

**For Immediate Release**

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## **e-pay Asia buys out Indonesian minority interests**

e-pay Asia Limited ("the Company") today announced that its 60% owned subsidiary e-pay (M) Sdn. Bhd. ("e-pay Malaysia") has acquired the remaining 27.3% stake it does not own in e-pay Indonesia from minority shareholder Mr Franky Prionggo for a total cash consideration of US\$1 million plus a dividend payment of US\$150,000.

e-pay Asia and UK based e-pay Ltd, the other 40% shareholder in e-pay Malaysia, have agreed to finance the acquisition proportionately to each party's respective shareholding via loan facilities amounting US\$1.15 million. e-pay Asia will provide its contribution of US\$690,000 from its operating cash flows.

Following the acquisition, e-pay Asia's direct interest in e-pay Indonesia will remain at 21.2% with the remaining 78.8% held via e-pay Malaysia. For the 3 months period ending 31 March 2006, e-pay Indonesia achieved revenues of US\$15.3 million and 6 million transactions across 2,000 terminals and direct sales network of 10,000 mobile agents.

e-pay Indonesia has recently begun operating profitably and is expected to achieve after tax net profits of US\$500,000 for the full year 2006. On a consolidated basis, the Company expects e-pay Indonesia to contribute US\$350,000 to e-pay Asia's consolidated earnings after deducting minority interests.

With a population of 240 million people and overall mobile penetration of 21%, Indonesia not only represents e-pay Asia's largest market in South East Asia but also one with the largest growth potential. 93% of all mobile users in Indonesia are prepaid and cash is used as the main form of payment.

According to an independent market research by Frost & Sullivan, Indonesia's prepaid mobile market in 2005 was worth US\$2.3 billion with 47 million subscribers and is expected to reach US\$3.1 billion with 65 million subscribers in 2006, growing to US\$6 billion with 100 million subscribers by the end of 2010.

e-pay Asia Managing Director Mr Simon Loh said: "The acquisition is part of our broader strategy to improve the group's corporate structure. We are very pleased to have sealed the transaction at an attractive price for both parties. In addition, we welcome our joint venture partner's participation in the financing of the transaction and view this as a vote of confidence in e-pay Asia."

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## **About e-pay Asia Limited**

e-pay Asia Limited (ASX/AIM: EPY), dual listed on Australia Stock Exchange and the AIM segment of the London Stock Exchange, is a leading provider of prepaid mobile airtime and electronic payment solutions in South East Asia. Headquartered in Kuala Lumpur with its corporate office in Sydney, e-pay Asia operates in Malaysia, Indonesia, Pakistan and Thailand with plans to expand into China, Vietnam, Singapore and other parts of Asia. For more information on the Company, please visit our corporate website [www.e-payasia.com](http://www.e-payasia.com)