://www.vcall.com/CEPage.asp?ID=92670> as well as via phone. To dial in for the replay, the call-in number is +1-877-660-6853 (USA) or +1-201-612-7415 (non-USA). The account number is 286 and the conference ID number is 160753. The call and webcast replay will be available for one month. You can also access the Earnings presentation at [www.euronetworldwide.com/investors/library/presentations.asp](http://www.euronetworldwide.com/investors/library/presentations.asp). No fees are charged to access any event.

#### **About Euronet Worldwide**

Euronet Worldwide is an industry leader in processing secure electronic financial transactions. The company offers outsourcing and consulting services, integrated EFT software, network gateways, and electronic prepaid top-up services to financial institutions, mobile operators and retailers. Euronet operates and services the largest pan-European group of ATMs and operates the largest India shared ATM network. Euronet is also the largest provider of prepaid processing, or top-up services, for prepaid mobile airtime. The company has processing centers located in the U.S., Europe and Asia, and processes electronic top-up transactions at more than 208,000 point-of-sale terminals across more than 101,000 retailers in Europe, Asia Pacific, Africa and the U.S. With corporate headquarters in Leawood, Kansas, USA, and 23 worldwide offices, Euronet serves clients in approximately 70 countries. Visit the company's web site at [www.euronetworldwide.com](http://www.euronetworldwide.com).

*Any statements contained in this news release that concern the company's or management's intentions, expectations, or predictions of future performance, are forward-looking statements. Euronet's actual results may vary materially from those anticipated in such forward-looking statements as a result of a number of factors, including: technological developments affecting the market for the company's products and services; foreign exchange fluctuations; and changes in laws and regulations affecting the company's business. These risks and other risks are described in the company's periodic filings with the Securities and Exchange Commission, including but not limited to Euronet's Form 10-K for the year ended December 31, 2004 and its Form 10-Q for the period ended March 31, 2005. Copies of these filings may be obtained by contacting the company or the SEC.*

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

|  | <b>Three Months Ended</b> |                   |
|--|---------------------------|-------------------|
|  | <b>June 30,</b>           |                   |
|  | <u>2005</u>               | <u>2004</u>       |
| <b>Revenues:</b>   |                           |                   |
| EFT Processing   | \$ 26,041                 | \$ 18,002         |
| Prepaid Processing   | 102,480                   | 65,634            |
| Software Solutions   | 3,724                     | 3,386             |
| Total revenues   | <u>132,245</u>            | <u>87,022</u>     |
| <b>Operating expenses:</b>   |                           |                   |
| Direct operating costs   | 92,157                    | 60,501            |
| Salaries and benefits  | 13,724                    | 10,031            |
| Selling, general and administrative  | 8,197                     | 5,691             |
| Depreciation and amortization  | 5,645                     | 3,433             |
| Total operating expenses   | <u>119,723</u>            | <u>79,656</u>     |
| Operating income   | <u>12,522</u>             | <u>7,366</u>      |
| <b>Other income (expenses):</b>  |                           |                   |
| Interest income  | 1,105                     | 615               |
| Interest expense   | (1,617)                   | (1,672)           |
| Income from unconsolidated affiliates  | 407                       | 125               |
| Loss on early retirement of debt   | -                         | (23)              |
| Foreign exchange gain (loss), net  | (4,715)                   | 258               |
| Total other expense  | <u>(4,820)</u>            | <u>(697)</u>      |
| Income from continuing operations before<br>income taxes and minority interest | 7,702                     | 6,669             |
| Income tax expense   | (3,471)                   | (2,289)           |
| Minority interest  | (313)                     | -                 |
| Net income   | 3,918                     | 4,380             |
| Translation adjustment   | (3,621)                   | 274               |
| Comprehensive income   | <u>\$ 297</u>             | <u>\$ 4,654</u>   |
| <b>Net Income per share - basic:</b>   |                           |                   |
| Net income   | <u>\$ 0.11</u>            | <u>\$ 0.14</u>    |
| Basic weighted average shares outstanding                                      | <u>35,129,878</u>         | <u>30,966,937</u> |
| <b>Net Income per share - diluted:</b>   |                           |                   |
| Net income   | <u>\$ 0.10</u>            | <u>\$ 0.13</u>    |
| Diluted weighted average shares outstanding                                    | <u>37,745,274</u>         | <u>34,058,533</u> |

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

|  | <b>As of<br/>June 30,<br/>2005</b> | <b>As of<br/>December 31,<br/>2004</b> |
|--|------------------------------------|--|
|  | <u>          </u>                  | <u>          </u>                      |
| <b>ASSETS</b>  |                                    |  |
| Current assets:  |                                    |  |
| Cash and cash equivalents  | \$ 50,333                          | \$ 124,198                             |
| Restricted cash  | 80,243                             | 69,300                                 |
| Inventory - PINs and other   | 29,438                             | 18,949                                 |
| Trade accounts receivable, net of allowance for doubtful accounts      | 113,826                            | 110,306                                |
| Other current assets, net  | <u>32,699</u>                      | <u>22,013</u>                          |
| <b>Total current assets</b>  | <b>306,539</b>                     | <b>344,766</b>                         |
| Property, plant and equipment, net                                     | 41,334                             | 39,907                                 |
| Goodwill and intangible assets, net                                    | 297,273                            | 212,598                                |
| Other assets, net  | <u>18,110</u>                      | <u>21,204</u>                          |
| <b>Total assets</b>  | <b><u>\$ 663,256</u></b>           | <b><u>\$ 618,475</u></b>               |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                            |                                    |  |
| Current liabilities:   |                                    |  |
| Accounts payable and other current liabilities                         | \$ 266,400                         | \$ 283,918                             |
| Current portion of capital lease obligations and short-term borrowings | <u>10,023</u>                      | <u>9,265</u>                           |
| <b>Total current liabilities</b>                                       | <b>276,423</b>                     | <b>293,183</b>                         |
| Obligations under capital leases, excluding current installments       | 14,087                             | 16,894                                 |
| Deferred income tax  | 24,459                             | 17,520                                 |
| Debt obligations   | 154,570                            | 140,000                                |
| Other long-term liabilities  | 2,152                              | 3,093                                  |
| Minority interest  | <u>6,944</u>                       | <u>5,871</u>                           |
| <b>Total liabilities</b>   | <b>478,635</b>                     | <b>476,561</b>                         |
| Stockholders' equity   | <u>184,621</u>                     | <u>141,914</u>                         |
| <b>Total liabilities and stockholders' equity</b>                      | <b><u>\$ 663,256</u></b>           | <b><u>\$ 618,475</u></b>               |



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

|   | <b>Three Months Ended June 30, 2005</b> |                   |                  |                     |
|---|---|-------------------|------------------|---------------------|
|   | <b>EFT</b>                              | <b>Prepaid</b>    | <b>Software</b>  | <b>Consolidated</b> |
|   | <b>Processing</b>                       | <b>Processing</b> | <b>Solutions</b> |                     |
| Net income  | \$ 4.4                                  | \$ 6.8            | \$ 0.8           | \$ 3.9              |
| Add: Income tax   | 1.5                                     | 2.3               | -                | 3.5                 |
| Add: Interest expense   | 0.5                                     | 0.1               | -                | 1.6                 |
| Add: Foreign exchange loss  | -                                       | -                 | -                | 4.7                 |
| Add: Minority interest  | 0.1                                     | 0.2               | -                | 0.3                 |
| Less: Income from unconsolidated affiliates   | (0.2)                                   | (0.2)             | -                | (0.4)               |
| Less: Interest income   | (0.1)                                   | (0.9)             | -                | (1.1)               |
| Rounding and other  | 0.1                                     | -                 | -                | -                   |
| <b>Subtotal - Operating income</b>  | <b>6.3</b>                              | <b>8.3</b>        | <b>0.8</b>       | <b>12.5</b>         |
| Add: Depreciation and amortization  | 2.4                                     | 3.0               | 0.3              | 5.6                 |
| Rounding  | -                                       | -                 | (0.1)            | 0.1                 |
| <b>Earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA)</b> | <b>\$ 8.7</b>                           | <b>\$ 11.3</b>    | <b>\$ 1.0</b>    | <b>\$ 18.2</b>      |

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

|   | <b>Three Months Ended June 30, 2004</b> |                   |                  |                     |
|---|---|-------------------|------------------|---------------------|
|   | <b>EFT</b>                              | <b>Prepaid</b>    | <b>Software</b>  | <b>Consolidated</b> |
|   | <b>Processing</b>                       | <b>Processing</b> | <b>Solutions</b> |                     |
| Net income  | \$ 2.0                                  | \$ 5.6            | \$ 0.3           | \$ 4.4              |
| Add: Income tax   | 0.8                                     | 1.5               | -                | 2.3                 |
| Add: Interest expense   | 0.3                                     | -                 | -                | 1.7                 |
| Less: Foreign exchange gain   | -                                       | -                 | -                | (0.3)               |
| Less: Income from unconsolidated affiliates   | -                                       | (0.1)             | -                | (0.1)               |
| Less: Interest income   | -                                       | (0.6)             | -                | (0.6)               |
| Less: Rounding and other  | -                                       | (0.1)             | -                | -                   |
| <b>Subtotal: Operating income</b>   | <b>3.1</b>                              | <b>6.3</b>        | <b>0.3</b>       | <b>7.4</b>          |
| Add: Depreciation and amortization  | 1.8                                     | 1.4               | 0.2              | 3.4                 |
| Rounding  | -                                       | -                 | 0.1              | -                   |
| <b>Earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA)</b> | <b>\$ 4.9</b>                           | <b>\$ 7.7</b>     | <b>\$ 0.6</b>    | <b>\$ 10.8</b>      |

**EURONET WORLDWIDE, INC.**  
**Reconciliation of Net Income Excluding FX, Discontinued Operations, Gain on Sale and Retirement of Debt**  
**(unaudited - in millions, except share and per share data)**

|  | Three months ended<br>June 30, |            |
|--|--------------------------------|------------|
|  | 2005                           | 2004       |
| Net income                                     | \$ 3.9                         | \$ 4.4     |
| Foreign exchange loss (gain)                   | 4.7                            | (0.3)      |
| Net income before foreign exchange loss (gain) | \$ 8.6                         | \$ 4.1     |
| Adjusted income per share - diluted *          | \$ 0.23                        | \$ 0.12    |
| Diluted weighted average shares outstanding    | 37,745,274                     | 34,058,533 |

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

Note: Gains on Sale of assets and Retirement of Debt were less than \$0.1 million combined and therefore excluded from the table.