



Briefing 27 May 2011

Tyro technology protects consumers and merchants against cardholder data breaches

Yesterday, the PCI Data Security Council certified a breakthrough Tyro security architecture. Today, the media report that a data breach at a merchant forced CBA, NAB, Westpac and St George to cancel thousands of credit cards.

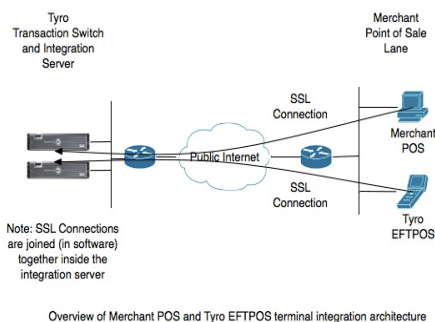
The banking industry is still replacing its legacy EFTPOS terminal fleets that transmit cardholder data (except for the PIN) unencrypted, meaning it can potentially be intercepted on a dial-up line to the bank or on a POS computer. This is not possible with the new generation of terminals and integration software that encrypt the data.

Attacks in the store environment concentrate on tampering with the EFTPOS terminal itself or intercepting the data flow to the POS software. Banks have made security a software vendor's and merchant's problem, meaning developers and retailers must learn about firewalls, encryption, SSL and testing and also file compliance documentation. Why?

Tyro thinks security should be the bank's not the merchant's problem. Tyro's new architecture is a great leap forward. The solution offers the speed and convenience of integrating the EFTPOS terminal and the POS software in a way that does not expose the cardholder data.

The POS system and EFTPOS terminal are paired via unique secured (SSL) end-to-end connections to the Tyro data centres. The only traffic flowing between these devices are simple requests for payment authorisation, request and device status updates, and payment responses with the details needed for receipt printing on the POS printer.

This is shown diagrammatically below:



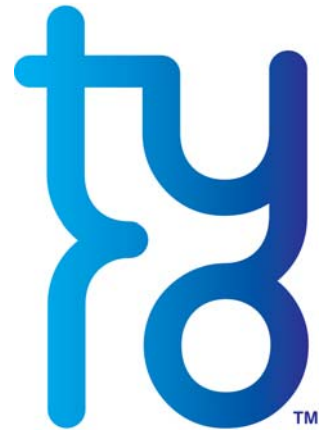
The merchant's POS systems, computer networks and other attached devices are naturally quarantined from all financial transaction traffic and therefore have no exposure to sensitive cardholder data.

Tyro payment networks use existing merchant and public IP network infrastructure to forward transactions to Tyro's data centres.

Tyro's solution leverages the speed, scalability and reliability that the Internet can deliver.

"In the banking industry, we have to recognise that cardholder security is our problem. We own it and have to think hard how best to protect merchants and consumers against the growing number of vulnerabilities due to payments becoming more complex, integrated, online and mobile", said Jost Stollmann, CEO of Tyro Payments

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About Tyro Payments Limited

Tyro is Australia's EFTPOS innovation institution and is the first new entrant into the EFTPOS business in over 14 years. Tyro holds an authority under the Banking Act to carry on a banking business as a Specialist Credit Card Institution (SCCI) and operates under the supervision of the Australian Prudential Regulation Authority (APRA). Under this authority Tyro provides credit, debit, EFTPOS, gift and loyalty card acquiring and Medicare claiming and rebating services, but may not take money on deposit.

Tyro's transparent payment solutions are uniquely merchant focused, enabling reduced fees, greater productivity, better cost management and a superior payment experience for consumers.

Tyro is a wholly Australian-owned company with no external venture capital. The company has been fully funded by the Executives, Directors, independent and strategic investors.

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