

# ***EURONET NEWS RELEASE***



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## **EURONET ANNOUNCES THIRD QUARTER RESULTS AND 19% INCREASE IN REVENUES**

Budapest, Hungary – November 4, 1998 – Euronet Services Inc. (Nasdaq: EEFT), operator of the only independent automated teller machine (ATM) network in Central Europe, announced a 19% increase in revenues between the second and third quarters of 1998. Total revenues for the first nine months of the year increased 126% over the comparable period last year, to \$7.8 million from \$3.4 million. The Company expects year-end revenues from its ATM business to be approximately \$11 million in 1998.

Transactions processed on the Company's ATM network, its main source of revenues, increased 16% between the second and third quarters of this year. Transactions for the month of October totalled 1,524,444, an 11% increase over September. Approximately 5% of the total third quarter transactions and 8% of the total October transactions were processed for client bank ATMs under network management service agreements. At the end of the second quarter, the Company was driving 46 ATMs under network management service agreements. By the end of the third quarter, that number had increased to 75 ATMs.

Total operating costs, comprised of ATM operating costs and other operating costs, increased 18% between the second and third quarters of 1998. The increase in ATM operating costs from \$3.0 million in the second quarter to \$3.7 million in the third quarter was due primarily to the 14% increase in live ATMs over the quarter, the cost of relocating certain underperforming ATMs in Poland, and increased maintenance fees as ATM warranties begin to expire. Other operating costs, consisting of indirect overhead costs, increased from \$4.3 million in the second quarter to \$4.9 million in the third quarter.

Other expenses of \$379,000 for the third quarter are due mainly to foreign exchange losses on the Deutsche Mark-denominated bond issued by the Company in June. Net interest expense in the third quarter was \$3.5 million, of which \$2.5 million results from accrued interest on the bond.

The Company's net loss for the third quarter was \$9.3 million. Cumulative net loss for the first nine months of 1998 was \$17.2 million, or \$1.13 per share, compared with approximately \$4.0 million, or \$0.41 per share for the comparable period last year.

The number of ATMs in Euronet's network was 1,123 at September 30, 1998, more than double the 538 ATMs on line one year ago. At the end of the third quarter of 1998, Euronet was operating 423 ATMs in Hungary, 399 in Poland, 210 in Germany, 62 in Croatia, 28 in the Czech Republic, and one in France. Of this total, 7% or 75 ATMs were operated by the Company for client banks under network management service agreements.

*(continued)*

As of November 3, 1998, the Company's network comprised a total of 1,199 live ATMs, including 474 in Hungary, 411 in Poland, 214 in Germany, 62 in Croatia, 37 in the Czech Republic, and one in France. Of this total, 11% or 126 ATMs were operated by the Company for client banks under network management service agreements.

Established in 1994, Euronet operates the only independent, non-bank owned ATM network in Central Europe. Through agreements with local banks and international card issuers such as Visa, MasterCard, Europay, American Express and Diners Club International, Euronet's ATMs are able to process ATM transactions for holders of credit and debit cards issued by or bearing logos of such banks and card issuing organizations. In addition, Euronet offers outsourced ATM management and card issuance services to local banks with proprietary ATMs.

*Any statements contained in this news release which concern the Company's or management's intentions, expectations, or are predictions of future performance, are forward looking statements. The Company's actual results may vary materially from those predicted or anticipated in those forward looking statements as a result of a number of factors, including changes in transaction pricing levels on bank ATM networks, cancellation or re-negotiation of contracts on which the Company is dependent, the level of card growth in emerging markets and changes in laws and regulations affecting the Company's business in the countries in which it operates. Additional explanation of these factors and other factors affecting the Company's performance are set forth from time to time in the Company's periodic reports filed with the U.S. Securities and Exchange Commission, including, but not limited to, the Company's Forms 10-Q for the periods ended September 30, 1997, March 31, 1998 and June 30, 1998, and its Form 10-K for the period ended December 31, 1997. Copies of these filings may be obtained by contacting the Company or the SEC.*

EURONET SERVICES INC.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(in thousands, except share and per share data)

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	1998	1997	1998	1997
	(unaudited)		(unaudited)	
Revenue	\$ 3,127	\$ 1,577	\$ 7,751	\$ 3,433
Operating expenses:				
ATM operating costs	(3,739)	(1,393)	(9,226)	(3,046)
Other operating costs	(4,860)	(2,127)	(12,381)	(5,444)
Operating loss	(5,472)	(1,943)	(13,856)	(5,057)
Other income (expense)	(379)	693	1,294	1,485
Interest expense	(3,457)	(271)	(4,606)	(520)
Loss before income taxes	(9,308)	(1,521)	(17,168)	(4,092)
Deferred income tax benefit	-	-	-	129
Net loss	<u>\$ (9,308)</u>	<u>\$ (1,521)</u>	<u>\$ (17,168)</u>	<u>\$ (3,963)</u>
Loss per share	\$ (0.61)	\$ (0.10)	\$ (1.13)	\$ (0.41)
Average shares outstanding	15,224,214	15,159,515	15,167,533	9,671,303

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