

## **OPERATIONS UPDATE**

- **TSI India records half year operating profit before depreciation**
- **TSI India evaluating selective strategic growth opportunities - strong cash position**
- **TSN management team reduces remuneration costs by 20%**
- **TSN value added opportunities for Australian/Asian expansion – advanced due diligence being conducted**

Transaction Solutions International Ltd (“TSN”) is pleased to provide the following Operations update.

### **TSI India records H1 2016 operating profit**

Due to a combination of new ATM placements, renegotiation of contracts with existing clients and a focus on repositioning under-performing assets, TSI India has reported an operating profit before depreciation (revenue less all operating and administration expenses other than depreciation) for the half year to 30 September 2016. This was a strong performance by the team and positions the company well, as it engages in further growth opportunities.

### **Strong cash position – operating profit – TSI India seeking targets**

With a strong balance sheet and improved financial performance, TSI India is targeting significant expansion of its business through corporate transactions. It is currently well advanced in negotiations with identified companies in the e-transaction sector so as to achieve its aim of securing substantial growth for the company.

The Indian economy continues to perform well, given its domestically driven environment, and TSI remains opportunistic in relation to growth. Operationally, a number of banks have announced new ATM tenders in which TSI has participated. It is also actively liaising with utilities to offer new e-payment solutions. Recently, the team won a 200 e-payment tender with Punjab State Power Corporation, which provided TSI India an ongoing monthly minimum transaction guarantee and this model is being presented to other utilities.

### **TSN management remuneration reduction and current opportunities**

The Board of TSN continually reviews its operating expenditure as a prudent approach to cash management. As such, the management team has considered and agreed to a 20% reduction in remuneration as part of an overall reduction in overhead costs.

The team remains motivated to further expansion of solutions across Australia, Asia and India. There are a number meaningful discussions which are being pursued that have the potential to integrate well with our current business.

The Board of TSN shall provide further updates as relevant and material information becomes available.

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