



Interim Management Statement 14 February 2008
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The board is pleased to report on events, transactions and trading since the interim results.

Over the period, key contracts were signed or renewed and good progress made on business initiatives to expand our product offering. The reorganisation and restructuring of the newly acquired internet payment and Romanian businesses are proceeding well.

Performance¹ for the period from 30 September 2007 to 27 January 2008² and financial position¹ as at 27 January 2008³.

Terminal sites have increased by 756 since the half year from 22,624 (including 3,607 in Romania) to 23,380 (including 3,899 in Romania). Transactions processed for the period were 171 million, up 13% compared to 152 million for the same period last year. Revenues for the period were £72m, up 27%.

Earnings are in line with market expectations.

After the payment of the interim dividend of £3.6 million, net cash at 27 January was £20 million (including client cash of £8 million) compared to £16 million (including client cash of £8 million) at 30 September 2007.

¹ PayPoint's auditors have not been requested to review the performance or financial position

² Comparative data is given for the similar 17 week period last year (i.e. 2 October to 28 January 2007)

³ Comparative data is given as at 28 January 2007

ABOUT PAYPOINT

PayPoint is the leading cash and internet payments company in the UK and Ireland, handling in excess of £6 billion in over 470 million transactions annually for more than 5,000 clients and merchants. The company operates with several payment networks:

- The PayPoint branded retail network numbers over 19,400 terminal outlets located in local shops (including Co-op, Spar, Costcutter, Sainsburys Local, One Stop, Londis and thousands of independents) in all parts of the UK and Ireland. Terminals handle gas and electricity meter prepayments, cash bill payments, mobile phone top-ups, transport tickets, London Congestion charges, BBC TV licences and a wide variety of other payment types for all of the leading utilities, telecommunications suppliers and many consumer service companies. This network is used by consumers, free of charge, 8 million times a week. The network has 97.3% population cover on a 1 mile urban or 5 miles rural measure;
- Additionally there are over 2,000 Multiple retailer connections into the electronic till systems of outlets in the UK including BP, Somerfield and Superdrug for mobile top-ups and selected payments from the PayPoint range;
- The PayPoint ATM network has over 1,950 'LINK' branded machines across the UK, also typically in convenience stores;

- PayPoint.net (combining Metacharge and SECPay), provides secure credit and debit card payments for over 4,500 web merchants linking into all the major UK acquiring banks; and
- PayPoint International acquired a Romanian mobile top-up operator in May 2007 to which a bill payment service will be added, emulating the UK branded retail network. PayPoint International also operates Irish bill payment and top-up services.

PayPoint floated on the London Stock Exchange in September 2004 and the company's market capitalisation at 12 February 2008 was £420 million. PayPoint currently holds a Queen's Award for Enterprise and is widely recognised for its leadership in prepayment systems, smart technology and consumer service.