



## Shareholder Update – 1<sup>st</sup> Half Fiscal Year 2010

26 March 2010 (unaudited results)

### Summary

Growth in transaction volume and the additional fee revenue subsequent to the launch of Medicare Easyclaim on the 1 April 2009 have lead to month-on-month improving results. The highlights are:

- The net half year loss declined to \$746,752 compared with \$2,894,968 in the previous corresponding period. The result includes a Medicare subsidy of \$573,012.
- The 1<sup>st</sup> half year result benefitted from an agreement that delivered additional fee income involving a claw-back in later periods. The normalised 1<sup>st</sup> half year result adjusted for this agreement is a loss of \$1.1 million.
- The gross value of merchant transactions grew by 340% to \$619 million from \$183 million in the previous corresponding period.
- In the month of December 2009, a total of 1,732,520 transactions for a value of \$133 million were authorised, cleared and settled.
- In the six months to 31 December 2009, 1.9 million Easyclaim transactions were processed.
- The number of active merchant EFTPOS facilities (MIDs) increased by 240% since the 31 December 2008 to 2,452 MIDs.
- The gross revenue grew 380% from \$1.8 million in the previous corresponding period to \$6.9 million
- Shareholder equity increased from \$9.9 million in December 2008 to \$11.1 million in December 2009.
- Net tangible assets (NTA) declined from 6.5 cents per share to 5.2 cents after the December capital raising.

Key Financials	1HFY10	1HFY09
Revenue	\$6.9m	\$1.8m
AIFRS (loss) after tax <sup>1</sup>	(\$746,752)	(\$2,894,968)
Normalised loss after tax <sup>2</sup>	\$1.1m	n/a
Closing share capital & reserves	\$11.1m	\$9.9m
Closing NTA per share	5.2 cps	6.5cps
Closing active EFPOS facilities (MIDs)	2,452	1,006
Gross value of merchant transactions	\$618.9m	\$182.6m
Closing cash on hand <sup>3</sup>	\$11.2m	\$8.7m

<sup>1</sup> Inclusive of share based payments

<sup>2</sup> Adjusted for additional fee income to be clawed back in later periods

<sup>3</sup> Includes minimum capital required by APRA

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After the December 2009 peak, transaction volume fell to \$106 million in January and \$103 million in February, in line with overall market seasonality. The transaction volumes in January and February 2008 were \$37 million each.

### **Balance Sheet and Capital Management**

Total assets increased from \$10.6m at 31 December 2008 to \$12.7m at 31 December 2009. Fixed assets increased by \$157k with the remaining growth in current assets.

On 11 December 2009, Tyro raised \$3.66m in new capital through the issuance of 6.1 million shares at an issue price of 6 cents and an attached option with an exercise price of 5 cents and an expiration date of 11 December 2011. The new funds were needed to fund settlement liquidity and scheme collateral.

### **Strategic Development**

The company continues to execute against its strategic plan. Tyro Health will run a rollout promotion in the second half of the fiscal year 2009/10 to support the sign-up of HCN PracSoft practices. Tyro Retail focuses on the partnership with POS software vendors to deploy broadband integrated EFTPOS into their respective franchise.

Currently, Tyro is developing a first online acquiring solution offering a rental payment portal to one of Australia's largest landlords. Tyro also plans to launch and market in this fiscal year a packaged broadband EFTPOS solution with one of Australia's major vendors of POS software targeting the SME market.

### **Board Development**

Paul Rickard, former Executive General Manager & Chief Information Officer at CBA, and Michael Cannon-Brookes, co-Founder and CEO of Atlassian, an innovative, award-winning enterprise software company, were appointed to the Board. To satisfy APRA standards of independence, last month, Rob Ferguson handed over the Chairmanship to Kerry Roxburgh.

### **Outlook**

The medium term outlook for Tyro has improved. An estimated 25% of HCN PracSoft general practices use Easyclaim generating approximately 600,000 claims per month. More than 100 new merchants are signing with Tyro per month, averaging \$200 per month per merchant in recurring gross margin. Management expects an acceleration in signing new merchants with the Easyclaim promotion and the launch of the integrated EFTPOS solution with one of Australia's leading POS software vendors.

Please refer to the accompanying half year unaudited financial statements for the 1<sup>st</sup> half ended 31 December 2009.

Yours sincerely

Jost Stollmann  
CEO

**MONEYSWITCH LIMITED**  
**(TRADING AS TYRO PAYMENTS)**  
**ABN 49 103 575 042**

**INCOME STATEMENT**

**FOR THE HALF FISCAL YEAR ENDED 31 DECEMBER**  
(unaudited)

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Fees and commission income	5,828,299	1,665,680
Fees and commissions expense	<u>(3,521,136)</u>	<u>(1,105,340)</u>
<b>Net fees and commissions Income</b>	2,307,163	560,340
Terminal and accessories sale	517,919	159,506
Terminal and accessories COGS	<u>(428,794)</u>	<u>(133,641)</u>
<b>Net Terminal and Accessories Sale Income</b>	89,125	25,865
<b>Medicare Subsidy</b>	573,012	-
<b>Interest Income</b>	128,679	186,978
<b>Other Income</b>	30,435	-
<b>Net gain on financial instruments</b>	<u>2,261</u>	<u>321</u>
<b>Total Operating income</b>	3,130,675	773,503
<i>Less: Expenses</i>		
Medicare Rollout external expenses	260,962	
Engineering expenses	914,970	827,574
Operations expenses	1,375,836	1,228,164
Sales and marketing expenses	375,507	207,668
Administrative expenses	786,597	726,411
Bad debt and chargeback loss expense	9,316	76,714
<b>Total operating expenses</b>	<u>3,723,188</u>	<u>3,066,530</u>
<b>Operating loss before tax expense</b>	(592,513)	(2,293,027)
Share based payments expense <sup>1</sup>	154,239	601,941
<b>Net loss for the half-year<sup>2</sup></b>	<u><u>(746,752)</u></u>	<u><u>(2,894,968)</u></u>

1 Share Based Payments taken up in January 2009 and 2010 but relating to December 2008 and 2009 first half year expenses

2 The result benefitted from a heightened fee income to be paid back in later periods. The pro forma result adjusting for this effect is \$1.1 million.

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**BALANCE SHEET - UNAUDITED**

**FOR THE HALF FISCAL YEAR ENDED 31 DECEMBER 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	10,026,047	8,134,039
Trade and other receivables	415,075	108,798
Prepayments	75,719	73,298
Inventories	503,395	779,460
<b>Total Current Assets</b>	<u>11,020,237</u>	<u>9,095,594</u>
<b>Non-current Assets</b>		
Available-for-sale investment	117,745	129,618
Property, plant and equipment	1,513,728	1,356,527
<b>Total Non-current Assets</b>	<u>1,631,473</u>	<u>1,486,144</u>
<b>TOTAL ASSETS</b>	<u>12,651,710</u>	<u>10,581,738</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade payables and other liabilities	1,311,887	563,640
Provisions	226,254	93,594
<b>Total Current Liabilities</b>	<u>1,538,141</u>	<u>657,234</u>
<b>TOTAL LIABILITIES</b>	1,538,141	657,234
<b>NET ASSETS</b>	<u>11,113,568</u>	<u>9,924,504</u>
<b>EQUITY</b>		
Contributed equity	30,395,023	26,687,479
Reserves	5,835,488	5,116,202
Retained earnings	(25,116,943)	(21,879,178)
<b>TOTAL EQUITY</b>	<u>11,113,568</u>	<u>9,924,504</u>