

6 September 2011

QUARTERLY OPERATIONS UPDATE

Highlights

- ***Quarterly revenues and transaction volumes continue upward momentum***
- ***Rollout of HDFC underway, with 50% of sites complete***
- ***Further contracts under discussion to increase penetration***

The Directors of Transaction Solutions International Ltd (“TSI”) are pleased to provide 1Q2012 operating highlights.

For clarity, TSI announced in January 2011 it has moved to a March year end to align the group accounts with the Indian tax year.

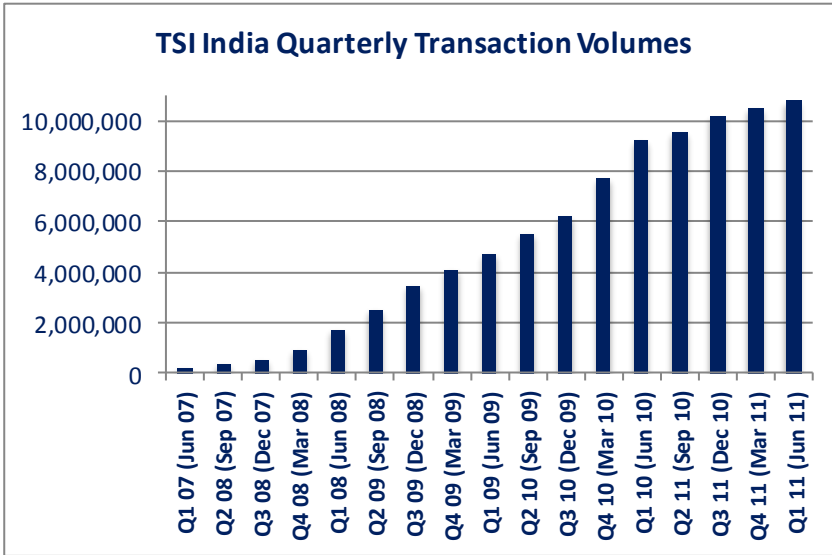
HDFC Bank ATM installations well advanced

TSI India is well advanced in its rollout of the 100+ ATM site deployments for HDFC Bank. TSI India has successfully installed 50 of the 100 ATM sites, with the balance of installations expected to be completed by early October.

HDFC Bank has provided TSI with a minimum guarantee of 7000 transactions per month per ATM for a minimum period of 7 years.

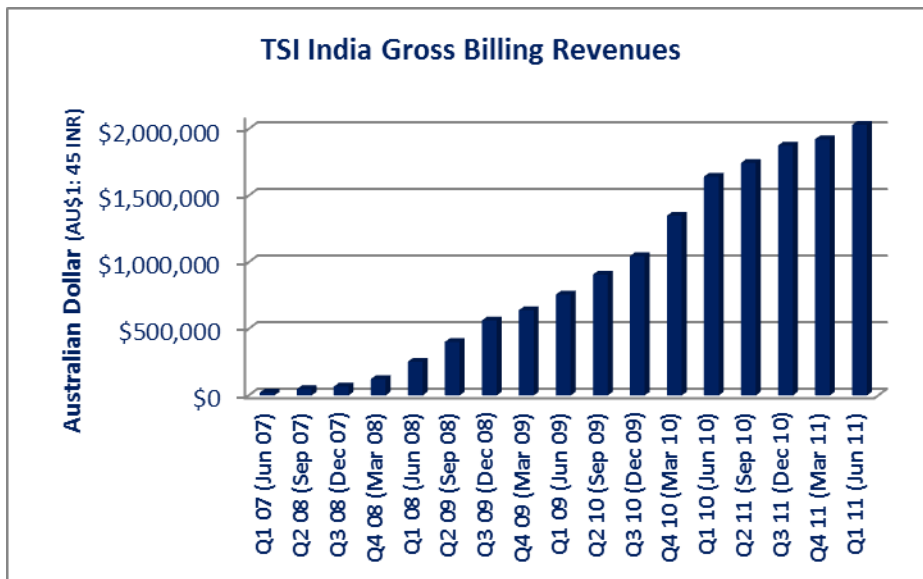
Transaction volumes continue upward trend

During the June quarter, some of TSI’s Bank customers faced challenges in relation to union strikes, affecting cash supply. Despite these circumstances growth continued in an upward pattern, as per the chart below.



Revenues from Operations continue upward momentum

TSI India's gross revenues crossed \$AU2 million for the quarter, due to continued growth and momentum in transaction volumes.



General Market Conditions

TSI continues to monitor general global economic conditions, as well as those within India. Additionally, the company monitors the growth rate of the banking sector within India, to ensure its rollout program is in line with the demands of the Indian banks.

Currently, some banks in India appear to be taking a disciplined approach to the global and domestic economic environment, and as such are taking a prudent and measured approach to growth in these uncertain economic times.

Further contracts under discussion

Since March of this year, TSI has completed two significant agreements, one being with HDFC Bank and more recently, one with Tamilnad Mercantile Bank. Discussions continue with a number of banks, both with existing and new, in relation to the continuation of TSI's growth through ATM deployment.

About TSI

Founded in 2005, TSI's business is a rapidly growing bank ATM deployment and e-transaction financial services business based in India. Operational in India since 2006 the Company now has in excess of 500 ATMs fully operational and generating revenue. It has further contracts for up to another 200 ATMs to be installed.

The Company's business model is to build recurring revenue through the deployment of ATMs as well as service the financial payments sector through automation of bill payment processes, in a market that is migrating from paper based to electronic transactions.

TSI owns, manages and operates its financial hardware and systems, in return for a fee per transaction. This recurring revenue model assists TSI in producing a business model that is highly scalable.

TSI has agreements with a large number of national companies including major banks, utilities and corporates. It is these corporations (not consumers) who form TSI's customer base, and from who TSI receives its revenues.

Supported by the strong infrastructure and business platform built over the last 5 years, and a leading market reputation the business is now scalable by the installation of new ATM's and building on the recently introduced bill payments capability. Barriers to entry in the sector are high with regulatory and banking approvals required. TSI has successfully overcome those barriers, as reflected in its growth profile and the increasing demand for its ATM outsourced business.

Contact: Mr. Gary Foster
Managing Director

+61 417 170 240