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

FORM 8-KA
(AMENDMENT NO. 2)

PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

DECEMBER 16, 1998
DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED)

COMMISSION FILE NUMBER [   ]

EURONET SERVICES 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.)

14-24 HORVAT U.
1027 BUDAPEST
HUNGARY
(Address of principal executive offices)

36-1-224-1000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

This Current Report on Form 8-K/A amends and supersedes, to the extent set forth herein, the Current Report on Form 8-K filed by the Registrant with the Securities and Exchange Commission December 16, 1998.

This Amendment No. 2 to the Registrant's Current Report on Form 8-K dated December 16, 1998 (the "REPORT"), relates to the Euronet Services Inc.'s (the "Company") completion of the acquisition of Arkansas Systems Inc., a corporation organized and existing under the laws of the State of Arkansas ("ARKSYS"), by means of a merger of AE Merger Corp., an Arkansas corporation and a wholly owned subsidiary of the Company ("Merger Sub"), with and into Arksys (the "Merger") with Arksys remaining as the surviving corporation, pursuant to the Agreement and Plan of Merger and Reorganization, December 2, 1998 (the "MERGER AGREEMENT"), among the Company, Merger Sub and ARKSYS. The purpose of this Amendment is to amend Item 7(b) to provide the required Financial Statements of the business acquired and pro forma financial information relating to the business combination between the Company and ARKSYS which was impracticable to provide at the time the Registrant filed this report.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits -

(a) Financial Statements of Business Acquired

The following audited financial statements of ARKSYS are contained on pages [2] to [20] of this report:

The following unaudited financial statements of ARKSYS are contained on pages [21] to [23] of this report:

(b) Pro Forma Financial Information (unaudited):

The following unaudited pro forma financial information is contained on pages [24] to [28] of this report:

FINANCIAL STATEMENTS OF BUSINESS ACQUIRED

REPORT OF INDEPENDENT AUDITORS

The Board of Directors
Arkansas Systems, Inc. and Subsidiaries d/b/a ARKSYS

We have audited the accompanying consolidated balance sheet of Arkansas Systems, Inc. and Subsidiaries d/b/a ARKSYS as of December 31, 1997, and the related consolidated statements of income, stockholders' equity and cash flows for the year then ended. The consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements based on our audit. The financial statements of ARKSYS for the year ended December 31, 1996, were audited by other auditors whose report dated May 1, 1997, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 1997 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of ARKSYS as of December 31, 1997, and the consolidated results of their operations and their cash flows for the year then ended in conformity with generally accepted accounting principles.

March 30, 1998

By: /s/ Ernst & Young LLP

Ernst & Young LLP

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 1997
AND DECEMBER 31, 1996

	DECEMBER 31 1997	1996
ASSETS		
Current assets:		
Cash and cash equivalents	$2,438,246	$ 579,308
Investment securities	57,660	4,700
Accounts receivable:		
Trade, less allowance for doubtful accounts of $252,000 in 1997 and 1996	2,870,388	1,739,345
Other	33,622	32,215
Note receivable from affiliate	26,555	8,852
Income taxes receivable	-	286,930
Costs and estimated earnings in excess of billings on software installation contracts	640,165	346,138
Deferred income taxes	331,536	228,391
Prepaid expenses and other assets	116,281	171,436
Total current assets	6,514,453	3,397,315
Investment in affiliates	499,116	412,951
Receivable from affiliates	390,121	1,077,646
Investment securities	-	51,025
Net property and equipment	879,500	2,227,096
Cash surrender value of life insurance policies	847,620	801,387
Total assets	$9,130,810	$7,967,420
LIABILITES		
Current liabilities:		
Accounts payable	$ 388,151	$ 442,226
Income taxes payable	189,055	-
Accrued expenses	1,153,549	742,078
Advance payments on contracts	1,253,385	947,903
Billings in excess of costs and estimated earnings on software installation contracts	316,713	239,507
Total current liabilities	3,300,853	2,371,714
Deferred compensation	476,790	404,195
Deferred income taxes	-	21,050
Deferred rent	68,573	43,917
Total liabilities	3,846,216	2,840,876
Stockholders' equity:		
Common stock, ($.000167 par value, authorized 6,000,000 shares; issued and outstanding: 1997--2,654,461; 1996--2,651,691	442	442
Additional paid in capital	387,518	368,066
Unrealized gain on investments (net of tax of $1,524 in 1997 and $959 in 1996)	2,454	1,545
Retained earnings	6,632,772	6,388,778
	7,023,186	6,758,831
Less treasury stock, at cost (1997--1,090,935 shares; 1996--1,071,388 shares)	(1,738,592)	(1,632,287)
Total stockholders' equity	5,284,594	5,126,544
Total liabilities and stockholders' equity	$ 9,130,810	$ 7,967,420

See accompanying notes.

CONSOLIDATED STATEMENTS OF INCOME FOR THE YEARS ENDED
DECEMBER 31, 1997 AND 1996

Arkansas Systems, Inc. and Subsidiaries
d/b/a ARKSYS

	YEAR ENDED DECEMBER 31	
	1997	1996
Revenue:		
Software, maintenance and related revenue	$11,143,465	$9,192,581
Gross profit on hardware sales	292,045	412,876
Total revenue	11,435,510	9,605,457
Operating expense:		
Salaries, wages and employee benefits	8,147,139	7,167,775
Depreciation	260,980	283,018
Other general and administrative	3,606,598	2,745,373
Expenses billed to customers	(896,984)	(820,998)
Total operating expense	11,117,733	9,375,168
Earnings from operations	317,777	230,289
Other income (expense):		
Interest income	110,663	126,211
Interest expense	(12)	(5,520)
Gain (loss) on sale of property	(157,306)	69,525
Other, net	105,970	143,394
Total other income	59,315	333,610
Income before equity in loss of affiliates and income taxes	377,092	563,899
Equity in loss of affiliates	(16,978)	(79,646)
Income before income taxes	360,114	484,253
Provision for income taxes:		
Current	240,315	5,570
Deferred	(124,195)	85,313
	116,120	90,883
Net income	$ 243,994	$ 393,370

See accompanying notes.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY AT DECEMBER 31, 1997 AND 1996

Arkansas Systems, Inc. and Subsidiaries
d/b/a ARKSYS

	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	UNREALIZED GAIN (LOSS) ON INVESTMENTS	RETAINED EARNINGS	TREASURY STOCK	TOTAL
Balance at January 1, 1996	$442	$346,766	$(2,143)	$5,995,408	$(1,520,456)	$4,820,017
Net income for 1996	-	-	-	393,370	-	393,370
Sales of stock to employees	-	21,300	-	-	-	21,300
Purchases of treasury stock--(16,090 shares at $6.95 average per share)	-	-	-	-	(111,831)	(111,831)
Change in unrealized gain (loss) on investments	-	-	3,688	-	-	3,688
Balance at December 31, 1996	442	368,066	1,545	6,388,778	(1,632,287)	5,126,544
Net income for 1997	-	-	-	243,994	-	243,994
Sales of stock to employees	-	19,452	-	-	-	19,452
Purchases of treasury stock--(19,547 shares at $5.44 average per share)	-	-	-	-	(106,305)	(106,305)
Change in unrealized gain (loss) on investments	-	-	909	-	-	909
Balance at December 31, 1997	$442	$387,518	$ 2,454	$6,632,772	$(1,738,592)	$5,284,594

See accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

Arkansas Systems, Inc. and Subsidiaries
d/b/a ARKSYS

	YEAR ENDED DECEMBER 31 1997	1996
OPERATING ACTIVITIES		
Net income	$ 243,994	$ 393,370
Adjustments to reconcile net income to cash provided by (used in) operating activities:		
Provision for bad debts	-	52,000
Depreciation	260,980	283,018
(Gain) loss on sale of property	157,305	(69,525)
Undistributed loss of affiliates	16,978	79,646
Deferred income taxes	(124,195)	86,272
Changes in operating assets and liabilities:		
Accounts and other receivables	(1,132,450)	(737,798)
Receivable from affiliates	669,822	(477,062)
Income taxes receivable	-	38,305
Income taxes payable	475,420	-
Costs and estimated earnings in excess of billings on software installation contracts	(294,027)	(202,809)
Prepaid expenses and other assets	55,155	84,315
Cash surrender value of life insurance policies	(46,233)	48,431
Accounts payable and accrued expenses	357,396	(139,574)
Advance payments on contracts	305,482	448,810
Billings in excess of costs and estimated earnings on software installation contracts	77,206	(104,248)
Deferred compensation	72,595	(61,386)
Deferred rent	24,656	43,917
Net cash provided (used) by operating activities	1,120,084	(234,318)
INVESTING ACTIVITIES		
Proceeds from sale and maturities of investment securities	-	315,539
Proceeds from sale of property and equipment	963,783	193,520
Purchases of property and equipment	(50,962)	(595,556)
Purchases of investment securities	(461)	(3,140)
Additional investment in affiliates	(86,653)	(265,480)
Net cash provided (used) by investing activities	825,707	(355,117)
FINANCING ACTIVITIES		
Proceeds from sale of stock	19,452	21,300
Purchase of treasury stock	(106,305)	(111,831)
Net cash used by financing activities	(86,853)	(90,531)
Increase (decrease) in cash and cash equivalents	1,858,938	(679,966)
Cash and cash equivalents:		
Beginning balance	579,308	1,259,274
Ending balance	$ 2,438,246	$ 579,308

See accompanying notes.

NOTES TO COMBINED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND BUSINESS

Founded in 1975 and managed by software professionals Arkansas Systems, Inc. and Subsidiaries d/b/a ARKSYS, ("ARKSYS" or the "Company") sells payment and financial transaction delivery systems worldwide. ARKSYS is a closely-held, independently controlled corporation that is owned 98%, directly and indirectly, by current employees.

ARKSYS provides payment and transaction processing solutions on the IBM AS/400 platform. Its core solution, Integrated Transaction Management ("ITM"), is a modular, comprehensive software architecture for ARKSYS' offerings. Offerings include:

- ATM and network processing software
- Electronic funds transfer software interfaces
- Electronic funds transfer switch control software
- Credit/debt card processing software
- Corporate cash management and personal financial management access products

Headquartered in Little Rock, Arkansas, ARKSYS has satellite offices in Budapest, Hungary, and Orlando, Florida. Arkansas-based marketing and regional sales representatives and a global network of distributors market and sell its offerings and services. Technical staff members, which include delivery, development, research and support personnel, are based in Little Rock.

ARKSYS' client base includes more than 350 active clients in the United States and approximately 70 countries worldwide. ARKSYS has approximately 140 employees.

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of Arkansas Systems, Inc. and its wholly owned subsidiary, Arkansas Systems, Inc. International (a Foreign Sales Corporation). All significant intercompany accounts and transactions have been eliminated in consolidation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH EQUIVALENTS

ARKSYS considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

INVESTMENT SECURITIES

All marketable securities are classified as available-for-sale and are available to support current operations or to take advantage of other investment opportunities. Those securities are stated at estimated fair value based upon market quotes. Unrealized gains and losses, net of tax, are computed on the basis of specific identification and are included in Retained Earnings. Realized gains, realized losses, and declines in value, judged to be other-than-temporary, are included in Other Income. The cost of securities sold is based on the specific identification method and interest earned is included in Other Income.

INVESTMENT IN COMMON STOCK OF LIMITED LIABILITY COMPANIES

ARKSYS is accounting for its investments in Arkansas Systems Building Company, LLC, a 48.389% owned affiliate, Arkansas Systems Land Company, LLC, a 50% owned affiliated, Chenal Technology Center, LLC, a 17% owned affiliate, and EFT Network Services, LLC, a 33 1/3% owned affiliate, by the equity method of accounting. Under this method, ARKSYS's share of the net income or loss of each affiliate is recognized in ARKSYS's income statement and reflected in ARKSYS's investment account, and dividends received from an affiliate are treated as a reduction of the investment account.

RECOGNITION OF REVENUES

ARKSYS offers banking and financial software products under licensing agreements with monthly and annual maintenance support. Revenues from licensing agreement contracts are recognized on a percentage of completion basis whereby a pro rata portion of revenue and related costs are recognized as the work progresses. Maintenance agreement revenues are recognized over the terms of the maintenance contracts on a monthly basis. Licensing and maintenance contract revenues received before they are earned are included in the balance sheets as "Advance payments on contracts".

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FINANCIAL INSTRUMENTS WITH MARKET RISK AND CONCENTRATION OF CREDIT RISK

ARKSYS maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. ARKSYS has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Also, ARKSYS's investment portfolio is comprised primarily of U.S. Government obligations which are backed by the full faith and credit of the United States Government.

The concentration of credit risk in the Company's receivables with respect to the financial services industry is mitigated by the Company's credit evaluation policy, reasonably short collection terms and geographical dispersion of sales transactions. The Company generally does not require collateral or other security to support accounts receivables.

In 1997 and 1996, sales to foreign customers represented approximately 62% and 38% of total sales, respectively. No individual customer accounted for more than 10% of total sales in either year.

At December 31, 1997, 74% of the Company's total accounts receivable resulted from foreign sales. Customers in Hungary accounted for approximately 13% of the Company's total accounts receivable at December 31, 1997.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is provided using the straight line method. The building and building additions have been assigned depreciable lives of 10 to 30 years. The depreciable lives of automobiles, office furniture and data processing equipment are 3 to 8 years.

IMPAIRMENT OF ASSETS

The Company accounts for any impairment of its long-lived assets using SFAS No. 121, "Accounting for Impairment of Long-Lived Assets and for Long-lived Assets to be Disposed Of". Under SFAS No. 121, impairment losses are recognized when information indicates the carrying amount of long-lived assets, identifiable intangibles and any goodwill related to those assets will not be recovered through future operations or sale.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES

The liability method is used in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

RESEARCH AND DEVELOPMENT EXPENDITURES

Research and development expenditures, consisting primarily of employee salaries and computer-related expenses, incurred for the development of new software systems, are expensed as incurred and amounted to approximately $1,700,000 and $1,600,000 in 1997 and 1996, respectively.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ADVERTISING COSTS

The Company expenses advertising costs as incurred. Advertising costs included in other general and administrative expenses totaled $66,390 and $33,318 in 1997 and 1996, respectively.

STOCK-BASED COMPENSATION

The Company accounts for its stock-based compensation in accordance with Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees", and accordingly, recognized no compensation expense for the stock option grants.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1997, the Financial Accounting Standards Board issued Statement No. 130 "Reporting Comprehensive Income", ("FAS 130"), and Statement No. 131 "Disclosure about Segments of an Enterprise and Related Information" ("FAS 131"). The Company is required to adopt these statements in 1998. FAS 130 establishes new standards for reporting and displaying comprehensive income and its components. FAS 131 requires disclosure of certain information regarding operating segments, products and services, geographic areas of operation and major customers. Adoption of these Statements is expected to have no impact on the Company's consolidated financial position, results of operations or cash flows.

RECLASSIFICATIONS

Certain December 31, 1996 amounts have been reclassified to conform to the December 31, 1997 presentation.

2. INVESTMENT SECURITIES

The cost and fair value of investments in debt and equity securities consist of the following as of December 31:

	1997			
	COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	FAIR VALUE
Equity securities	$ 3,791	$ 2,844	$ -	$ 6,635
Obligations of local governments	49,891	1,134	-	51,025
	$ 53,682	$ 3,978	$ -	$ 57,660

	1996			
	COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	FAIR VALUE
Equity securities	$ 3,330	$ 1,624	$ 254	$ 4,700
Obligations of local governments	49,891	1,134	-	51,025
	$ 53,221	$ 2,758	$ 254	$ 55,725

2. INVESTMENT SECURITIES (CONTINUED)

Debt securities at December 31, 1997 have a contractual maturity due date in 1998.

The fair market value of these financial instruments is based upon quoted market prices for these or similar investments.

3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31:

	1997	1996
Land	$ 107,088	$ 346,502
Building and improvements	6,747	1,600,955
Data processing equipment	2,088,947	2,047,767
Office equipment and automobiles	591,935	651,545
	2,794,717	4,646,769
Less accumulated depreciation	(1,915,217)	(2,419,673)
Net property and equipment	$ 879,500	$ 2,227,096

4. CONTRACTS IN PROCESS

The software installation contracts in process consist of the following as of December 31:

	1997	1996
Costs and estimated earnings on software installation contracts	$ 3,911,139	$ 1,874,680
Less billings to date	(3,587,687)	(1,768,049)
	$ 323,452	$ 106,631

Components are included in the accompanying balance sheets under the following captions:

	1997	1996
Costs and estimated earnings in excess of billings on software installation contracts	$ 640,165	$ 346,138
Billings in excess of costs and estimated earnings on software installation contracts	(316,713)	(239,507)
	$ 323,452	$ 106,631

5. INVESTMENT IN LIMITED LIABILITY COMPANIES (UNAUDITED)

Condensed financial information for Arkansas Systems Building Company, LLC; Arkansas Systems Land Company, LLC; EFT Network Services, LLC; and Chenal Technology Center, LLC consist of the following as of and for the year ended December 31:

	1997			
	BUILDING COMPANY	LAND COMPANY	NETWORK SERVICES	TECHNOLOGY CENTER
Assets				
Cash	$ 381,480	$ 267	$ 54,597	$ 17,352
Property and equipment (net)	11,467,503	-	201,297	168,460
Other	-	421,453	112,213	2,427,481
Total assets	$ 11,848,983	$ 421,720	$ 368,107	$ 2,613,293
Liabilities and equity				
Payable to ARKSYS	$ 389,121	$ 1,000	$ 26,555	$ -
Other payables	-	-	42,733	30,939
Debt	10,602,196	421,453	-	2,077,886
Capital	623,398	80,525	676,628	804,662
Retained earnings (deficit)	234,268	(81,258)	(377,809)	(300,194)
Total liabilities and equity	$ 11,848,983	$ 421,720	$ 368,107	$ 2,613,293
Revenue	$ 1,999,697	$ -	$ 372,453	$ 303,100
Cost of sales	-	-	39,115	180,931
Operating expenses	1,823,436	41,719	567,892	216,723
Net income (loss)	$ 176,261	$ (41,719)	$ (234,554)	$ (94,554)
Percent owned by ARKSYS	48.389%	50%	33.33%	17%

5. Investment in Limited Liability Companies (Unaudited) (continued)

	1996			
	BUILDING COMPANY	LAND COMPANY	NETWORK SERVICES	TECHNOLOGY CENTER
Assets				
Cash	$ 324,700	$ 383	$ 15,714	$ 7,597
Property and equipment (net)	10,696,012	421,453	336,846	2,508,737
Other	46,792	-	176,435	1,000
Total assets	$ 11,067,504	$ 421,836	$ 528,995	$ 2,517,334
LIABILITIES AND EQUITY				
Payable to ARKSYS	$ 1,065,921	$ 1,000	$ 8,851	$ 1,874
Other payables	35,378	5,268	67,770	28,729
Debt	9,543,270	421,453	-	2,218,547
Capital	364,928	33,654	595,629	473,824
Retained earnings (deficit)	58,007	(39,539)	(143,255)	(205,640)
Total liabilities and equity	$ 11,067,504	$ 421,836	$ 528,995	$ 2,517,334
Revenue	$ 357,139	$ -	$ 109,223	$ 11,003
Cost of sales	-	-	(43,753)	-
Operating expenses	(299,132)	(39,539)	(208,726)	(216,643)
Net income (loss)	$ 58,007	$ (39,539)	$ (143,255)	$ (205,640)
Percent owned by ARKSYS	50%	50%	33.33%	20%

None of the debt incurred by the above entities is with recourse to the owners.

6. EMPLOYEE BENEFIT PLANS

ARKSYS has established a Profit Sharing and 401(k) plan for all employees who have completed one year of service. Each plan participant can contribute up to the maximum amount allowed by the Internal Revenue Service to the Plan through payroll deductions. ARKSYS's matching contribution to the plan is discretionary and is determined each year by the Board of Directors. The employees' vested percentage regarding the employer's contribution varies according to years of service. ARKSYS's expense for contributions to the plan for 1997 and 1996 was $287,624 and $230,009, respectively.

6. EMPLOYEE BENEFIT PLANS (CONTINUED)

ARKSYS maintains a self-funded health insurance program which covers all full-time employees and their families at no charge to the employees. In order to administer this program, ARKSYS has entered into a contractual agreement with a third party administrator by which ARKSYS pays a monthly service fee to the administrator based upon employee enrollment. ARKSYS has also purchased stop/loss insurance to limit ARKSYS's liability to $25,000 per employee per year and a total loss on all claims to approximately $21,400 per month. Health care claims are accrued as the services are rendered and, accordingly, the cost of claims incurred but not yet paid of approximately $63,000 and $40,000 at December 31, 1997 and 1996, respectively is included in accounts payable in the accompanying balance sheets.

Until October 1, 1996, ARKSYS also had a nonqualified, unfunded deferred compensation plan for certain key executives providing for payments upon retirement or death. The retirement benefit to be provided was based upon the length of service rendered and a fixed amount determined at the date of initial participation. The deferred compensation expense for 1996 was $73,395. The liability had a present value, at an assumed discount rate of 9%, of $404,195 at the date of termination ARKSYS had insured the lives of the participants in the deferred compensation plan to assist in the funding of the deferred compensation liability. On October 1, 1996, ARKSYS terminated the deferred compensation plan. As of December 31, 1996, five of the seven participants in the deferred compensation plan had received life insurance policies in their names, in full settlement of the related liability, which resulted in a loss of approximately $55,000.

In 1997, the obligation related to the remaining two participants was converted into a new retirement agreement under which payments are to be made monthly beginning in 2012, for a maximum of 15 years, to either the employee or their beneficiary. The deferred compensation expense under this new agreement was $72,595 for 1997. The liability had a present value, at an assumed discount rate of 9%, of $476,790 at December 31, 1997. ARKSYS has insured the lives of the participants covered by the new retirement agreement to assist in funding of the deferred compensation liability by acquiring insurance contracts with a combined cash surrender value of $504,400 at December 31, 1997. The assets and liabilities are reported gross in the accompanying balance sheets because the insurance contracts have not been irrevocably assigned to the employees or any plan or trust and accordingly, the insurance contracts are subject to the claims of creditors.

7. STOCK OPTION PLAN

In 1996, ARKSYS established a stock-based compensation plan under which stock options may be granted to officers and other key employees. The plan provides for option prices based on the fair value of the stock on the date the option is granted, as established by the Board of Directors based upon a formula which takes into consideration the Company's book value, gross sales and retained earnings. Options granted under this plan become exercisable in five equal installments commencing one year from the date of the grant.

Shares issued pursuant to options granted under this plan shall not exceed 1,000,000.

Transactions relating to the stock-based compensation plan are summarized as follows:

	NUMBER OF SHARES	WEIGHTED AVERAGE PRICE PER SHARE
Options outstanding at January 1, 1996	-	$ -
Granted	60,250	6.46
Exercised	-	-
Options outstanding at December 31, 1996	60,250	6.46
Granted	215,251	6.91
Exercised	(200)	6.46
Terminated	(9,000)	6.57
Options outstanding at December 31, 1997	266,301	$ 6.82

As of December 31, 1997, options for 27,534 shares were exercisable and 733,499 shares were available for stock option grants under the 1996 plan.

The Company has adopted the disclosure-only provisions of Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation ("SFAS 123"). Accordingly, no compensation cost has been recognized for the stock option plans. Had compensation cost for the Company's stock option plan been determined based on the fair value at the grant date for awards in 1997 and 1996 consistent with the provisions of SFAS 123, the Company's pro forma net income would have been $197,131 and $384,460, respectively.

7. STOCK OPTION PLAN (CONTINUED)

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model. The following weighted-average assumptions were used for grants in 1997: dividend yield of 0%; expected volatility of 0%; risk-free interest rate of 6.73% and expected life of 5 years. The following weighted-average assumptions were used for grants in 1996: dividend yield of 0%; expected volatility of 0%, risk-free interest rate of 6.55% and expected life of 5 years.

8. EMPLOYEE STOCK PLANS

The Company also has an employee stock purchase plan for purposes of providing employees with ownership opportunities. The Plan is a non-compensatory plan available to all employees who have completed three full quarters of employment. After meeting the length of employment requirement, an employee accrues rights at the rate of twenty shares per full quarter of employment if employed prior to March 1, 1991. Employees who were employed subsequent to February 28, 1991 accrue ten purchase rights per quarter. Employees who were employed prior to December 31, 1980 accrue four hundred rights per full quarter of employment. Rights granted on or after March 1, 1991 expire if not exercised within three years. Shares of stock purchased with these rights fully vest to the employee immediately upon purchase. All purchases and sales of stock are at values established by the Board of Directors based upon a formula which takes into consideration the Company's book value, gross sales, and retained earnings. The Company retains a right of first refusal on all proposed sales of Company stock.

The Board of Directors may also grant purchase rights to employees on a discretionary basis. Shares of stock purchased with these granted rights vest to the employee over a five year period.

There were rights to purchase 30,213 and 28,653 shares of stock outstanding at December 31, 1997 and 1996, respectively. Rights were exercised to purchase 2,570 shares in 1997 and 3,201 shares in 1996. During 1996, the Company purchased 113,441 rights from employees for $1 per right with the purchase price recorded in operations.

9. LINE OF CREDIT

At December 31, 1997, ARKSYS had a $1,500,000 unused line of credit with a bank to be drawn upon as needed, with interest at the lower of 10.0% or the New York Premium rate. The line expires on July 5, 1998.

10. FEDERAL AND STATE INCOME TAXES

Significant components of the Company's deferred tax liabilities and assets as of December 31, are as follows:

	1997 CURRENT	1997 NONCURRENT	1997 TOTAL
Deferred tax liabilities:			
Property and equipment	$	$(92,534)	$ (92,534)
Deferred revenue	(123,850)	-	(123,850)
Other	-	(940)	(940)
Prepaid expenses	(4,323)	-	(4,323)
Total deferred tax liabilities	(128,173)	(93,474)	(221,647)
Deferred tax assets:			
Bad debt reserve	96,491	-	96,491
Deferred rent	-	26,257	26,257
Deferred compensation	-	182,563	182,563
Accrued medical claims	14,641	-	14,641
Accrued bonuses	111,274	-	111,274
Accrued vacation	118,756	-	118,756
Other	2,262	939	3,201
Total deferred tax assets	343,424	209,759	553,183
Net deferred tax (liabilities)/assets	$ 215,251	$116,285	$ 331,536

	1996 CURRENT	1996 NONCURRENT	1996 TOTAL
Deferred tax liabilities:			
Property and equipment	$ -	$(200,285)	$(200,285)
Deferred revenue	(132,535)	-	(132,535)
Other	(961)	-	(961)
Total deferred tax liabilities	(133,496)	(200,285)	(333,781)
Deferred tax assets:			
Bad debt reserve	96,491	-	96,491
Deferred rent	-	16,816	16,816
Deferred compensation	-	154,766	154,766
Accrued medical claims	14,703	-	14,703
Accrued bonuses	-	-	-
Accrued vacation	144,162	-	144,162
Billings in excess of earnings	91,707	-	91,707
Other	14,824	7,653	22,477
Total deferred tax assets	361,887	179,235	541,122
Net deferred tax (liabilities)/assets	$ 228,391	$ (21,050)	$ 207,341

10. FEDERAL AND STATE INCOME TAXES (CONTINUED)

A reconciliation of the statutory federal income tax rate to the Company's effective rate is presented below.

	1997	1996
Income tax at the statutory rate of 34%	$122,439	$ 164,646
Federal income tax effects of:		
State income taxes	(3,637)	(5,988)
Nondeductible portion of meals and entertainment	10,915	53,291
Cash surrender value of life insurance	(15,719)	-
Benefit of nontaxable income from Arkansas Systems, Inc.		
International	(37,563)	(104,752)
Other	28,989	(33,926)
Federal income taxes	105,424	73,271
State income taxes	10,696	17,612
Provision for income taxes	$116,120	$ 90,883

Income taxes paid for the years ended December 31, 1997 and 1996 was $6,500 and $252,500, respectively.

11. RELATED PARTY

During 1996, ARKSYS entered into an agreement with Arkansas Systems Building Company, LLC, an affiliate, to lease office space. The lease is classified as an operating lease and provides for specified annual percentage increases. Minimum future rental payments under this noncancelable operating lease as of December 31, 1997, for each of the next 5 years and in the aggregate are:

1998	$ 1,040,625
1999	1,071,844
2000	1,103,999
2001	1,137,119
2002	1,171,233
Thereafter	5,608,532
Total minimum future rental payments	$11,133,352

ARKSYS incurred $1,071,242 and $366,464 of lease expense in 1997 and 1996, respectively.

12. COMMITMENTS

The Company has an agreement with a former shareholder to repurchase shares of the Company's common stock over a period extending through 2006. Under the terms of the agreement the Company will pay the former shareholder $60,360 in 1998; $60,321 in 1999; $60,273 in 2000; $60,306 in 2001; $60,255 in 2002 and $233,208 thereafter.

13. SUBSEQUENT EVENT

In February 1998, the Company entered into a Retirement and General Release Agreement with its former president. A lump sum payment of $400,000 was made to the former president in February under the terms of the agreement. In addition, the agreement obligates the Company to repurchase shares of its common stock from the former president with an aggregate value up to $1,000,000. The Company may repurchase as many shares in any given year as the former president is willing to sell, however, the Company's obligation to repurchase is limited to an amount equal to 38% of the net after-tax profits of the Company for the immediately preceding year.

14. YEAR 2000 CONSIDERATION--UNAUDITED

ARKSYS has developed a plan to modify its information technology to be ready for the year 2000 and has begun converting critical data processing systems. ARKSYS currently expects the project to be substantially complete by early 1999. ARKSYS does not expect this project to have a significant effect on operations.

ARKSYS CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 1998
UNAUDITED
(IN THOUSANDS)

ASSETS	
Current assets	
Cash and Cash equivalents	$ 1,689
Investment securities	7
Accounts receivable, net	3,553
Note receivable from affiliate	27
Costs and estimated earnings in excess of billings on software installation contracts	475
Income taxes receivable	139
Deferred income taxes	384
Prepaid expenses and other assets	125
Total current assets	6,399
Investment in affiliates	353
Net property and equipment	825
Cash surrender value of life insurance policies	928
TOTAL ASSETS	$ 8,505
LIABILITIES	
Current liabilities	
Accounts payable	$ 364
Accrued expenses	1,029
Advance payments on contracts	1,384
Billings in excess of costs and estimated earnings on software installation contracts	293
Total Current Liabilities	3,070
Deferred compensation	500
Deferred rent	175
Total Liabilities	3,745
STOCKHOLDERS' EQUITY	
Common stock	1
Additional paid in capital	393
Retained earnings	6,192
Treasury stock	(1,826)
Total Stockholders equity	4,760
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 8,505

CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE NINE MONTH PERIODS
ENDED SEPTEMBER 30, 1998 AND 1997
UNAUDITED
(IN THOUSANDS)

	Nine Months ended September 30, 1998	Nine Months ended September 30, 1997
REVENUE		
Software, maintenance and related revenue	$ 8,618	$ 8,357
Other	331	53
Total Revenue	8,949	8,410
OPERATING EXPENSE		
Salaries, wages and employee benefits	7,018	6,109
Depreciation	201	164
Other general and administrative	2,410	2,047
Total Operating Expenses	9,629	8,320
Earnings (loss) from Operations	(680)	90
OTHER INCOME (EXPENSE)		
Interest income	65	79
Income (loss) before equity loss of affiliates and income taxes	(615)	169
Equity in loss of affiliates	(27)	(13)
(Loss) income before income taxes (benefit) expense:	(642)	156
Income tax (benefit) expense	(199)	9
NET (LOSS) INCOME	$ (443)	$ 147

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTH PERIODS ENDED SEPTEMBER 30, 1998 AND 1997
UNAUDITED
(IN THOUSANDS)

	Nine months ended September 30, 1998	1997
OPERATING ACTIVITIES		
Net income (loss)	$ (443)	$ 147
Adjustments to reconcile net (loss) income to cash provided by (used in) operating activities:		
Depreciation	201	164
Undistributed loss of affiliates	27	13
Loss from sale of property	-	157
Deferred income taxes	(52)	(93)
Changes in operating assets and liabilities:		
Accounts and other receivables	(649)	(1,246)
Receivable from affiliates	389	689
Income taxes receivable	(139)	19
Income taxes payable	(189)	60
Costs and estimated earnings in excess of billings on software installation contracts	165	(118)
Note receivable from affiliate	-	(18)
Deferred income taxes	-	229
Prepaid expenses and other assets	(10)	42
Investment securities		51
Cash surrender value of life insurance policies	(81)	(39)
Accounts payable and accrued expenses	(149)	20
Advance payments on contracts	131	316
Billings in excess of costs and estimated earnings on software installation contracts	(23)	(3)
Deferred compensation	23	(47)
Deferred rent	107	(14)
Net cash (used) provided by operating activites	(692)	329
INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	-	829
Proceeds from maturity of investments	50	16
Purchases of property and equipment	(146)	(45)
Increase in investment in affiliates	120	51
Net cash provided by investing activities	24	851
FINANCING ACTIVITIES		
Proceeds from sale of stock	6	6
Purchases of treasury stock	(87)	(50)
Net cash used by financing activities	(81)	(44)
(Decrease) increase in cash and cash equivalents	(749)	1,136
Cash and cash equivalents:		
Beginning balance	2,438	579
Ending balance	$ 1,689	$ 1,715

INTRODUCTION TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The unaudited pro forma condensed combined financial information as of and for the nine months ended September 30, 1998 and for the year ended December 31, 1997 are set forth on the following pages. The unaudited pro forma financial information has been prepared utilizing the historical financial statements of Euronet Services Inc ("ESI") and Arkansas Systems Inc. ("ARKSYS"). Accordingly, the pro forma financial information gives pro forma effect to the acquisition of ARKSYS as if it had occurred as of January 1, 1997 for purposes of the statements of operations and the balance sheet.

The acquisition has been accounted for under the purchase method of accounting and the pro forma financial information has been prepared on such basis of accounting utilizing estimates and assumptions as set forth below and in the notes thereto.

The pro forma financial information is presented for informational purposes and is not necessarily indicative of the future financial position or results of operations of the combined companies, or of the financial position or the results of operations of the combined companies, that would have actually occurred had the acquisitions been consummated on such date or as of the periods described above.

The preliminary purchase price allocations reflected in the pro forma financial information have been based on preliminary estimates of the respective fair value of assets and liabilities which may differ from the actual allocations, and are subject to revision based on further studies and valuations. Certain valuations of significant tangibles and intangible assets are being carried out by independent valuation experts. Management has determined a preliminary allocation of the purchase price to goodwill, in-progress research and development, developed technology and other intangibles such as trademarks, assembled work force and the current installation base. Once the independent valuation is complete management believes that a portion of the intangibles may be reallocated. Certain amounts in the historical financial statements of ARKSYS have been reclassified to conform to the financial presentation of ESI.

PRO FORMA CONDENSED COMBINED BALANCE SHEET SEPTEMBER 30, 1998
(UNAUDITED)
(IN THOUSANDS)

	Euronet Services Inc. September 30, 1998	Arkansas Systems Inc. September 30, 1998	ESI/ ARKSYS Pro Forma Adjustments	Pro Forma Combined September 30, 1998
Assets				
Current assets:				
Cash and cash equivalents............................	$60,791	$1,689	$(18,255)	$44,225
Restricted cash......................................	12,865	-		12,865
Trade accounts receivable, net.......................	1,299	3,482	(228)	4,553
Costs and estimated earnings in excess of billings on software installation contracts	-	475		475
Investment securities................................	29,230	7		29,237
Prepaid expenses and other current assets............	3,471	362		3,833
Total current assets.................................	107,656	6,015	(18,483)	95,188
Property, plant and equipment, net....................	29,902	825	(601)	30,126
Deferred financing costs	3,228	-		3,228
Purchased research and development	-	-	1,500 (1,500)	-
Other intangibles, net			11,967	11,967
Investments in affiliates	-	353	(153)	200
Cash surrender value of life insurance policies	-	928	(500)	428
Deposits for ATM leases..............................	2,020	-		2,020
Deferred income taxes................................	571	384	607	1,562
Total assets...	$ 143,377	$ 8,505	$ (7,163)	$ 149,719
Liabilities and stockholders' equity				
Current liabilities:				
Trade accounts payable...............................	$ 5,056	$ 364	$ (228)	$ 5,192
Advance payments on contracts	-	1,384		1,384
Billings in excess of costs and estimated earnings on software installation contracts	-	293		293
Current installments of capital leases obligations....	4,035	-		4,035
Accrued expenses and other...........................	1,252	1,029		2,281
Total current liabilities............................	10,343	3,070	(228)	13,185
Obligations under capital leases, excluding current installments................................	8,041			8,041
Notes Payable	90,807			90,807
Other long-term liabilities...........................	-	675	(675)	-
Total liabilities..................................	109,191	3,745	(903)	112,033
Stockholders' equity:				
Common stock, $0.02 par value; 30,000,000 shares authorized; issued and outstanding 15,213,453 shares in 1998 and 15,133,321 shares in 1997............	306	1	(1)	306
Warrants	1,725	-		1,725
Treasury stock.......................................	(4)	(1,826)	1,826	(4)
Additional paid in capital...........................	63,468	393	(393)	63,468
Subscription receivable..............................	(51)	-		(51)
Retained Earnings (accummulated losses)..............	(32,138)	6,192	(7,692)	(33,638)
Restricted reserve	784	-		784
Cumulative translation adjustment	96	-		96
Total stockholders' equity	34,186	4,760	(6,260)	32,686
Total liabilities and stockholders' equity	$ 143,377	$ 8,505	$ (7,163)	$ (149,719)

PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 1998
(UNAUDITED)
(IN THOUSANDS)

	Euronet Services Inc. Nine Months Ended September 30, 1998	Arkansas Systems Inc. Nine Months Ended September 30, 1998	ESI/ ARKSYS Pro Forma Adjustments	Pro Forma Combined Nine Months Ended September 30, 1998
Revenue:				
Transaction revenue	$7,214	$	$	$7,214
Software, maintennce and related revenue		8618	(301)	8,317
Other	537	331		868
Total revenue	7,751	8,949	(301)	16,399
Operating expenses:				
ATM Operating costs	9,226			9,226
Salaries and benefits	5,973	7018		12,991
Rent and utilities	1,023	988		2,011
Professional fees	1,414	168		1,582
Travel & meals	974	429		1,403
Amortization of intangibles			1,254	1,254
Depreciation	906	201	(16)	1,091
Other income/expense	2,092	825		2,917
Total SG&A	21,608	9,629	1,238	32,475
Financial Costs:				
Interest expense	4,606			4,606
Equity in loss of affiliates		27		27
Foreign exchange loss	409			409
Interest income	(1,704)	(65)		(1,769)
Total financial costs	3,311	(38)		3,273
Deferred tax benefit		(199)		(199)
Net (Loss)	$(17,168)	$ (443)	$(1,539)	$(19,150)

Loss per common outstanding..	$ (1.26)
Weighted average shares outstanding..	15,168

PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1997
(UNAUDITED)
(IN THOUSANDS)

	Euronet Services Inc. Year ended December 30, 1997	Arkansas Systems Inc. Year ended December 30, 1997	ESI/ ARKSYS Pro Forma Adjustments	Pro Forma Combined Year ended December 30, 1997
REVENUE:				
Transaction revenue	$ 4,627	$ -	$ -	$ 4,627
Software, maintenance and related revenue	-	11,143	(358)	10,785
Other	663	241		904
Total revenue	5,290	11,384	(358)	16,316
OPERATING EXPENSES:				
ATM Operating costs	5,180	-	-	5,180
Salaries and benefits	3,796	8,147	-	11,943
Rent and utilities	783	1,039	-	1,822
Professional fees	1,166	177	-	1,343
Travel and meals	701	568	-	1,269
Amortization of intangibles	-	-	1,672	1,672
Depreciation	268	261	(17)	512
Other income/expense	1,926	925	-	2,851
Total SG&A	13,820	11,117	1,655	26,592
Financial Costs:				
Interest expense	1,152	-	-	1,152
Equity in loss of affiliates	-	17	-	17
Foreign exchange gain	(8)	-	-	(8)
Interest income	(1,609)	(111)	-	(1,720)
Total financial income	(465)	(94)	-	(559)
Deferred tax (benefit)/expense	(100)	116	-	16
Net Income (Loss)	$(7,965)	$ 245	$(2,013)	$(9,733)

Loss per common outstanding..........	$ (0.79)
Weighted average shares outstanding..........	12,381

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Balance Sheet

1) Cash and cash equivalents. Adjusted to reflect the cash paid to acquire ARKSYS.
2) Trade accounts receivable. Elimination of inter-company balances as at balance sheet date.
3) Property, plant and equipment. Elimination of ARKSYS software capitalized by ESI and assets (land) not acquired in Merger.
4) Purchased research and development. Records the initial allocation of identified acquired in-progress research and development of $1,500,000 and the one time write-off of that amount. This amount has been charged through the opening retained earnings.
5) Other intangibles. To record the allocation of the purchase price to identified intangibles including developed technology (approximately $5,000,000), goodwill (approximately $4,000,000), trademarks, install base and assembled workforce.
6) Investments in affiliates. Records the elimination of certain affiliates not acquired in the Merger and the write-up to fair market value of the one affiliate retained.
7) Cash surrender value of life insurance policies. Records the elimination of deferred compensation related to the portion not acquired in the Merger.
8) Trade accounts payable. Elimination of inter-company balances as at balance sheet date.
9) Other long term liabilities. Records the elimination of deferred compensation related to the portion not acquired in the Merger and the elimination of deferred rent to adjust to fair market value.
10) Total stockholder's equity. To eliminate ARKSYS' equity.

Statement of operations

1) Software, maintenance and related revenue. To eliminate inter-company transactions for the periods.
2) Amortization of intangibles. To record the amortization of acquired identifiable intangibles over periods of four to ten years.
3) Depreciation. To eliminate depreciation charges in the period related to inter-company assets.

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 Services Inc.

By: /s/ Daniel R. Henry

Daniel R. Henry
Chief Operation Officer

Date: February 16, 1999