

iCash Payment Systems Limited

ABN 87 061 041 281



ASX RELEASE

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Acquisition of further interest in NeolCP Korea Inc.

iCash Payment Systems Limited (Company or ICP) is pleased to announce that it has today entered into binding agreements with a number of vendors for the acquisition by the Company of a further the 4,029,747 shares in the issued capital of its Korean subsidiary, Neo ICP Korea Inc (NeolCP).

As announced to the market on 5 November 2010, the Company already holds 47.11% of the economic interest in NeolCP. Following completion of this transaction, the Company's economic interest in NeolCP would increase to 88.15%.

The aggregate consideration payable by the Company to the vendors under the acquisition arrangements is \$33,946,473, comprised of \$10,000,000 in cash (**Cash Component**) and the issue to certain of the vendors of 48,376,715 new ordinary shares in the capital of the Company (**Scrip Component**). The effective issue price of new ICP shares to be issued under the Scrip Component is 49.5 cents per share. The proposed transaction is earnings accretive.

The issue of shares represents 34.38% of iCash's issued capital and these shares will be subject to an escrow for a period of 2 years from the Completion Date.

Subject to the completion of this current transaction, it is the intention of ICP to seek to acquire the balance of NeolCP shares held by the remaining minority NeolCP shareholders as soon as reasonably practicable. This remaining acquisition is subject to individual negotiations with those minority NeolCP shareholders.

Completion of the current transaction is conditional on a number of matters taking place including:

- the Company securing financial accommodation on terms acceptable to it, or having completed a successful capital raising (in its absolute discretion) to enable it to fund the Cash Component; and
- all approvals required from the Company's shareholders being granted, including approval for the issue to certain vendors of shares in the Company under the Scrip Component.

iCash Payment Systems Limited Executive Chairman Mr James Manny commented:

"The support from the directors and leadership teams of iCash and NeolCP marks a significant step in the development of the Group to leverage off its growing strength in the cash-handling and payments solution markets.



The effort to overcome the many legal, regulatory and commercial issues to become "One Company" is the result of tireless efforts by management, its advisors and senior representatives of the Korea Trade-Investment Promotion Agency and underscores the dedication of the Group to pursue a more prominent position in the region.

The increase in ownership will deliver a greater concentration of leadership, closer alignment of strategic and operational structures and the ability to focus more effectively on major infrastructure type transactions in Australia, Korea and elsewhere in the region."

Mr. JS Kang, CEO of NeoICP Korea Inc. added, "Our successes in Korea and Australia demonstrate the benefits of combining our cross boarder skills and cultures while leveraging off our vertical integration strategy.

Bringing our businesses even closer together by aligning our corporate structure to our customer expectations, will allow us to more effectively pursue growth in the high cash dependent economies of Asia."

The Company will in due course make a further announcement in connection with its fundraising proposal and the shareholder approvals being sought in connection with the transaction.

Ends.

For further information please visit our website www.icashpayments.com.au or contact:
James Andrew Manny, Executive Chairman & Director or
Tony Teng, Company Secretary
Phone: (02) 9432 9000

About iCash Payment Systems Limited (ASX: ICP)

iCash is a vertically integrated ATM payments business that has delivered end-to-end solutions in ATM deployment and electronic banking services to merchants and financial institutions across Asia Pacific since 2001. Since inception, iCash has designed, manufactured and sold over 12,000 ATMs in Korea and deployed over 1,500 ATMs in Australia.

Our global product range includes cash dispensing ATMs and cash recycling ATMs for retail outlets, and integrated settlement and back office automation systems for large supermarkets and department stores. These products are supported by integrated payment switching software solutions with reconciliation and accounting modules providing end-to-end payment solutions for our clients.

Our global Head Office is in Sydney supporting the ownership of an Australia-wide ATM network. Support services include maintenance and repair facilities, training and on-going technical support. Payments infrastructure includes transaction processing, switching, and software solutions.

The Company's South Korean operations – home to iCash's research and development facilities, underpins the company's expansion across Australasia