

TSI India wins a further 800 ATMs under contract

Highlights:

- **1,500 ATMs live end of August 2014 (+13.4% increase since last announcement)**
- **New Agreement with Tamilnad Mercantile Bank (“TMB”) for 500 ATMs**
- **Expansion of PNB ATM network by a further 300 ATMs**
- **Mobile Payments due diligence with SALT Technology continues expediently**

The Directors of Transaction Solutions International Ltd (“TSN”) are pleased to provide the following Operations update.

TSI India achieves 1,500 live ATMs

At 31 August, TSI India achieved a milestone of 1,500 operational ATMs in India, an increase of 13.4% since the last announcement. Whilst the recent market for new bank ATM deployment within the Indian banking system has been measured, mainly due to regulatory policy and a recent change of Government, TSI India has continued to expand on its existing networks and grow its relationships with existing banks.

TSI India secures new contract with TMB for 500 ATMs

TSI India has, for a fifth time in succession, successfully reached agreement to expand its TMB Bank ATM network by a further 500 ATMs. Traditionally, TMB has been TSI India’s best performing ATM network and this new contract, once executed, will increase TSI India’s TMB network to over 1,150 ATMs.

Whilst other competitors bid for this contract, TSI India’s previous track record in delivering on its promises and timely execution facilitated a consecutive fifth win for the Company over its rivals.

PNB continues ATM expansion with preferred partner - TSI India

Under its existing agreement with PNB, TSI India has been granted a further 280 new ATM sites along with a further 20 second ATM placements (e.g. placing a second ATM in an existing ATM site to cater for an increased volume in transactions)

PNB and TSI India management continue to have a strong working relationship, supported by this new order of 300 ATMs.

TSI India ATM Summary

Over the past 24 months all Indian banks have seen a downward trend in ATM usage. This is attributable to the ratio of ATM numbers to the number of new bank accounts and consequently debit cards in circulation. However, as part of the new Government initiatives of financial inclusion, ("banking for the masses"), India has recently experienced an increase of new bank accounts being opened. Under various government schemes such as the new Prime Minister's "Jandhan Yojana" project which commenced recently, 150,000,000 new bank accounts have been targeted. 15 million new accounts were opened on the first day of the scheme.

Given the Indian Government's financial inclusion initiatives such as the "Jandhan Yojana" project, it is reasonable to expect that banks will be under pressure to support new bank customer growth. Such pressure is expected to see rapid expansion of new bank branches and banking services such as ATMs.

It is also expected that banks and institutions will seek more convenient ways to transact electronically outside of the traditional bricks and mortar banking model, such as the use of e-payments.

With TSI India's existing ATM placements of 1,500 ATMs being fully operational and a further 800 ATMs coming as new business, TSI India continue to be focused on achieving considerable growth by the end of its financial year being March 2015.

SALT Technology Update

The Board of TSN are pleased to report that the process of due diligence with the SALT technology platform is continuing expediently and to date both parties remain committed to completing definitive agreements.

TSN looks forward to updating shareholders and providing more detail around its m-commerce strategy as soon as it is practical to do so.

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