



NEWS RELEASE

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FIRST IN-MARKET DEPLOYMENT OF CARDIS TECHNOLOGY HERALDS GLOBAL MOVE AWAY FROM CASH

- **Cardis introduces low value payment market model which, for the first time, makes processing of small payments economically attractive for merchants, processors, payment schemes and banks**
- **Unique aggregation software based on patented auditable stored value technology reduces processing costs by an order of magnitude**
- **Austria's Raiffeisen Bank International to use Cardis software plug-in for low value payments in Q2**
- **Further implementations imminent in key markets globally**
- **Now a real alternative to cash transactions using existing payments infrastructures and business relationships**

Cardis has commercially launched its unique, low value payment software plug-in for banks, processors, payments schemes and merchants. The Cardis solution reduces costs by an order of magnitude for existing payments systems and infrastructures when processing low value payments (LVP). All LVPs are aggregated using patented technology based on auditable stored value units that eliminate the need for processing of individual transactions through the payments system. Raiffeisen Bank International (RBI) has become the first banking group in Europe to introduce the Cardis LVP plug-in, combined with Visa Europe's V PAY mobile contactless payment solution, as part of its *CardMobile* service which is being launched in the second quarter of 2012.

"Around the world, cash is often still the preferred way to pay, especially for low value purchases," explained Nebo Djurdjevic, Chief Executive Officer of Cardis International. "In Europe alone consumers are making 170 billion retail cash transactions below €20, with 90 billion of them below €5. This compares to only 30 billion retail card transactions of any amount¹.

"Our aggregation solution allows payment service providers to extend their existing infrastructure into cost-effective processing of low value payments within existing business relationships, operating and business models. The software works with any secure chip-based device such as contact/contactless payment cards and mobile phones – and it supports a multi-channel environment including face-to-face retail, e-commerce and m-commerce."

¹ EDC Analysis

The initial in-market deployment is set to be followed by additional implementations in Europe and Asia, while Cardis is in advanced business discussions with potential partners in multiple markets globally, including North America.

The Cardis solution is designed to address three major trends in the industry. First, there is growing pressure on the economic model for payments by regulators and merchants from Australia through Europe to the US. Merchant fees are being challenged and a significant reduction of marginal costs is required to allow for future penetration of the mostly cash low value payment segment in a way that benefits all stakeholders, including merchants and payment service providers.

Second, there is increased competition in the payments space with new entrants from mobile, Internet and retail sectors who are attempting to capture a share of consumers' low value cash payments. The increased choice in payment solutions makes it even more important to offer a highly efficient and integrated solution to issuers, acquirers, merchants and consumers.

Finally, we are seeing a technology shift with the widespread adoption of secure chip technology across payment form factors in all regions globally with the US, India and China being added recently as significant markets that will migrate in the next few years.

“Combined with the push for mobile payments adoption, the growing popularity of e/m commerce, and the natural fit of the phone with large underserved populations who largely rely on cash, the market environment is now poised for adoption of the Cardis solution. The game-changing efficiency of our low value payment solution now delivers, for the first time in the industry, a true win-win proposition for consumers, merchants and payment providers alike”, added Djurdjevic.

NOTES TO EDITORS

For more information, contact:

Richard Dymond	Richard@magnacartapr.com	+44 (0)7977 242 573
Denise Gee	denise@magnacartapr.com	+44 (0)7793 768 109

Cardis Enterprises International BV provides unique solutions for processing of low value payments with game changing cost efficiency. It aligns the interests of banks, payments schemes and retailers in driving the global move to cashless payments with significant economic benefits to their businesses.

Cardis' patented technology is available as a software plug-in that integrates with existing payments products and infrastructures to significantly reduce processing costs. All small transactions are aggregated using patented technology based on auditable stored value units that eliminate the need for processing of individual transactions through the payments system. It supports all chip-enabled form factors including contact cards, contactless cards and mobile phones, and all payment channels including physical point of sale, online and mobile commerce. www.cardis-international.com