

BPS TECHNOLOGY EXCEEDS FY15 PROSPECTUS EARNINGS FORECAST

BPS Technology Limited (ASX: BPS) is pleased to announce its full year results for the year ended 30 June 2015 (FY15) which saw the Company deliver a Net Profit After Tax (NPAT) of \$7.9m, exceeding its Prospectus forecast.

FY15 was a milestone year for BPS Technology:

- Revenue of \$48.1m
- EBITDA of \$10.1m, exceeding Prospectus forecast of \$9.9m
- NPAT of \$7.9m, exceeding Prospectus forecast of \$6.5m by 22%
- EPS of 13.5 cents, exceeding Prospectus forecast of 11.11 cents by 22%
- Strong balance sheet with net cash of \$2.7m and undrawn debt facilities of \$4m
- New international licences for Bartercard in China, India and South Africa poised to provide future revenue streams and trading opportunities
- Declared a final unfranked dividend of 3.25 cps taking the full year dividend to 5.5 cps

Commenting on the results BPS Technology's Chief Executive Officer, Mr Trevor Dietz, said "This is a very pleasing result for BPS in its first year as a listed company. The result reflects continued growth of our Bartercard business, which now operates in eight countries. In addition, management has had a strong focus on cost control which has helped it exceed the profit forecast."

The Directors have declared a final unfranked dividend of 3.25 cents per share, taking the full year dividend to 5.5 cents per share.

Bartercard business continues to expand

During the period Bartercard continued its geographic expansion, adding several new countries to the Bartercard network, including China, South Africa and India. International rights sales were concluded for each country, increasing Bartercard's global reach to countries. Bartercard maintains a strong domestic presence and there are plans to expand this further.

FY15 was a year of substantial investment within the Bartercard business. The company implemented a strategy of buying back strategically significant franchise areas particularly those in large urban areas and major city centres. These businesses will be run as company owned stores and will not be made available for resale in the short term. The total value of all company owned stores amount to \$7.2m. The Board sees this strategy as fundamental to achieving its growth targets within the Bartercard businesses.

The Company also expanded the Bartercard business internationally, with the sale of the international rights in some major market places where there is good potential to generate high transaction volumes. The recent agreement with One World Express (HK) Limited, the new licensee for China, is an exciting development and will facilitate the Group's expansion into the Chinese market. The current year result has only a small contribution from China and India. The Board is confident that with the successful roll out of the Bartercard model in those markets, significant revenue contributions can be expected in future years.

“Looking ahead, our goal will remain the continued expansion of the Bartercard network. We also see opportunities for strategic acquisitions and joint ventures that could add substantially to the growth of the business model”, Mr Dietz said.

Benefitting from the existing mature cash generating markets in Australia and New Zealand and the growth potential which we expect in the United States, China and India, the three largest trading countries in the world, the Bartercard business is ideally placed for growth.

Bucqi platform launch delayed, but rollout has commenced

The Board of BPS made a strategic decision to delay the launch of BPS’ mobile loyalty rewards and payment platform, bucqi. This decision allowed for some major enhancements to be made to the platform to increase its appeal and functionality in the burgeoning B2C payments and loyalty space. The bucqi rollout commenced in June 2015 in a selection of areas and market reaction is being monitored closely.

Mr Dietz said “We have substantially changed our strategy in respect of bucqi and we have decided to use the substantial marketing power of the Bartercard merchants to assist with the roll out of bucqi. We have started rolling out the technology amongst our Bartercard network in Australia and the response so far is encouraging. We have received expressions of interest from more than 2,500 merchants. We have also signed strategic partnership agreements with a number of leading organisations including Rewards Corp and RSPCA Queensland, who will promote the bucqi app to their large network of members/supporters.”

The New Zealand rollout is planned for the second quarter of this financial year.

The Company is confident bucqi has the capacity to become a revolutionary tool in the payment processing and loyalty management space. We remain very excited about the bucqi offering and its application in the market and expect this to become a significant revenue contributor to the Group in coming years.

TESS - Cutting edge and scalable software for Trade Exchanges & other alternate currency systems

TESS (Trade Exchange Software Services) is the company’s software platform which was developed to support all trade exchanges and alternate digital currency systems globally. It is the only software recognised and recommended as preferred software by the International Reciprocal Trade Association (IRTA) - the largest professional body governing of the industry globally.

This year we delivered to IRTA specialist software to run its inter-currency exchange platform. This is the first time in seventeen years that IRTA has had access to software written specifically to address its complex and growing needs. In the year ahead TESS will produce scaled versions of its software created specifically to service small, medium, large and enterprise level exchanges.

There are currently no common software standards or payment rails for the Trade Exchange industry. The deployment of TESS software is a step change opportunity. TESS has the potential to be the “Microsoft” of the barter and other alternate currency industries globally.

Dividend and Outlook

The Directors have declared a final unfranked dividend of 3.25 cents per share, taking the full year dividend to 5.5 cents per share. The final Dividend payment date is 23 October 2015, with a record date of 2 October 2015. The full year dividend was slightly lower than outlined in the prospectus but reflects the fact that the Company has invested substantially in the acquisition of Bartercard businesses to drive the increase in profitability. The benefit of these acquisitions will be seen in future years as these large urban and city stores, with the financial backing of BPS, realise their true potential.

Commenting on the outlook for the business Mr Dietz said, “Over the coming year BPS will continue to focus on building scale across its three platform offerings – Bartercard, bucqi and TESS.

We have delivered our first ever \$10m result but we do not want to stop there. We will now continue to expand the well-established Bartercard network, both domestically and offshore, as attractive opportunities and markets emerge.

In the year ahead we will also be focusing our attention on delivering and rolling out our two growth platforms, bucqi and TESS. There is an increasing demand for innovative loyalty and payments technologies and bucqi is very well placed to capitalise on this growing trend, while TESS, our trade exchange software, fills the gap in the fractured market for trade exchange software.

While we are a relatively newly listed company, we have established revenues and profits, and possess a highly experienced Board in the finance and payments space. We have a very well established B2B offering through our Bartercard brand that is the core of our strong revenues, profits and cash flows. At the same time we have two very promising growth platforms that are fully developed, disruptive in the markets they address, and both expected to come to scale over coming years.

We remain very excited about the outlook for the BPS business and the significant growth opportunities available to us and remain committed to creating value for our shareholders.”

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About BPS Technology

BPS Technology Limited is an ASX listed company whose subsidiaries operate in 8 countries. More than 24,000 SMEs transact in excess of 1.8m transactions worth \$600m+ per annum using its various technology platforms. BPS earns fees on all transactions over the platforms.

About Bartercard

Bartercard is the world's largest trade exchange. It allows small to medium businesses to conduct business transactions without the use of cash. There are more than 54,000 card holders in 8 countries. Bartercard transactions can be conducted on-line, via its mobile app or across more than 7,000 bank EFTPOS terminals.

About bucqi

bucqi is a disruptive technology based around a loyalty platform designed for SMEs combined with a robust and innovative mobile payment app for both merchants and consumers. Payments platform has been two years in the making and has a number of patents pending. It allows consumers to easily pay for goods and services without taking out their wallet or swiping their credit card and they earn and redeem reward points via a wide range of participating suppliers.

About TESS

TESS (Trade Exchange Software Services) is a software platform which was developed to support all trade exchanges globally. It is the only software recognised and recommended as preferred software by the International Reciprocal Trade Association (IRTA) - the largest professional body governing of the industry globally. TESS produces versions of its software created to service small, medium, large and enterprise level exchanges.