

## **NET1'S CONTINUING SUCCESS IN IRAQ RESULTS IN A NEW ORDER FOR 1.2 MILLION UEPS SMART CARDS FOR DEPLOY**

Tuesday, 27 July 2010

Net 1 UEPS Technologies Inc. (NASDAQ:UEPS)(JSE:NT1) ("Net1" or the "Company") today announced that its wholly-owned subsidiary, Net1 Universal Electronic Technological Solutions (Pty) Ltd ("NUETS"), has received an order for a further 1.2 million Universal Electronic Payment System ("UEPS")-enabled smart cards. NUETS expects the delivery of these cards to commence towards the end of September 2010 at the rate of 200,000 cards per month.

Since the project's inception in August 2008, and including this new order, NUETS will have provided a total of 3.45 million UEPS smart cards to the Iraqi consortium for the distribution and payment of government grants to war victims, government pensioners and beneficiaries of the Ministry of Women affairs, as well as salary and wage payments to employees of the two Iraqi state banks.

"We are extremely pleased and excited about the significant and accelerating progress made by our partners since the inception of our UEPS technology in Iraq," said Brenda Stewart, Managing Director of NUETS. "Our UEPS system is now fully operational in all the branches of both Rashid and Rafidain banks. In addition, an operational exercise is currently underway to evaluate how cash merchants could assist in alleviating the operational pressure being encountered in bank branches during payment cycles."

Over 1.5 million UEPS smart cards have been issued to beneficiaries to date with monthly grant payments reaching 600,000 beneficiaries per month, as payments are effected by Government on alternative months.

Within the next month, a pilot project involving Net1's "Offline Smart Card Registration" application for issuing smart cards to military personnel will be initiated, followed by the distribution of the associated monthly salary/wages payments on the UEPS cards. This new card order includes 400,000 cards which have been set aside for the payment of military wages.

### **About Net1 ([www.net1.com](http://www.net1.com))**

Net1 provides its universal electronic payment system, or UEPS, as an alternative payment system for the unbanked and under-banked populations of developing economies. Net1's market-leading system enables the estimated four billion people who generally have limited or no access to a bank account, to enter affordably into electronic transactions with each other, government agencies, employers, merchants and other financial service providers. Net1's universal electronic payment system, or UEPS, uses smart cards that operate in real-time but offline, unlike traditional payment systems offered by major banking institutions that require immediate access through a communications network to a centralized computer. This offline capability means that users of the Net1 system can enter into transactions at any time with other card holders even in the most remote areas so long as a portable offline smart card reader is available. In addition to payments and purchases, UEPS can be used for banking, healthcare management, international money transfers, voting and identification.

Net1 also focuses on the development and provision of secure transaction technology, solutions and services and offers transaction processing, financial and clinical risk management solutions to both funders and providers of healthcare. Its core competencies around secure online transaction processing, cryptography and integrated circuit card (chip/smartcard) technologies are principally applied to electronic commerce transactions in the telecommunications, banking, retail, petroleum and utilities market sectors.

Net1 has a primary listing on the Nasdaq and a secondary listing on the JSE Limited.

### **Forward-Looking Statements**

This announcement contains forward-looking statements that involve known and unknown risks and uncertainties. A discussion of various factors that could cause the Company's actual results, levels of activity, performance or achievements to differ materially from those expressed in such forward-looking statements are included in the Company's filings with the Securities and Exchange Commission. The Company undertakes no obligation to revise

any of these statements to reflect future circumstances or the occurrence of unanticipated events.

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