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28 September 2007

**Cardpoint plc (“Cardpoint”)  
alphyra Holdings Limited (“alphyra”)**

**MERGER OF CARDPOINT AND ALPHYRA**

The boards of Cardpoint and alphyra are pleased to announce that they have agreed the terms of a merger of Cardpoint and alphyra to create a leading European consumer payments and cash distribution group. The parent company of the Enlarged Group will be a newly incorporated company named Payzone plc and will be headquartered and domiciled in Ireland and listed on AIM.

The transformational Merger combines two strong, proven and complementary businesses. Payzone will benefit from a diverse product, geographic and Client portfolio, as well as an experienced management team with a proven ability to grow the business and a clear strategy of how to move the combined entity forward, which, taken together, will provide a strong competitive platform on which to continue to build. The established market presence of both alphyra and Cardpoint offers both stability and scope for further growth, particularly within the UK and Germany. Additionally, recently targeted alphyra markets of Romania, Poland and Greece offer substantial future growth opportunities.

The Payzone Board believes that the Merger will create significant value for Payzone Shareholders through cost savings, particularly in the UK, which are expected to be achieved over a period of 12 to 18 months.

The key terms of the Merger are as follows:

- It is proposed that Payzone will acquire the entire issued and to be issued share capital of both Cardpoint and alphyra in consideration for the issue of Payzone Shares. It is expected that the Merger will be completed and the Payzone Shares admitted to trading on AIM by the end of December 2007.
- Following the Merger and on a Fully-Diluted Basis, Payzone will be owned approximately 59.05 per cent. by alphyra Shareholders (being principally alphyra’s management and Balderton Capital) and approximately 40.95 per cent. by Cardpoint Shareholders.
- Certain alphyra Shareholders, including Balderton Capital and the other alphyra Management Vendors have stated that they intend, prior to Admission of the Payzone Shares to AIM, to enter into arrangements to sell down up to 50 per cent. of their Payzone Shares at or around the date of Completion. A Relationship Agreement between Payzone, Balderton Capital and the alphyra Management Vendors contains lock-up arrangements to restrict the sale of the remaining Payzone Shares held by these alphyra Vendors that are not included in the Placing.

- Payzone is led by a board drawn from both Cardpoint and alphyra, with a Balderton Nominee. It is chaired by Bob Thian, Chairman of Cardpoint, and managed by Chief Executive Officer John Nagle and Chief Financial Officer John Williamson, both from alphyra. The existing non-executive directors of Cardpoint have been appointed to the Payzone board as well as Mark Evans of Balderton Capital (all as non-executive directors).
- Payzone has received irrevocable undertakings to vote in favour of the Cardpoint Resolutions from the Cardpoint Directors in respect of, in aggregate, 2,511,666 Cardpoint Shares, representing approximately 2.23 per cent. of the existing issued share capital of Cardpoint.
- Payzone has received irrevocable undertakings to vote in favour of the Cardpoint Resolutions from certain other Cardpoint Shareholders in respect of, in aggregate, 57,894,103 Cardpoint Shares, representing approximately 51.51 per cent. of the existing issued share capital of Cardpoint.
- The acquisition of alphyra by Payzone will be effected by way of a sale and purchase agreement between Payzone and the alphyra Vendors.
- The acquisition of Cardpoint by Payzone will be effected by way of a Scheme of Arrangement between Cardpoint and Cardpoint Shareholders. It is anticipated that the Scheme Document will be posted to Cardpoint Shareholders on or around 19 October 2007.
- It is intended that Payzone would seek to move to the main market of the London Stock Exchange at such time as the Directors consider to be in the best interests of the Company and its Shareholders.

Commenting on today's announcement, Bob Thian, Chairman of Cardpoint, said: "This transformational deal creates a leading consumer payments acceptance and cash distribution network with operations throughout Europe and strong potential for growth. With a highly experienced management team in place and a clear strategy for growth, we are confident that this merger will create significant value for shareholders."

John Nagle, Chief Executive Officer of alphyra, said: "This is an exciting merger combining cost savings and enhanced economies of scale, with a management team well positioned to participate in sector consolidation. alphyra has emerged from a successful period as a private business in excellent health and focused on leveraging the significant international and domestic growth opportunities for the benefit of all shareholders."

In view of the size of the transaction in relation to Cardpoint, the Merger constitutes a reverse-takeover of alphyra by Cardpoint under Rule 14 of the AIM Rules and is therefore conditional on the consent of the Cardpoint Shareholders being given at an extraordinary general meeting. The Merger is also conditional on the consent of Cardpoint Shareholders to the waiver of the obligation that would otherwise arise for Balderton Capital to make an offer for Cardpoint under Rule 9 of the UK Takeover Code. Such consents will be sought at the Cardpoint EGM, notice of which will be included in the Scheme Document.

The directors of Cardpoint, who have been so advised by Rothschild, consider the terms of the Merger to be fair and reasonable. In providing its advice, Rothschild has taken into account the commercial assessment of the directors of Cardpoint.

The directors of Cardpoint consider that the Cardpoint Resolutions to be proposed at the Cardpoint EGM and the Scheme Meeting are in the best interests of Cardpoint and Cardpoint Shareholders as a whole. Accordingly, the Cardpoint directors intend unanimously to recommend that Cardpoint Shareholders vote in favour of the Cardpoint Resolutions to be proposed at the Scheme Meeting and the Cardpoint EGM, as they have irrevocably undertaken to do in respect of their own beneficial holdings amounting to, in aggregate, 2,511,666 Cardpoint Shares (representing approximately 2.23 per cent. of the existing issued share capital of Cardpoint).

An AIM Admission Document relating to Payzone and the Payzone Shares has been published today and is available electronically on Cardpoint's website at [www.cardpointplc.com](http://www.cardpointplc.com). The AIM Admission Document will be sent to Cardpoint Shareholders later today. It is expected that the suspension of trading of the Cardpoint Shares on AIM will be lifted shortly.

The UK Takeover Panel has confirmed that, following the Cardpoint announcement on 4 September 2007, the Merger will be treated by the UK Takeover Panel as a reverse-takeover requiring a Rule 9 Whitewash pursuant to Appendix 1 of the UK Takeover Code and not as a general offer for Cardpoint under the terms of the UK Takeover Code. Following publication of this announcement, Cardpoint will no longer be in an offer period under the UK Takeover Code and will consequently be removed from the UK Takeover Panel's disclosure table.

This summary should be read in conjunction with the full terms of the following announcement. Appendix II of this announcement contains definitions of certain terms used in this summary and the following announcement.

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*Panmure Gordon, which is authorised and regulated in the United Kingdom by the FSA and is a member of the London Stock Exchange, is acting exclusively for Payzone and for Cardpoint, in each case as nominated adviser for the purpose of the AIM Rules and as broker. Panmure Gordon's responsibilities as the nominated adviser to Payzone and to Cardpoint are owed solely to the London Stock Exchange and are not owed to Payzone, Cardpoint, alphyra or to any director of Payzone, Cardpoint or alphyra or to any other person in respect of his, her or its decision to acquire shares in Payzone or Cardpoint in reliance on any part of this announcement or the Scheme Document or otherwise. Panmure Gordon is acting for Payzone and for Cardpoint and no one else in connection with the arrangements described in this announcement and will not be responsible to anyone other than Payzone and Cardpoint for providing the protections afforded to customers of Panmure Gordon, nor for providing advice in relation to the Merger, any acquisition of shares or securities in Payzone, Cardpoint or alphyra or any other matter referred to in this announcement.*

*Goldman Sachs International, which is authorised and regulated in the United Kingdom by the FSA, is acting for alphyra and no one else in connection with the arrangements described in this announcement and will not be responsible to anyone other than alphyra for providing the protections afforded to clients of Goldman Sachs International, nor for providing advice in relation to the Merger, any acquisition of shares or securities in Payzone or Cardpoint or any other matter referred to in this announcement.*

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*The distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction. This announcement has been prepared for the purposes of complying with English law and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside the United Kingdom. This announcement does not constitute an offer to purchase, sell or exchange or the solicitation of an offer to purchase, sell or exchange any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Merger or otherwise, nor shall there be any purchase, sale or exchange of securities or such solicitation in any jurisdiction in which such offer, solicitation or sale or exchange would be unlawful under the laws of such jurisdiction. This announcement does not constitute a prospectus, a prospectus equivalent document or an AIM admission document. Investors and prospective investors in Payzone and/or Cardpoint are advised to read carefully the formal documentation in relation to the Merger once it has been despatched. The Payzone Shares may not be offered or sold in the United States absent registration under the Securities Act or an exemption therefrom. Payzone has not registered and does not intend to register any Payzone Shares under the Securities Act, or under the securities law of any state, district or other jurisdiction of the United States, Australia, Canada or Japan and no regulatory clearance in respect of the Payzone Shares has been, or will be, applied for in any jurisdiction other than the UK. Any Payzone Shares will be issued to Cardpoint Shareholders in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) thereof. Under applicable US securities laws, Cardpoint Shareholders (whether or not US persons) who are or will be “affiliates” of Cardpoint or Payzone will be subject to certain transfer restrictions relating to the Payzone Shares received in connection with the Scheme.*

*Notice to US investors: The Scheme relates to the shares of Cardpoint, a company incorporated in England and Wales, and is provided for under the laws of England and Wales. The Merger is subject to the disclosure requirements and practices applicable in the United Kingdom, which differ from the disclosure and other requirements of US securities laws. Financial information included in the relevant documentation will have been prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable to the financial statements of US companies.*

*This announcement contains statements about Payzone, Cardpoint and alphyra that are or may be forward-looking statements. All statements other than statements of historical facts included in this announcement may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "should", "may", "anticipates", "estimates", "synergies", "cost savings", "projects", "strategy" or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements may include statements relating to the following: (i) the expected timetable for completing the Merger, future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects of Payzone, Cardpoint, alphyra and/or the Enlarged Group; (ii) business and management strategies and the expansion and growth of Payzone, Cardpoint, alphyra and/or the Enlarged Group's operations and potential synergies resulting from the Merger; and (iii) the effects of government regulation on Payzone, Cardpoint, alphyra and/or the Enlarged Group's business. These forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of Payzone, Cardpoint or alphyra. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause them to differ from the actual results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors and prospective investors are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date they were made. All subsequent oral or written forward-looking statements attributable to Payzone, Cardpoint or alphyra or any of their respective members, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statements above. All forward-looking statements included in this announcement are based on information available to Payzone, Cardpoint and/or alphyra on the date hereof. Investors should not place undue reliance on such forward-looking statements. Except as required by the FSA, the London Stock Exchange, the AIM Rules or any other applicable law or regulation, none of such persons undertakes any obligation to publicly update or revise any forward-looking statements.*

*No statement in this announcement is intended as a profit forecast or a profit estimate, whether in relation to Cardpoint, alphyra, the Company or otherwise, and no statement in this announcement should be interpreted to mean that earnings per Payzone Share, Cardpoint Share or alphyra Share for the current or future financial years would necessarily match or exceed the historical published earnings per Cardpoint Share or alphyra Share.*

*Neither the content of any website of Payzone, Cardpoint or alphyra (or any other website) nor the content of any website accessible from hyperlinks on any such website (or any other website) is incorporated into, or forms part of, this announcement.*

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28 September 2007

**Cardpoint plc (“Cardpoint”)  
alphyra Holdings Limited (“alphyra”)**

**MERGER OF CARDPOINT AND ALPHYRA**

**1. Introduction**

The boards of Cardpoint and alphyra are pleased to announce that they have agreed the terms of a merger of Cardpoint and alphyra to create a leading European consumer payments and cash distribution group. The Merger is intended to be effected by Payzone, a newly-incorporated company tax-resident in Ireland, acquiring each of Cardpoint and alphyra. Payzone will be headquartered in Dublin.

It is proposed that Payzone will acquire the entire issued and to be issued share capital of alphyra in consideration for the issue to alphyra Shareholders of 174,680,356 alphyra Consideration Shares in aggregate pursuant to the Acquisition Agreement and related agreements. Immediately thereafter, Payzone will acquire, on a one-for-one basis, the entire issued and to be issued ordinary shares of Cardpoint in consideration for the issue to Cardpoint Shareholders of up to 121,135,849 Scheme Consideration Shares in aggregate by means of the Scheme of Arrangement.

Following Completion of the Merger and on a Fully-Diluted Basis, Payzone will be owned approximately 59.05 per cent. by alphyra Shareholders and approximately 40.95 per cent. by Cardpoint Shareholders. The Directors understand that it is the intention of Balderton Capital and the other alphyra Management Vendors to enter into arrangements to sell down, by way of the Placing, up to 50 per cent. of the alphyra Consideration Shares to be received by them at Completion and that the Placing will take place at or around the date of Completion. The Relationship Agreement contains lock-up arrangements to restrict the sale of the remaining alphyra Consideration Shares held by Balderton Capital and the other alphyra Management Vendors not included in the Placing.

An AIM Admission Document relating to Payzone and the Payzone Shares has been published today and is available electronically on Cardpoint’s website at [www.cardpointplc.com](http://www.cardpointplc.com). The AIM Admission Document will be sent to Cardpoint Shareholders later today. It is expected that the suspension of trading of the Cardpoint Shares on AIM will be lifted shortly. It is currently anticipated that a supplement to the AIM Admission Document will be issued by 31 October 2007 including financial information relating to alphyra for the nine months ending 30 September 2007.

It is expected that the Scheme Document containing the Scheme of Arrangement and notices convening a Scheme Meeting and a Cardpoint EGM will be posted to Cardpoint Shareholders on or around 19 October 2007. It is expected that the Scheme Meeting and the Cardpoint EGM will be held on or around 12 November 2007.

The UK Takeover Panel has confirmed that, following the Cardpoint announcement on 4 September 2007, the Merger will be treated by the UK Takeover Panel as a reverse-takeover requiring a Rule 9 Whitewash pursuant to Appendix 1 of the UK Takeover Code and not as a general offer for Cardpoint under the terms of the UK Takeover Code. Following publication of this announcement, Cardpoint will no longer be in an offer period under the UK Takeover Code and will consequently be removed from the UK Takeover Panel's disclosure table.

In view of the size of the transaction in relation to Cardpoint, the Merger constitutes a reverse-takeover of alphyra by Cardpoint under Rule 14 of the AIM Rules and is therefore conditional on the consent of the Cardpoint Shareholders being given at an extraordinary general meeting. The Merger is also conditional on the consent of Cardpoint Shareholders to the waiver of the obligation that would otherwise arise for Balderton Capital to make an offer for Cardpoint under Rule 9 of the UK Takeover Code. Such consents will be sought at the Cardpoint EGM.

It is intended that Payzone would seek to move to the main market of the London Stock Exchange at such time as the Directors consider to be in the best interests of the Company and its Shareholders.

## **2. Background to and Reasons for the Merger**

The Enlarged Group will be a leading consumer payments acceptance and cash distribution network across 21 European countries. The transformational Merger combines two strong, proven and complementary businesses to deliver synergies and scale, with cross-selling potential from further leveraging the existing relationships of both alphyra and Cardpoint. The Enlarged Group will benefit from a diverse product, geographic and Client portfolio, as well as an experienced management team with a proven ability to grow the business and a clear strategy of how to move the combined entity forward, which, taken together, will provide a strong competitive platform on which to continue to build.

The established market presence of both alphyra and Cardpoint offers both stability and scope for additional growth, particularly within the UK and Germany. In addition, recently targeted alphyra markets of Romania, Poland and Greece offer substantial future growth opportunities.

The Payzone Board believes that the Enlarged Group will have several key strengths that will significantly contribute to the continued and profitable growth of its business:

- it will be a leading pan-European retail-based consumer payments acceptance and cash distribution network;
- it will have an established physical network and existing relationships with both Clients and Retail Agents that are hard to replicate;
- it will be able to leverage existing technology and operations to process an increased volume of transactions, at a low marginal cost;
- it will be a top three player, measured by prepaid transaction value processed, in ten of the countries in which it operates;
- its existing market positions and client relationships offer substantial scope for both organic and acquisitive growth;

- significant investment in technology will provide the Enlarged Group with a proven platform from which to deliver efficient services; and
- it will have a committed management team with a proven track record.

The Payzone Board believes that the Merger will create significant value for Payzone Shareholders through cost savings, particularly in the UK, which are expected to be achieved over a period of 12 to 18 months.

### 3. Summary Information on Cardpoint

Cardpoint, which has its headquarters in Blackpool, England, is the UK's leading independent ATM deployer with approximately 6,000 ATMs, operating throughout the UK and Germany. Cardpoint was the UK's first stock market quoted independent cash machine deployer (IAD). It was admitted to trading on AIM in June 2002 and is traded under the ticker CASH.L.

Cardpoint operates three types of ATMs, these being free-standing, "through the wall" (TTW) and merchant replenishment machines. Cardpoint also operates cash machines for banks and building societies. In the UK, Cardpoint operates cash machines for Bradford & Bingley bank and the Norwich and Peterborough building society. In Germany, Cardpoint has a partnership with GE Money Bank.

Cardpoint has approximately 5,100 cash machines in the UK and over 800 cash machines in Germany. Cardpoint's machines installed across the UK process more than 8 million transactions each month.

Cardpoint is a full member of the LINK Network, the only branded shared network of cash machines and self-service terminals in the UK. The LINK service provides a telecoms and settlement infrastructure to its members and allows some 130 million cardholders of every member financial institution to use the cash machine of another LINK member.

#### *Summary historical financial information on Cardpoint*

Set forth below is summary financial information on Cardpoint for the three financial years ended 30 September 2006 and the six-month period ended 31 March 2007 which has been stated under UK GAAP, presented in pounds sterling and extracted and/or calculated without material adjustment from the Cardpoint Public Financial Information:

	<i>Unaudited</i>		<i>Audited</i>	
	<i>Six months ended 31 March</i>		<i>Year ended 30 September</i>	
	<i>2007</i>	<i>2006</i>	<i>2005</i>	<i>2004</i>
<i>(£'000s)</i>				
Gross turnover	42,345	97,871	61,052	36,812
Gross profit	11,728	30,470	13,136	7,787
EBITDA	9,879	19,769	8,946	4,523
Operating loss	(12,631)	(20,066)	(10,089)	(2,741)
Loss on ordinary activities				
before taxation	(16,516)	(24,941)	(11,459)	(3,056)
Net assets	39,168	53,274	77,493	36,392

#### 4. Summary Information on alphyra

alphyra is Europe's largest branded consumer payments network (in terms of retail points and number of countries served). Headquartered in Dublin, Ireland, alphyra provides services in 21 countries across Europe, implementing and operating payment networks. alphyra processed over 540 million transactions in the 12 months ended 30 June 2007, with a value in excess of €9.8 billion.

Across a European network of over 230,000 retailer points of service at more than 160,000 shops, alphyra delivers payment services that drive greater efficiency for Clients and increased revenues for Retail Agents.

With a product portfolio that includes prepaid mobile electronic top-up (ETU), credit and debit card processing, utility payment, money transfer and stored value solutions, the Company believes that alphyra enables businesses to provide a simpler and faster service to the consumer via secure payment networks.

Operating delivery systems in the stand-alone, integrated and wireless environments across a wide variety of industry sectors, alphyra delivers innovative value added transaction services to consumers across Europe.

##### *Summary historical financial information on alphyra*

The summary financial information on alphyra set forth below for the three financial years ended 31 December 2006 is stated under UK GAAP and is presented in euros.

	2006	Audited Year ended 31 December	
		2005	2004
(€'000s)			
Gross turnover	3,437,222	2,829,732	1,978,017
Gross profit	77,861	75,034	39,472
EBITDA before exceptional items	32,368	29,235	17,015
Operating profit/(loss)	3,437	(1,742)	6,060
(Loss)/profit on ordinary activities before taxation	(10,058)	(15,192)	4,597
Net assets	10,747	22,187	39,294

#### 5. The Scheme

The acquisition of Cardpoint will be effected by means of the Scheme, which will be a scheme of arrangement between Cardpoint and the Cardpoint Shareholders under section 425 of the Companies Act 1985. Under the terms of the Scheme, the Cardpoint Shares will be cancelled and, in consideration for this cancellation, Cardpoint Shareholders on the register at the Scheme Record Time will receive one Payzone Share for each Cardpoint Share.

For the Scheme to become effective, a special resolution implementing the Scheme, and certain other resolutions relating to the Merger, must be passed by Cardpoint Shareholders at the Cardpoint EGM and the Scheme must be approved at the Scheme Meeting by a majority in number of the Cardpoint Shareholders present and voting representing 75 per cent. or more in value of all Cardpoint Shares held by such Cardpoint Shareholders.

The Scheme also requires the sanction of the Court, as well as satisfaction or waiver of the other conditions to which the Scheme is subject (as detailed in Appendix I of this announcement).

If the Scheme becomes effective, it will be binding on all Cardpoint Shareholders on Cardpoint's register of members at the Scheme Record Time irrespective of whether or not they attend or vote in favour of the Scheme at the Scheme Meeting or in favour of the resolutions to be proposed at the Cardpoint EGM.

The Cardpoint board of directors intends unanimously to recommend that Cardpoint Shareholders vote in favour of the Cardpoint Resolutions relating to the Merger and the Scheme at the Scheme Meeting and the Cardpoint EGM, as the directors of Cardpoint intend to do in relation to their own Cardpoint shareholdings.

The Payzone Shares will be issued credited as fully paid and the Consideration Shares in issue on Admission (being the only Payzone Shares expected to be in issue on Admission) will rank *pari passu* in all respects with each other, including the right to receive all dividends and other distributions declared, made or paid on the Payzone Shares after Admission.

## **6. Cardpoint Incentive Schemes**

Options and subscription rights granted under the Cardpoint Share Option Schemes will become exercisable in full on sanction of the Scheme by the Court at the First Court Hearing.

All Cardpoint Shares issued on the exercise of options and subscription rights prior to the Hearing Record Time will be subject to the Scheme.

The Scheme will not extend to Cardpoint Shares issued after the Hearing Record Time. However, it is proposed to amend the articles of association of Cardpoint at the Cardpoint EGM to provide that, if the Scheme becomes effective, any Cardpoint Share issued or transferred to any person (other than Payzone and/or its nominee(s)) after the Hearing Record Time will be automatically transferred to Payzone in consideration of the issue or transfer to that person of one Payzone Share for every Cardpoint Share so transferred. Consequently, participants in the Cardpoint Incentive Schemes who exercise any options or receive Cardpoint Shares under awards after the Scheme becomes effective will receive Payzone Shares in the same manner as Cardpoint Shareholders.

Participants in the Cardpoint Share Option Schemes will also, as an alternative to exercising their options, be offered the opportunity to roll over their options into equivalent rights relating to Payzone Shares when the Scheme becomes effective (a "Rollover Option"). The value of the Payzone Shares and total exercise price of the Rollover Option immediately after the exchange will be equal to the value of the Cardpoint Shares and the exercise price of the option under the relevant Cardpoint Share Option Scheme immediately before the exchange.

All options and subscription rights granted under the Cardpoint Share Option Schemes will lapse if not exercised during the applicable exercise period.

Awards granted under the Cardpoint LTIP and the Cardpoint Individual LTIP Award will be released following Completion.

Employees who have acquired shares under the Cardpoint plc Share Incentive Plan will be able to participate in the Scheme in the same way as all other Cardpoint Shareholders.

## 7. Board of the Enlarged Group

The Enlarged Group will be led by a board of directors drawn from both Cardpoint and alphyra, with Balderton Capital being entitled to appoint a Balderton Nominee until such time as Balderton Capital (together with its affiliates) ceases to hold 15 per cent. or more of the voting shares issued in Payzone. The Board is chaired by Bob Thian (currently the Chairman of Cardpoint).

The Board is comprised as follows:

Bob Thian	Chairman (Chairman of Cardpoint)
Peter Smyth	Non-executive Deputy Chairman (Non-executive Deputy Chairman of Cardpoint)
John Nagle	Chief Executive Officer (Chief Executive Officer of alphyra)
John Williamson	Chief Financial Officer (Chief Financial Officer of alphyra)
David Mills	Senior Non-executive Director (Senior Non-executive Director of Cardpoint)
Lee Ginsberg	Non-executive Director (Non-executive Director of Cardpoint)
David Golden	Non-executive Director (Non-executive Director of Cardpoint)
Mark Evans	Non-executive Director, Balderton Nominee (General Partner of Balderton Capital)

In accordance with Schedule Four of the AIM Rules, details of the service contracts and letter of appointment of the new Directors of Payzone are as follows:

Each of John Nagle and John Williamson will enter into a service agreement with Payzone, which will replace their previous service agreements with alphyra, with effect from completion of the alphyra Acquisition. Under the terms of these service agreements, which will be governed by Irish law, Mr Nagle's annual salary is €400,000 and Mr Williamson's is €300,000. Both service agreements: (i) are for an indefinite term and may be terminated by either party giving 12 months' written notice; (ii) provide for a maximum bonus entitlement of 50 per cent. of annual salary; (iii) require Payzone to provide appropriate pension benefits of up to 10 per cent. of basic salary; and (iv) contain 'non-compete' and 'non-solicit' restrictive covenants which apply for a period of twelve months following termination of their employment. In addition both Directors will be eligible to participate in the Payzone LTIP.

Mark Evans has entered into a letter of appointment as a non-executive director of Payzone. The terms of this letter of appointment become effective on the date of Admission and are governed by English law. Mr Evans' annual fee is £35,000 per annum. Mr Evans will be required to devote such time to the affairs of the Company as is required by his duties as a non-executive director. The terms of Mr Evans' letter of appointment are subject to the terms of the Relationship Agreement.

Further details of the arrangements for these Directors are set out in the AIM Admission Document.

## **8. Employees**

Payzone attaches great importance to the skills and expertise of the management and employees of alphyra and Cardpoint and believes that the increased size and strength of the Enlarged Group will offer attractive career prospects. However, Payzone recognises that in order to achieve the planned benefits of the Merger some operational restructuring will be required following Completion, which will necessarily lead to some redundancies. It is too early to provide a precise indication as to the likely level of redundancies, but Payzone will seek to minimise any compulsory redundancies where possible and will comply with all applicable consultation and other legal requirements.

The Company confirms, and it has given assurances to the boards of directors of Cardpoint and alphyra, that the existing employment rights of the directors, management and employees of Cardpoint and alphyra will be fully safeguarded following Completion and that the Cardpoint Group's and the alphyra Group's pension obligations will be fully complied with.

## **9. Dividend Policy**

The Directors anticipate that, following Admission, earnings will initially be retained for development of the Enlarged Group.

Thereafter, the Directors intend to adopt a progressive dividend policy, which will reflect the long-term earnings and cash-flow potential of the Enlarged Group, whilst maintaining an appropriate level of dividend cover.

The declaration and payment by the Company of any future dividends and the amount of any such dividends will depend upon the Enlarged Group's results of operations, financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed by the Directors to be relevant at the time.

## **10. Current Trading and Prospects**

### *Cardpoint*

Since 31 March 2007, the Cardpoint Group has continued to invest in its estate with over 300 new cash machines being installed since 1 April 2007. In addition, on 16 April 2007 Cardpoint acquired the ATM business of Travelex UK Limited and Travelex ATMs Limited, adding 1,070 machines to the Cardpoint estate. The rate of installation of machines has gradually increased since April 2007 to over 60 per month following the slower start experienced during the six months ended 31 March 2007. Cardpoint has been operating in challenging market conditions and a worsening interest rate environment during the course of the year. However, based on Cardpoint's continuing efforts in investing in its ATM estate and the number of sites currently awaiting installation, the Cardpoint directors view its prospects for 2008 positively.

### *alphyra*

alphyra has continued its strong performance throughout 2007, maintaining its position in each of its established markets and growing market share in many of the markets entered more recently. PPC continues to be the main revenue driver for the alphyra Group, followed by EFT and utility payments. Transaction numbers show strong growth compared with 2006, with a 20 per cent. increase in transaction levels across the alphyra Group. Terminal roll out

also shows positive growth of approximately 8 per cent. across the alphyra Group compared with previous years.

alphyra continues to improve and expand its offering available via its payment network, with a number of new product launches in selected countries during 2007. These include electronic gift solutions for selected retailer groups, prepaid financial cards, money transfer and prepaid schemes for waste collection, all of which improve the competitive offering alphyra provides. Branding is stronger in the current year, with increased numbers of merchants carrying the payzone brand, particularly in the UK, Germany, Ireland and Romania. The Directors anticipate further investment in the brand in 2008.

The Directors view the prospects of the alphyra Group for the current year with confidence as alphyra continues with its strategy of expanding its cash acceptance and distribution networks.

## **11. Compensation Amount for the Chairman of Cardpoint**

The remuneration committee of Cardpoint has determined that a compensation amount is due from Cardpoint to Mr Thian, the Chairman of Cardpoint, of £1,029,990 (the "Compensation Amount") to compensate him for the financial loss connected with Cardpoint failing to implement in full the terms of his appointment in September 2006. Pursuant to a letter agreement between Mr Thian and Cardpoint dated the date of this announcement, if Completion occurs on or before 31 January 2008, the Compensation Amount will be paid (less required deductions) to the Chairman in cash within 21 days of the date of Completion. If Completion does not occur before 1 February 2008, Cardpoint will, within 21 days of 1 February 2008, award Mr Thian an option at nil cost over such number of Cardpoint Shares as has a market value (calculated by reference to the closing market quotation for Cardpoint Shares on the dealing day before the option is granted) equal to the Compensation Amount. The option will be exercisable for a period of one year from the date of grant and will lapse, to the extent unexercised, at the end of that period. The Compensation Amount is awarded in full and final settlement of all claims that Mr Thian has or may have against Cardpoint arising out of or in connection with this matter.

## **12. New Bank Facilities**

No cash is payable by Payzone to Cardpoint Shareholders or to alphyra Shareholders as consideration for the Merger.

Completion of the Merger will trigger a mandatory prepayment of alphyra's existing senior and mezzanine facilities and a mandatory prepayment of Cardpoint's existing senior facilities. Therefore, immediately after Completion, each of alphyra and Cardpoint will accede as additional borrowers to the Payzone Facilities Agreement entered into on the date of this announcement by Payzone and The Royal Bank of Scotland plc. Each of alphyra and Cardpoint will, subject to the satisfaction of certain conditions, draw down sufficient funds under the Payzone Facilities Agreement to enable each of them to prepay their existing facilities.

## **13. Merger Summary**

The Merger will be subject to the conditions set out in Appendix I of this announcement and the Scheme will be subject to the full terms and conditions which will be set out in the Scheme Document.

The Merger will be effected by means of the acquisition by Payzone of each of alphyra and Cardpoint, as a result of which Payzone will become the holding company of the Enlarged Group. Following the Merger, alphyra Shareholders will hold, on a Fully-Diluted Basis, approximately 59.05 per cent. of Payzone Shares, with Cardpoint Shareholders holding approximately 40.95 per cent.

#### *Framework Agreement*

On the date of this announcement, Cardpoint, Payzone, the alphyra Vendors and alphyra entered into the Framework Agreement which governs the parties' respective obligations in relation to the implementation of the Merger and co-operation between the parties to effect the Merger and governs the treatment of the Cardpoint Incentive Schemes in connection with the Merger. The Framework Agreement includes an obligation on Cardpoint to procure that the Scheme Document will incorporate a recommendation from the directors of Cardpoint (subject always to their fiduciary duties as directors of Cardpoint) to the Cardpoint Shareholders to vote in favour of the Cardpoint Resolutions.

Under the terms of the Framework Agreement, Cardpoint has agreed to pay the alphyra Vendors a break fee of, in aggregate, £1 million (subject to any adjustment for VAT) by way of compensation in the circumstances set out in paragraph 16 of this announcement.

Under the terms of the Framework Agreement, alphyra has agreed to pay Cardpoint a break fee of £3.5 million (subject to any adjustment for VAT) by way of compensation in the event that alphyra or any of the alphyra Vendors breach any of their respective obligations under the Acquisition Agreement and/or the Framework Agreement and, as a direct result of such breach, Completion does not occur before 31 January 2008.

In the event that Cardpoint receives an approach relating to a Competing Offer from a *bona fide* potential offeror, Cardpoint has agreed that before recommending the Competing Offer to Cardpoint Shareholders, alphyra will be given the opportunity to announce an alternative offer for Cardpoint on terms which are no less favourable than, or are superior to, the Competing Offer. Cardpoint has agreed that, subject to alphyra complying with the relevant terms of the Framework Agreement, the directors of Cardpoint (subject always to their fiduciary duties as directors of Cardpoint) will recommend alphyra's alternative offer for Cardpoint to Cardpoint Shareholders. In addition, Cardpoint has undertaken not to initiate or induce, directly or indirectly, the submission of a Competing Offer.

The Framework Agreement imposes certain restrictions on Cardpoint carrying on its business otherwise than in the ordinary course and imposes additional restrictions on Cardpoint undertaking material transactions without the prior consent of alphyra and the alphyra Vendors (which consent shall not be unreasonably withheld or delayed).

Cardpoint has provided warranties to Payzone in connection with the Merger (including documents issued in connection with the Merger) and its business. These warranties are subject to certain limitations on liability.

The Framework Agreement includes certain provisions relating to the treatment of the Cardpoint Incentive Schemes, in particular relating to the extent to which options and awards under the Cardpoint Incentive Schemes vest in connection with the Scheme.

### *The Acquisition Agreement*

On the date of this announcement, Payzone and the alphyra Vendors entered into the Acquisition Agreement which sets out the terms on which Payzone will acquire the entire issued and to be issued ordinary shares and preferred ordinary shares of alphyra.

The consideration for the alphyra Acquisition is the issue by Payzone to the alphyra Shareholders of the alphyra Consideration Shares.

As part of the arrangements to acquire alphyra, the alphyra Warrant holder has agreed (subject to, and in the course of, completion of the Acquisition Agreement) to exercise its alphyra Warrants and the alphyra Optionholders will be given the opportunity to exercise their rights under the alphyra Share Option Scheme and, in each case, to sell (subject to, and in the course of, completion of the Acquisition Agreement) the resulting shares in alphyra to Payzone in consideration for a number of alphyra Consideration Shares calculated on the same basis as the number of alphyra Consideration Shares received by the alphyra Vendors under the Acquisition Agreement.

Completion of the Acquisition Agreement is subject to the conditions set out in Part A of Appendix I of this announcement. If the conditions to the Acquisition Agreement are not fulfilled (or, where appropriate, waived) on or before 31 January 2008 (or such later date as may be agreed by Payzone and the alphyra Vendor Majority) or if any of the conditions to the Acquisition Agreement ceases to be capable of satisfaction, the Acquisition Agreement will terminate immediately.

The Acquisition Agreement does not include any post-completion price adjustment to reflect the net assets of the alphyra Group as at completion of the Acquisition Agreement but the alphyra Vendors have undertaken in the Acquisition Agreement that (subject to certain limited exceptions) there have not been, and there will not have been, any dividends or other extractions of value from the alphyra Group in favour of the alphyra Vendors and their affiliates between 31 March 2007 and completion of the Acquisition Agreement. The alphyra Vendors have provided the Company with an indemnity (limited only in time, to 12 months after the date of completion of the Acquisition Agreement) in respect of these undertakings.

Balderton Capital has provided warranties and limited indemnities to Payzone in relation to its capacity to enter into the Acquisition Agreement, its title to the alphyra Shares which it is selling and the share capital of alphyra. The alphyra Management Vendors have provided more extensive commercial warranties relating to the alphyra Group and its business, and indemnities in respect thereof, in favour of Payzone. These warranties and indemnities are subject to certain limitations on liability.

The Acquisition Agreement imposes certain restrictions on the conduct of alphyra carrying on its business other than in the ordinary course and imposes additional restrictions on alphyra undertaking material transactions without the prior consent of Payzone (which consent shall not be unreasonably withheld or delayed).

### *Relationship Agreement, Placing and Lock-Up Arrangements*

On the date of this announcement, Balderton Capital, the alphyra Management Vendors and Payzone entered into the Relationship Agreement regarding the governance of Payzone and the exercise of certain rights of Balderton Capital and the alphyra Management Vendors in respect of their Payzone Shares following Completion.

Under the terms of the Relationship Agreement, Balderton Capital and Payzone have agreed that they will each carry on their businesses independently of each other and that all

transactions between them will be conducted on a normal commercial basis and on arms' length terms.

Under the terms of the Relationship Agreement, for so long as Balderton Capital (together with its affiliates) continues to hold 15 per cent. or more of the voting shares of Payzone (ignoring any restrictions on voting agreed under the terms of the Relationship Agreement described below), it shall be entitled to appoint a non-executive director appropriate for a company listed on AIM to the board of directors of Payzone. The consent of the chairman of the Company is required to any such appointment (such consent not to be unreasonably withheld or delayed).

In addition, Balderton Capital is entitled to receive confidential information relating to the Enlarged Group from the Balderton Nominee, subject to restrictions on the use of such information and confidentiality obligations.

Balderton Capital has agreed in the Relationship Agreement not to exercise its voting rights in respect of any shares in Payzone that represent above 29.9 per cent. of the voting rights in Payzone, save in relation to any resolution to appoint or remove the Balderton Nominee.

Under the terms of the Relationship Agreement, Balderton Capital is restricted from acquiring any further Payzone Shares or other equity securities in Payzone after Admission except: (i) market purchases which do not trigger an obligation to make a mandatory offer; or (ii) pursuant to an offer made for Payzone that is recommended by the board of directors of the Company to Payzone Shareholders. These restrictions will not apply if they result in Balderton Capital, the directors of Payzone and/or the alphyra Management Vendors being regarded as acting in concert in relation to Payzone by the Irish Takeover Panel.

Subject to certain exceptions, including the right of Balderton Capital to place up to 50 per cent. of its Payzone Shares as described below, under the terms of the Relationship Agreement Balderton Capital is restricted from disposing of any interest in its Payzone Shares as at Admission for a period of six months from the date of Admission.

Balderton Capital is entitled to, and the Directors understand that it intends to, place in the Placing up to an aggregate of 50 per cent. of its Payzone Shares as at Admission.

Under the terms of the Relationship Agreement, the alphyra Management Vendors and Payzone have agreed, inter alia, that, subject to certain exceptions, including the right of each such alphyra Management Vendor to place up to 50 per cent. of his or her Payzone Shares as described below, each such alphyra Management Vendor is restricted from disposing of any interest in his or her Payzone Shares as at Admission for a period of 12 months following Admission. Each of such alphyra Management Vendors is entitled to place in the Placing up to an aggregate of 50 per cent. of his or her Payzone Shares as at Admission.

Balderton Capital has agreed to restrictions from directly or indirectly soliciting for employment, employing or offering to employ certain members of the Enlarged Group's senior management, without the prior consent of Payzone, until the earlier of six months following the expiry of the Relationship Agreement and 31 December 2008.

The Relationship Agreement will continue in effect in respect of the lock-up arrangements, Balderton Capital's right to appoint a Balderton Nominee and non-solicitation provisions as described above in accordance with their respective terms. The remaining provisions of the Relationship Agreement will terminate upon Balderton Capital (together with its affiliates) ceasing to hold 15 per cent. or more of the voting rights in the Company or, if earlier, the Payzone Shares ceasing to be admitted to trading on AIM (excluding any suspension of trading or if trading is moved to another regulated market).

### *Cardpoint Shareholders required to approve the Merger under the AIM Rules*

In view of the size of the transaction in relation to Cardpoint, the Merger constitutes a reverse-takeover of alphyra by Cardpoint under Rule 14 of the AIM Rules and is therefore conditional on the consent of the Cardpoint Shareholders being given at an extraordinary general meeting. Such consent will be sought at the Cardpoint EGM.

#### **14. Rule 9 Whitewash**

Following Completion and prior to any Placing, Balderton Capital will, on a Fully Diluted-Basis, hold approximately 39.2 per cent. of the Payzone Shares. Under Rule 9 of both the UK Takeover Code and the Irish Takeover Rules (which will apply to Payzone following Admission), if a person acquires an interest in shares which, taken together with shares in which he and persons acting in concert with him are already interested, carry 30 per cent. or more of the voting rights of a company subject to the UK Takeover Code or the Irish Takeover Rules, then that person must normally make a general offer for all the remaining shares in the company. However, where an obligation to make a mandatory offer under Rule 9 arises following a new issue of shares, the UK Takeover Panel will normally consent to a waiver of that obligation provided that, among other things, this is approved by a vote of the independent shareholders of the company concerned. In this case, the UK Takeover Panel has agreed to waive the obligation which would otherwise arise for Balderton Capital to make an offer for Cardpoint under Rule 9 of the UK Takeover Code, subject to approval of the waiver by the Cardpoint Shareholders, which will be sought at the Cardpoint EGM pursuant to the Whitewash Resolution. By contrast, no such whitewash resolution is required by Rule 9 of the Irish Takeover Rules on the basis that Balderton Capital acquires its shareholding in Payzone prior to Admission. Payzone will only become subject to the Irish Takeover Rules and under the jurisdiction of the Irish Takeover Panel with effect from Admission.

Following Completion, to the extent that Balderton Capital and persons acting in concert with it hold between 30 and 50 per cent. of Payzone, in aggregate, and such parties acquire, in aggregate, an additional 0.05 per cent. of the issued share capital of Payzone, then an obligation to make a general offer to all Payzone Shareholders to acquire their Payzone Shares will arise. However, Balderton Capital has, under the Relationship Agreement, agreed to certain restrictions on the ability of it and its affiliates to acquire further Payzone Shares. These restrictions will not apply if they result in Balderton Capital, the directors of Payzone and/or the alphyra Management Vendors being regarded as acting in concert in relation to Payzone by the Irish Takeover Panel.

## 15. Irrevocable Undertakings

Irrevocable undertakings to vote in favour of the Cardpoint Resolutions have been given to Payzone by the following Cardpoint Shareholders in respect of the Cardpoint Shares which they control:

	<i>Number of Cardpoint Shares</i>	<i>% of Issued Cardpoint Shares</i>
<i>Cardpoint institutional shareholders</i>		
JO Hambro Capital Management (North Atlantic Value LLP)	19,890,000	17.70%
Artemis Investment Management	17,084,165	15.20%
Cycladic Capital LLP	10,766,265	9.58%
Rit Capital Partners plc	5,233,673	4.66%
SVG Capital	4,920,000	4.38%
<i>Cardpoint director shareholders</i>		
Bob Thian	2,400,000	2.14%
Peter Smyth	56,666*	0.05%
David Mills	55,000	0.05%
<b>TOTAL</b>	<b>60,405,769</b>	<b>53.75%</b>

\* Held in trust by AIB Jersey Trust Limited as trustee to the Stamford Trust.

All the above irrevocable undertakings lapse if the Scheme Document is not posted to Cardpoint Shareholders within 28 days of this announcement, if Payzone announces that it does not intend to proceed with the Scheme or if the Scheme lapses or is withdrawn.

The irrevocable undertakings given by JO Hambro Capital Management, Artemis Investment Management, Rit Capital Partners plc and SVG Capital also lapse in the event that a competing offer is made for Cardpoint at an offer price of at least 125 pence per Cardpoint Share. The irrevocable undertaking given by Cycladic Capital LLP also lapses in the event that a third party announces a firm intention to make an offer for Cardpoint at an offer price of at least 125 pence per Cardpoint Share (which announcement is not subject to any pre-condition to the making of the offer).

## 16. Break Fee

Under the terms of the Framework Agreement, Cardpoint has agreed to pay the alphyra Vendors a break fee of, in aggregate, £1 million (subject to any adjustment for VAT) by way of compensation in the event that:

- a Competing Offer is announced and becomes unconditional or completes on or prior to 31 March 2008;
- the directors of Cardpoint do not recommend or withdraw, qualify or adversely modify their recommendation to Cardpoint Shareholders to vote in favour of the Scheme or agree to recommend a Competing Offer;
- the Scheme is not approved by the Cardpoint Shareholders or the Cardpoint Resolutions are not passed at the Cardpoint EGM;

- the Acquisition Agreement is completed but Completion does not occur within 72 hours thereafter;
- the conditions of the Scheme have been satisfied but the directors of Cardpoint fail to make the Scheme effective in circumstances where they have not reasonably determined that making the Scheme effective would be inconsistent with their fiduciary duties;
- the HMRC Tax Clearance is withdrawn or ceases to be applicable before all the other conditions to the Acquisition Agreement have been satisfied or waived and the condition referred to in respect of it in the Acquisition Agreement has not been waived by Payzone; or
- Payzone and/or Cardpoint breach any of their respective obligations under the Acquisition Agreement and/or the Framework Agreement and, as a direct result of such breach, Completion does not occur before 31 January 2008.

## **17. Admission**

Application will be made for the Payzone Shares to be admitted to trading on AIM. Payzone Shares will trade under the ticker “PAYZ”. It is expected that, subject to the conditions of the Merger being satisfied or, where appropriate, waived, Admission will become effective and dealings in the Payzone Shares will commence on 5 December 2007. Application will also be made to the London Stock Exchange to cancel trading of the Cardpoint Shares on AIM on the date on which the Scheme becomes effective.

## **18. Additional Information**

An AIM Admission Document relating to Payzone and the Payzone Shares has been published today and is available electronically on Cardpoint’s website at [www.cardpointplc.com](http://www.cardpointplc.com). The AIM Admission Document will be sent to Cardpoint Shareholders later today. It is currently anticipated that a supplement to the AIM Admission Document will be issued by 31 October 2007 including financial information relating to alphyra for the nine months ending 30 September 2007. The formal Scheme Document setting out details of the Scheme and setting out the procedures to be followed to approve the Scheme and the Merger, will be posted to Cardpoint Shareholders on or around 19 October 2007.

The Scheme Document will also include notices of the Scheme Meeting and the Cardpoint EGM.

## **19. Recommendation of the Board of Cardpoint**

The directors of Cardpoint, who have been so advised by Rothschild, consider the terms of the Merger to be fair and reasonable. In providing its advice, Rothschild has taken into account the commercial assessment of the directors of Cardpoint.

The directors of Cardpoint consider that the Cardpoint Resolutions to be proposed at the Cardpoint EGM and the Scheme Meeting are in the best interests of Cardpoint and Cardpoint Shareholders as a whole. Accordingly, the Cardpoint directors intend unanimously to recommend that Cardpoint Shareholders vote in favour of the Cardpoint Resolutions to be proposed at the Scheme Meeting and the Cardpoint EGM, as they have irrevocably

undertaken to do in respect of their own beneficial holdings amounting to, in aggregate, 2,511,666 Cardpoint Shares (representing approximately 2.23 per cent. of the existing issued share capital of Cardpoint).

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*Rothschild, which is regulated in the United Kingdom by the FSA, is acting for Cardpoint and no one else in connection with the arrangements described in this announcement and will not be responsible to anyone other than Cardpoint for providing the protections afforded to clients of Rothschild, nor for providing advice in relation to the Merger, any acquisition of shares or securities in Payzone or Cardpoint or any other matter referred to in this announcement.*

*Panmure Gordon, which is authorised and regulated in the United Kingdom by the FSA and is a member of the London Stock Exchange, is acting exclusively for Payzone and for Cardpoint, in each case as nominated adviser for the purpose of the AIM Rules and as broker. Panmure Gordon's responsibilities as the nominated adviser to Payzone and to Cardpoint are owed solely to the London Stock Exchange and are not owed to Payzone, Cardpoint, alphyra or to any director of Payzone, Cardpoint or alphyra or to any other person in respect of his, her or its decision to acquire shares in Payzone or Cardpoint in reliance on any part of this announcement or the Scheme Document or otherwise. Panmure Gordon is acting for Payzone and for Cardpoint and no one else in connection with the arrangements described in*

*this announcement and will not be responsible to anyone other than Payzone and Cardpoint for providing the protections afforded to customers of Panmure Gordon, nor for providing advice in relation to the Merger, any acquisition of shares or securities in Payzone, Cardpoint or alphyra or any other matter referred to in this announcement.*

*Goldman Sachs International, which is authorised and regulated in the United Kingdom by the FSA, is acting for alphyra and no one else in connection with the arrangements described in this announcement and will not be responsible to anyone other than alphyra for providing the protections afforded to clients of Goldman Sachs International, nor for providing advice in relation to the Merger, any acquisition of shares or securities in Payzone or Cardpoint or any other matter referred to in this announcement.*

*NCB Stockbrokers Limited, which is regulated in the United Kingdom by the FSA, and is authorised in Ireland by the Financial Regulator under the Stock Exchange Act 1995 and is a member of the London Stock Exchange and Irish Stock Exchange, is acting for alphyra and no one else in connection with the arrangements described in this announcement and will not be responsible to anyone other than alphyra for providing the protections afforded to clients of NCB Stockbrokers Limited, nor for providing advice in relation to the Merger, any acquisition of shares or securities in Payzone or Cardpoint or any other matter referred to in this announcement.*

*The distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction. This announcement has been prepared for the purposes of complying with English law and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside the United Kingdom. This announcement does not constitute an offer to purchase, sell or exchange or the solicitation of an offer to purchase, sell or exchange any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Merger or otherwise, nor shall there be any purchase, sale or exchange of securities or such solicitation in any jurisdiction in which such offer, solicitation or sale or exchange would be unlawful under the laws of such jurisdiction. This announcement does not constitute a prospectus, a prospectus equivalent document or an AIM admission document. Investors and prospective investors in Payzone and/or Cardpoint are advised to read carefully the formal documentation in relation to the Merger once it has been despatched. The Payzone Shares may not be offered or sold in the United States absent registration under the Securities Act or an exemption therefrom. Payzone has not registered and does not intend to register any Payzone Shares under the Securities Act, or under the securities law of any state, district or other jurisdiction of the United States, Australia, Canada or Japan and no regulatory clearance in respect of the Payzone Shares has been, or will be, applied for in any jurisdiction other than the UK. Any Payzone Shares will be issued to Cardpoint Shareholders in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) thereof. Under applicable US securities laws, Cardpoint Shareholders (whether or not US persons) who are or will be “affiliates” of Cardpoint or Payzone will be subject to certain transfer restrictions relating to the Payzone Shares received in connection with the Scheme.*

*Notice to US investors: The Scheme relates to the shares of Cardpoint, a company incorporated in England and Wales, and is provided for under the laws of England and Wales. The Merger is subject to the disclosure requirements and practices applicable in the United Kingdom, which differ from the disclosure and other requirements of US securities laws.*

*Financial information included in the relevant documentation will have been prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable to the financial statements of US companies.*

*This announcement contains statements about Payzone, Cardpoint and alphyra that are or may be forward-looking statements. All statements other than statements of historical facts included in this announcement may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "should", "may", "anticipates", "estimates", "synergies", "cost savings", "projects", "strategy" or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements may include statements relating to the following: (i) the expected timetable for completing the Merger, future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects of Payzone, Cardpoint, alphyra and/or the Enlarged Group; (ii) business and management strategies and the expansion and growth of Payzone, Cardpoint, alphyra and/or the Enlarged Group's operations and potential synergies resulting from the Merger; and (iii) the effects of government regulation on Payzone, Cardpoint, alphyra and/or the Enlarged Group's business. These forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of Payzone, Cardpoint or alphyra. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause them to differ from the actual results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors and prospective investors are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date they were made. All subsequent oral or written forward-looking statements attributable to Payzone, Cardpoint or alphyra or any of their respective members, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statements above. All forward-looking statements included in this announcement are based on information available to Payzone, Cardpoint and/or alphyra on the date hereof. Investors should not place undue reliance on such forward-looking statements. Except as required by the FSA, the London Stock Exchange, the AIM Rules or any other applicable law or regulation, none of such persons undertakes any obligation to publicly update or revise any forward-looking statements.*

*No statement in this announcement is intended as a profit forecast or a profit estimate, whether in relation to Cardpoint, alphyra, the Company or otherwise, and no statement in this announcement should be interpreted to mean that earnings per Payzone Share, Cardpoint Share or alphyra Share for the current or future financial years would necessarily match or exceed the historical published earnings per Cardpoint Share or alphyra Share.*

*Neither the content of any website of Payzone, Cardpoint or alphyra (or any other website) nor the content of any website accessible from hyperlinks on any such website (or any other website) is incorporated into, or forms part of, this announcement.*

## **Appendix I**

### **CONDITIONS OF THE MERGER**

The Merger is conditional on the Scheme becoming effective by not later than midnight on 31 January 2008 (or such later date imposed by the Court and/or agreed by Cardpoint and Payzone).

The Scheme will be governed by English law and be subject to the jurisdiction of the English courts, to the conditions set out below and in the formal Scheme Document and to the applicable requirements of the UK Takeover Code, the UK Takeover Panel and the London Stock Exchange.

The Merger will be effected through the completion of the Acquisition Agreement and the Scheme becoming effective.

#### **A. CONDITIONS TO THE ACQUISITION AGREEMENT**

The Acquisition Agreement is subject to the following conditions:

- (a) the German Federal Cartel Office clearing the Merger, or the Merger being deemed to have been cleared by the German Federal Cartel Office due to the expiry of the relevant waiting period;
- (b) the board of directors of alphyra having issued a notice to each of the alphyra Optionholders in relation to their entitlement to exercise their options under the alphyra Share Option Scheme;
- (c) the Cardpoint Resolutions having been duly passed by the Cardpoint Shareholders at the Cardpoint EGM and Scheme Meeting and the Court having sanctioned the Scheme and confirmed the Capital Reduction;
- (d) the HMRC Tax Clearance not having been withdrawn or ceasing to be applicable on or before the date that all the other conditions to the Acquisition Agreement have been satisfied or, where appropriate, waived;
- (e) confirmation from the Payzone Facility Agent to Payzone and the alphyra Vendors as soon as practicable prior to completion of the Acquisition Agreement that facilities under the Payzone Facilities Agreement will (subject to the satisfaction of certain conditions precedent set out in the Payzone Facilities Agreement) be available to the borrowers thereof and a confirmation from each of Cardpoint and alphyra to the other that it is not aware of any event or circumstance which will, or is reasonably likely to, prevent drawdown of such facilities in accordance with the terms of the Payzone Facilities Agreement;
- (f) confirmation from the London Stock Exchange that it has no reason to believe that the Payzone Shares will not be admitted to trading on AIM following completion of the Acquisition Agreement on the date of such completion; and
- (g) the UK Takeover Panel having granted a waiver from the obligation of Balderton Capital to make a mandatory offer for Cardpoint under Rule 9 of the UK Takeover Code in connection with the Merger.

The conditions described above (other than the conditions (b) and (d)) can be waived by the written agreement of the alphyra Vendor Majority and Payzone. The conditions described in (b) and (d) can be waived, in whole or in part, in the sole discretion of Payzone. In the Framework Agreement, Payzone has agreed that it will not waive any of the conditions to the Acquisition Agreement without the prior written consent of Cardpoint.

## **B. CONDITIONS TO THE SCHEME**

1. The Scheme will be subject to the following conditions:
  - (a) its approval by a majority in number, representing not less than three-fourths in value, of the holders of Cardpoint Shares who are on the register of members of Cardpoint at the Scheme Voting Record Time, present and voting, whether in person or by proxy, at the Scheme Meeting (or at any adjournment thereof);
  - (b) the resolutions required to implement the Scheme and the Merger (including the Whitewash Resolution) being passed at the Cardpoint EGM (or at any adjournment thereof); and
  - (c) the sanction (with or without modification (but subject to such modification being acceptable to Payzone and Cardpoint)) of the Scheme and the confirmation of the Capital Reduction by the Court, office copies of the Court Orders and of the Minute being delivered for registration to the Registrar of Companies and the registration of the Court Order confirming the Capital Reduction with the Registrar of Companies.
  
2. In addition, Cardpoint and Payzone have agreed that the necessary actions to make the Scheme effective will not be taken unless the following conditions have been satisfied or waived by both Cardpoint and Payzone:
  - (a) the admission of the Payzone Shares to trading on AIM becoming effective in accordance with the AIM Rules or, if Cardpoint so determines, the London Stock Exchange agreeing to admit such shares to trading on AIM subject to (i) the allotment of such shares and/or (ii) the Scheme becoming effective; and
  - (b) the Acquisition Agreement becoming unconditional in all respects (save for the condition relating to sanction of the Scheme by the Court and confirmation of the Capital Reduction by the Court) and Payzone being satisfied that all completion deliverables under that agreement will be delivered to it at completion of that agreement.

Cardpoint and Payzone reserve the right to waive condition 2(b) above.

## Appendix II

### DEFINITIONS

The following definitions apply in this announcement unless the context requires otherwise:

“Acquisition Agreement”	the agreement dated 28 September 2007 between the Company and the alphyra Vendors under which the Company has conditionally agreed to acquire the entire issued and to be issued share capital of alphyra
“Admission”	admission of the Payzone Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Admission Document”	the AIM Admission Document dated 28 September 2007 relating to Payzone and the Payzone Shares
“AIM Rules”	the rules for AIM companies published by the London Stock Exchange governing admission to, and the operation of, AIM, as amended
“alphyra”	alphyra Holdings Limited, a private limited company incorporated in Ireland under registration number 364958 whose registered office is at 4 Heather Road, Sandyford Industrial Estate, Dublin 18, Republic of Ireland
“alphyra Acquisition”	the acquisition of the entire issued and to be issued share capital of alphyra by the Company pursuant to the Acquisition Agreement and related agreements
“alphyra Consideration Shares”	the Ordinary Shares to be issued as consideration for the alphyra Acquisition
“alphyra French Share Option Exercise and Put and Call Options Agreement”	the agreement between the relevant alphyra Optionholder, the Company, alphyra and the trustee (to be determined and as defined therein) under which that alphyra Optionholder agrees to exercise its option under the alphyra Share Option Sub-Scheme for France, and the Company and the alphyra Optionholder agree to grant the put option and the call option respectively to each other in respect of the resulting alphyra Shares
“alphyra Group”	alphyra and its subsidiaries and subsidiary undertakings
“alphyra Management Vendors”	the alphyra Vendors excluding Balderton Capital, Tim Bunting, John James McDonnell Jnr and Bill Tennent
“alphyra Optionholder”	a holder of options granted pursuant to the alphyra Share Option Scheme
“alphyra Shareholders”	the alphyra Vendors, each alphyra Optionholder that exercises any of its options under the alphyra Share Option Scheme pursuant to an alphyra Share Option Exercise and Sale Agreement and/or an alphyra French Share Option Exercise and Put and Call Options Agreement and the alphyra Warrant holder to the extent that it has exercised its alphyra Warrants under the Warrant Shares Purchase Agreement

“alphyra Share Option Exercise and Sale Agreement”	an agreement between the alphyra Optionholder, the Company and alphyra under which the alphyra Optionholder agrees to exercise his or her option under the alphyra Share Option Scheme and sell the resulting shares in alphyra to the Company
“alphyra Share Option Scheme”	the share option scheme established by alphyra on 3 October 2003, known as the alphyra Holdings Limited Share Option Scheme, as amended by the alphyra Share Option Sub-Scheme for France in respect of alphyra Optionholders who are French residents (as defined therein)
“alphyra Share Option Sub-Scheme for France”	the sub-scheme of the alphyra Share Option Scheme in relation to holders of alphyra options who are French resident
“alphyra Shares”	ordinary shares of €0.000025 each in the capital of alphyra and preferred shares of €0.000025 each in the capital of alphyra
“alphyra Vendor Majority”	alphyra Vendors holding together 80 per cent. or more of all the alphyra Shares in issue as at the date of the Acquisition Agreement
“alphyra Vendors”	Balderton Capital, John Nagle, John Williamson, John James McDonnell Jnr., James Timmerman Murphy, Patrick Kirby, Julian Pringle, Seamus Minogue, Alan Graham, Tim Bunting, Nigel Bell, Brenda Hogan and Bill Tennent
“alphyra Warrant holder”	Uberior Trading Limited, a company incorporated under the laws of Scotland
“alphyra Warrants”	warrants issued by alphyra under instruments by way of deed poll of alphyra dated 3 June 2003 and 22 July 2005 (as amended)
“ATM”	independent free-standing automated teller machines
“Balderton Capital”	Benchmark Europe I, L.P. and associated entities, acting by its manager Balderton Capital Management (UK) LLP of 20 Balderton Street, London W1K 6TL
“Balderton Nominee”	the Payzone director nominated by Balderton Capital pursuant to the Relationship Agreement, currently being Mark Evans
“Board” or “Directors”	the directors of the Company as at the date of this announcement
“Business Day”	any day on which banks are generally open in England and Wales for the transaction of general banking business, other than a Saturday, a Sunday or a public holiday
“Capital Reduction”	the cancellation and extinguishment of the Cardpoint Shares subject to the Scheme provided for by the Scheme
“Cardpoint”	Cardpoint plc, a company incorporated under the laws of England and Wales whose registered office is at Transaction House, Skyways Commercial Campus, Amy Johnson Way, Blackpool, Lancashire FY4 3RS, United Kingdom
“Cardpoint BT Agreements”	the amended and restated unapproved option agreement between Cardpoint plc, Bob Thian and Kleinwort Benson (Jersey) Trustees Limited as nominee for Bob Thian dated 31 October 2006 and the amended and restated subscription agreement between Cardpoint plc, Bob Thian and Kleinwort Benson (Jersey) Trustees Limited as nominee for Bob Thian dated 31 October 2006
“Cardpoint Extraordinary General	the extraordinary general meeting of Cardpoint expected to

Meeting” or “Cardpoint EGM”	be held on or around 12 November 2007, notice of which will be set out in the Scheme Document
“Cardpoint Group”	Cardpoint and its subsidiaries and subsidiary undertakings
“Cardpoint Incentive Schemes”	the Cardpoint plc Company Share Ownership Plan, the Cardpoint plc Unapproved Employee Share Option Scheme, the Cardpoint plc Unapproved Employee Share Option Scheme 2002, the EMI option agreements, the Cardpoint Individual Option Grants, the Cardpoint LTIP, the Cardpoint Individual LTIP Award, the Cardpoint plc Share Incentive Plan and the Cardpoint BT Agreements
“Cardpoint Individual LTIP Award”	the Cardpoint share award granted to Rudolf Tale-Yadzi
“Cardpoint Individual Option Grants”	the options granted under the Cardpoint plc Unapproved Employee Share Option Scheme to Philip Lanigan on 2 April 2007 and to Paul Saxton on 16 December 2006 pursuant to individual deeds of grant
“Cardpoint LTIP”	the Cardpoint plc 2006 Long Term Incentive Plan, as amended on 23 May 2007
“Cardpoint Public Financial Information”	the audited consolidated accounts of Cardpoint for the three years ended 30 September 2004, 30 September 2005 and 30 September 2006 and the interim report of Cardpoint containing unaudited consolidated accounts of Cardpoint for the six-month period ended 31 March 2007, which are available publicly by reason of Cardpoint’s compliance with the AIM Rules, including on Cardpoint’s website, <a href="http://www.cardpointplc.com">www.cardpointplc.com</a>
“Cardpoint Resolutions”	the resolutions, including the Whitewash Resolution, to be proposed at the Cardpoint Extraordinary General Meeting and the Scheme Meeting
“Cardpoint Shareholders”	holders of Cardpoint Shares
“Cardpoint Share Option Schemes”	the Cardpoint plc Company Share Ownership Plan, the Cardpoint plc Unapproved Employee Share Option Scheme, the Cardpoint plc Unapproved Employee Share Option Scheme 2002, the EMI option agreements, the Cardpoint Individual Option Grants and the Cardpoint BT Agreements
“Cardpoint Shares”	ordinary shares of 5 pence each in the capital of Cardpoint
“Client”	the counterparty to any agreement entered into (currently or after the date of this announcement) with a member of the Enlarged Group where such member of the Enlarged Group undertakes to provide any of its services
“Companies Act 1985”	the UK Companies Act 1985, as amended
“Company” or “Payzone”	Payzone Public Limited Company, a company incorporated in Ireland under registration number 446177 whose registered office is at 4 Heather Road, Sandyford Industrial Estate, Dublin 18, Republic of Ireland
“Compensation Amount”	the amount referred to in paragraph 11 of this announcement
“Competing Offer”	an offer, proposal, tender offer, scheme of arrangement, recapitalisation or other transaction (including in each case any subsequent revision, variation, extension or renewal) in each case howsoever to be effected for all or a substantial portion of the ordinary shares of Cardpoint or the whole or substantially all of the business or assets of Cardpoint and/or its subsidiaries (taken as a whole) or which is inconsistent with the consummation of the Scheme which is made by a party which is not an associate (as defined in the UK

	Takeover Code) of Cardpoint or Payzone or acting in concert (as defined in the UK Takeover Code) with Cardpoint or Payzone and shall include, without limitation, an announcement of such a transaction (whether or not subject to any preconditions) made in accordance with Rules 2.4 or 2.5 of the UK Takeover Code
“Completion”	completion of the Merger
“Consideration Shares”	the alphyra Consideration Shares and the Scheme Consideration Shares
“Court”	the High Court of Justice in England and Wales
“Court Orders”	the orders of the Court sanctioning the Scheme under section 425 of the Companies Act 1985 and confirming the Capital Reduction under section 137 of the Companies Act 1985
“Dilution Assumptions”	the assumptions that Completion occurs, that there is no Placing, that no Payzone Shares other than the Consideration Shares are in issue at Admission and that the maximum number of Consideration Shares is in issue at Admission (therefore assuming that, at or prior to Admission, (i) all options and awards under the Cardpoint Incentive Schemes are exercised in full; (ii) each alphyra Optionholder exercises all of its options under the alphyra Share Option Scheme pursuant to an alphyra Share Option Exercise and Sale Agreement and/or an alphyra French Share Option Exercise and Put and Call Options Agreement; and (iii) the alphyra Warrant holder exercises all of its alphyra Warrants under the Warrant Shares Purchase Agreement)
“Directors” or “Board”	the directors of the Company as at the date of this announcement
“EBITDA”	earnings before interest, tax, depreciation and amortisation
“Effective Date”	the date on which the Scheme becomes effective in accordance with its terms
“EFT”	electronic funds transfer
“Enlarged Group”	the Company and its subsidiaries and subsidiary undertakings assuming Completion has occurred, including Cardpoint, alphyra and their subsidiaries and subsidiary undertakings
“First Court Hearing”	the hearing by the Court of the petition to sanction the Scheme
“Framework Agreement”	the framework agreement in relation to the Merger dated 28 September 2007 between Cardpoint, Payzone, the alphyra Vendors and alphyra
“Fully-Diluted Basis”	figures given in this announcement on a Fully-Diluted Basis assume that the Dilution Assumptions are correct
“FSA”	the Financial Services Authority
“Hearing Record Time”	6:00 p.m. on the Business Day immediately preceding the date of the Second Court Hearing
“HMRC”	UK HM Revenue & Customs
“HMRC Tax Clearance”	the confirmation given on 26 September 2007 by HMRC in respect of whether the Scheme comprises a “scheme of reconstruction” for the purposes of section 136 of the UK Taxation of Chargeable Gains Act 1992
“IAD”	independent ATM deployers
“Ireland” or the “Republic of Ireland”	the island of Ireland excluding Northern Ireland, and the word “Irish” shall be construed accordingly

“Irish Companies Acts”	the Companies Acts, 1963 to 2006 of the Republic of Ireland
“Irish Takeover Rules”	the Irish Takeover Panel Act 1997, Takeover Rules 1997 to 2006 and the Substantial Acquisition Rules 2001 and 2005
“Merger”	the proposed combination of Cardpoint and alphyra pursuant to the terms of the Acquisition Agreement and the Scheme
“Ordinary Shares” or “Payzone Shares”	ordinary shares of one pence (£0.01) each in the capital of the Company
“Panmure Gordon”	Panmure Gordon (UK) Limited or Panmure Gordon & Co
“Payzone” or the “Company”	Payzone Public Limited Company, a company incorporated in Ireland under registration number 446177 whose registered office is at 4 Heather Road, Sandyford Industrial Estate, Dublin 18, Republic of Ireland
“Payzone Facilities Agreement”	the facility agreement dated 28 September 2007 between, among others, Payzone as borrower and guarantor and The Royal Bank of Scotland plc as mandated lead arranger, original lender, facility agent and security agent
“Payzone Facility Agent”	The Royal Bank of Scotland plc, as facility agent under the Payzone Facilities Agreement
“Payzone Shares” or “Ordinary Shares”	ordinary shares of one pence (£0.01) each in the capital of the Company
“Placing”	the potential placing by the alphyra Shareholders of up to 50 per cent of the alphyra Consideration Shares to be received by them at Completion, which the Directors understand may take place at or around the date of Completion
“PPC”	prepaid cellular
“Relationship Agreement”	the relationship agreement dated 28 September 2007 between the Company, Balderton Capital and the alphyra Management Vendors
“Retail Agent”	a company or individual with whom a member of the Enlarged Group has (currently or after the date of this announcement) an agency agreement to carry out transactions on its behalf
“Rothschild”	N M Rothschild & Sons Limited
“Scheme” or “Scheme of Arrangement”	the proposed scheme of arrangement under section 425 of the Companies Act 1985 between Cardpoint and the Cardpoint Shareholders, to be described in the Scheme Document, with or subject to any modification, addition or condition approved or imposed by the Court and/or agreed by Cardpoint and Payzone
“Scheme Consideration Shares”	the Ordinary Shares to be issued as consideration for cancellation of Cardpoint Shares under the Scheme
“Scheme Document”	the document to be sent to Cardpoint Shareholders, which will contain, among other things, the terms and conditions of the Scheme
“Scheme Meeting”	the meeting of the holders of Cardpoint Shares, to be convened by order of the Court pursuant to section 425 of the Companies Act 1985, to consider and, if thought fit, to approve the Scheme (with or without amendment), including any adjournment thereof
“Scheme Record Time”	6:00 p.m. on the Business Day immediately prior to the Effective Date
“Scheme Voting Record Time”	6:00 p.m. on the second day before the Scheme Meeting or any adjournment thereof (as the case may be)
“Second Court Hearing”	the hearing by the Court of the petition to confirm the

	Capital Reduction
“Securities Act”	the United States Securities Act of 1933, as amended
“Shareholder” or “Payzone Shareholder”	a holder of Ordinary Shares
“subsidiary” and “subsidiary undertaking”	have the meaning given to such terms in the Companies Act 1985 (or, in respect of Irish Companies, the Irish Companies Acts)
“TTW”	“through the wall”
“UK GAAP”	generally accepted accounting principles in the United Kingdom
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Takeover Code”	the UK City Code on Takeovers and Mergers
“UK Takeover Panel”	the UK Panel on Takeovers and Mergers
“US” or “USA” or “United States”	the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia and any area subject to its jurisdiction
“Warrant Shares Purchase Agreement”	the agreement dated 28 September 2007 among the Company, the alphyra Warrant holder and alphyra under which the alphyra Warrant holder has conditionally agreed to exercise its alphyra Warrants and sell the resulting shares in alphyra to the Company
“Whitewash Resolution”	the resolution to be proposed at the Cardpoint Extraordinary General Meeting in relation to the waiver of the obligation that would otherwise arise for Balderton Capital to make an offer for Cardpoint under Rule 9 of the UK Takeover Code