



PayPoint plc
Interim Management Statement
14 August 2008

The board is pleased to report on events, transactions and trading since the last year end.

Over the period, key contracts were signed or renewed and good progress made on business initiatives to expand our product offering. In the UK, bill and general payments are running ahead of expectations. The impact of this is mitigated by lower mobile top-ups as experienced in other retail networks and by the delay, in Romania of the introduction of the bill payment service, the launch of which we were pleased to announce this week.

Performance¹ for the period from 31 March 2008 to 27 July 2008² and financial position¹ as at 27 July 2008

Terminal sites have increased by 1,351 since the year end from 23,895 (including 4,017 in Romania) to 25,246 (including 4,781 in Romania). Transactions processed for the period were 163 million, up 10% compared to 148 million for the same period last year. Revenues for the period were £71m, up 11%.

Earnings are in line with market expectations.

After the payment of the final dividend of £7 million, net cash at 27 July was £26 million (including client cash of £8 million) compared to £28 million (including client cash of £8 million) at 30 March 2008.

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 April to 29 July 2007)



Enquiries

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Notes to Editors

PayPoint is the leading cash and internet payments company in the UK also with operations in Ireland and Romania. We handle in excess of £7 billion from over 500 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 20,000 terminal sites 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, 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, over 8 million times a week. The network has 99% population cover on a 1 mile urban or 5 miles rural measure;
- Multiple retailer connections into the electronic till systems in addition to the branded terminal outlets including BP, Somerfield and Superdrug for mobile top-ups and selected payments from the PayPoint range;
- An ATM network which has 2130 'LINK' branded machines across the UK, also typically in convenience stores;
- PayPoint.net, an internet payment service provider, provides secure credit and debit card payments for over 5,000 web merchants linking into all the major UK acquiring banks; and
- Pay Store, a Romanian mobile top-up operator with over 4,000 outlets equipped with electronic terminals and 2,000 other retail outlets. A bill payment service has been added to increase the breadth of PayPoint's offering in Romania, in line with the UK branded retail network.

PayPoint floated on the London Stock Exchange in September 2004 and the company's market capitalisation at 14 August 2008 was £431 million.