

MoneySwitch burns money

MoneySwitch, the unlisted public company working hard to become the first new entrant to the Eftpos system in Australia, reported a loss of almost \$4.4 million in 2005/06, up from a loss of \$1.3 million in 2004/05.

MoneySwitch is building an internet based payments acquiring and switching system using open source software and promises to undercut the transaction fees of the existing acquirers for small and medium sized merchants.

The company raised \$9.65 million in additional capital from shareholders and board members to ensure compliance with the prudential capital requirements and to fund ongoing operations. MoneySwitch now employs 28 people, up from 17 last year.

During the 2005/2006 year, MoneySwitch became a principal member of Visa International and MasterCard Worldwide, member of the Consumer Electronic Clearing System of the Australian Payment Clearing Association and implemented switching arrangements for American Express and Eftpos transactions.

Rob Ferguson, former managing director of Bankers Trust Australia and Thomas Girgensohn, former managing partner of the Boston Consulting Group joined the board while Brad Banducci, former partner of the Boston Consulting Group and former Cisco exec John Hallis joined as senior executives.

In the current financial year the company plans to launch a vanilla Eftpos credit and debit card facility for the Australian SME market.

Send news to news@thesheet.com

Contact:

Ian Rogers ian@thesheet.com

John Kavanagh john@thesheet.com

Jason Bryce jason@thesheet.com

Published from Melbourne, Australia by Ian Rogers ABN 68 204 093 594

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