



Press Release

MasterCard, eServGlobal and BICS Create Remittance Joint Venture

HomeSend JV to Expand Options for Consumers to Send and Receive Money Worldwide

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PURCHASE, NY, December 18, 2013 – [MasterCard](#) (NYSE: MA), [eServGlobal](#) (LSE: ESG.L, ASX: ESV.AX) and [BICS](#) today announced the formation of HomeSend, a joint venture (JV) which will enable consumers to send money to and from mobile money accounts, payment cards, bank accounts or cash outlets – regardless of their location or that of the recipient.

The HomeSend JV will leverage the current [HomeSend](#) platform, a remittance hub based on eServGlobal technology and developed as part of a strategic partnership between eServGlobal and BICS. The HomeSend platform was first to market in offering international mobile remittances. Today, HomeSend has live deployments in 50 countries and commercial contracts with mobile network operators (MNOs) and money transfer operators (MTOs) that represent more than 1.2 billion subscribers – the equivalent of one in seven of the world’s population – and 200,000 cash agents respectively.

By connecting the worldwide community of telecom partners and MTOs to the more than 24,000 financial institutions on the MasterCard network, the HomeSend JV will provide consumers new options and flexibility for sending or receiving funds and enable cross border remittance payments worldwide. For people in developing markets, the receipt of funds from friends and family is an important lifeline. Based on [World Bank estimates](#), remittances to developing countries will reach around \$515B by 2015.

“HomeSend will provide an important platform to deliver improved remittance services, and bring person-to-person transfer capabilities to more financially underserved consumers around the globe,” stated Ed McLaughlin, Chief Emerging Payments Officer at MasterCard. “MasterCard, eServGlobal and BICS each brings its own unique contribution to the newly formed entity. Collectively, we have an opportunity to improve people’s lives.”

“This is a significant development for the global money transfer industry and we are delighted to be part of this new venture,” said Paolo Montessori, CEO and Managing Director of eServGlobal. “This combination creates one of the most comprehensive offerings in the market, and we believe will be an important step in the journey to extending cost-effective and easy-to-use financial services to people worldwide.”

“We are very happy to be part of this significant milestone for the mobile financial services industry, and believe this type of service can open up new remittance corridors and expand the scope of money transfers around the world,” added Daniel Kurgan, CEO of BICS.

MasterCard will own a controlling share of the HomeSend JV.

About MasterCard

MasterCard (NYSE: MA), www.mastercard.com, is a technology company in the global payments industry. We operate the world's fastest payments processing network, connecting consumers, financial institutions, merchants, governments and businesses in more than 210 countries and territories. MasterCard's products and solutions make everyday commerce activities – such as shopping, traveling, running a business and managing finances – easier, more secure and more efficient for everyone. Follow us on Twitter [@MasterCardNews](https://twitter.com/MasterCardNews), join the discussion on the [Cashless Pioneers Blog](#) and [subscribe](#) for the latest news on the [Engagement Bureau](#).

About eServGlobal

eServGlobal (LSE: ESG, ASX: ESV) offers mobile money solutions which put feature-rich mobile financial services at the fingertips of users worldwide, covering the full spectrum of mobile wallet, mobile commerce, recharge and agent management features. eServGlobal invests heavily in product development, using carrier-grade, next-generation technology and aligning with the requirements of more than 100 customers in over 65 countries. eServGlobal also offers a comprehensive suite of sophisticated, revenue generating Value-Added Services to engage subscribers in a dynamic manner. These services can be seamlessly integrated with our mobile money portfolio to extend loyalty and promotion offers. eServGlobal has been a source of innovative solutions for mobile and financial service providers for 30 years. Follow us on Twitter [@eServGlobal](https://twitter.com/eServGlobal).

About BICS

BICS delivers best-in-class international wholesale solutions to any communication service provider worldwide. Through its Mosaic portfolio, a comprehensive, flexible and innovative suite of solutions designed to be used individually, or collectively, BICS meets the existing and future requirements of the global telecoms industry.

BICS' headquarters is located in Brussels with regional offices in Bern, Dubai, New York and Singapore. We have also local representation in Accra, Beijing, Cape Town, Miami, Montevideo and Nairobi. Our team continuously strives to provide our customers with the highest levels of quality, reliability and interoperability enabling them to maximise their end-user value.

With our successful consolidation strategy, and a continuing focus on technological advancement and innovation, we have achieved a world-leading position in the international Voice and Mobile Data markets.

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Annexure

Transaction Summary	<p>Under the terms of the agreement, eServGlobal and BICS will each contribute or make available all of their assets, including staff, that are directly related to the existing HomeSend business to a newly formed company (“NewCo”).</p> <p>In consideration for the transfer of assets, eServGlobal will receive €9m in cash (€3.45m subject to escrow for 2 years). MasterCard will contribute additional capital to NewCo to meet the estimated working capital requirements of NewCo for the medium term.</p> <p>Following the transaction, MasterCard will own 55% of NewCo, eServGlobal will own 35% and BICS will own 10%. Based on the initial shareholdings, MasterCard will be entitled to appoint three directors to the Board of NewCo, eServGlobal will be entitled to make two appointments and BICS will be entitled to appoint one director.</p> <p>In addition, MasterCard will enter into a commercial agreement with HomeSend which will have an initial duration of three years and automatic yearly renewal thereafter. The commercial agreement will require MasterCard to use its best endeavors to promote the HomeSend service utilising MasterCard’s sales channels.</p>
Financial Impact	<p>The payment to be received by eServGlobal will provide additional working capital for its core mobile money business and the core business will, following completion of the transaction, see an immediate positive cash flow impact as HomeSend operations (estimated at €1.0M (AUD\$1.5M) being the direct costs of eServGlobal staff transferring to NewCo) are transferred to NewCo.</p> <p>There will be a positive movement in the net assets of eServGlobal of approximately €24.9M (AUD\$37.6M) on creation of the HomeSend JV as the disposal of the HomeSend intellectual property and associated goodwill (approximately €5.1M (AUD\$7.7M) as at 31st October 2013) will be more than offset by the value of eServGlobal’s interest in the HomeSend JV.</p> <p>As a result of the transfer of assets to the HomeSend JV, eServGlobal will recognise a gain on disposal of between €23.5M - €24.2M in FY2014 (consideration of €30.0M less assets classified as held for sale of €5.1M and estimated selling expenses).</p>
Conditions Precedent	<p>Completion of the transaction is subject to the satisfaction of certain conditions precedent including merger clearances, certain third party consents and transfer of relevant employees to NewCo and standard pre-closing conditions in relation to breach of warranties and material adverse change.</p> <p>eServGlobal does not consider the transaction to be one to which ASX Listing Rule 11.1 applies and does not intend to obtain shareholder approval for the transaction.</p>
Law	<p>NewCo will be incorporated in Belgium and the JV agreements shall be subject to Belgian law.</p>

<p>Warranties and Indemnities</p>	<p>eServGlobal has provided warranties and indemnities in relation to, inter alia, its HomeSend intellectual property and the assets to be transferred. The majority of warranties are limited to €4.6M (the total amount held in escrow on account of eServGlobal and BICS) plus, in respect to some specific warranties which include the intellectual property warranties, an additional €2M. The warranty period aligns with general periods of limitation of claims.</p>
<p>Other Key terms</p>	<p>MasterCard may acquire eServGlobal’s interest in the HomeSend JV at fair market value if there is a change of control of eServGlobal. For these purposes change of control includes a person (acting alone or with another person) acquiring 30% or more of the voting power in the ultimate parent company of eServGlobal or the right to appoint the majority of its directors.</p> <p>With limited exceptions in relation to MasterCard, no NewCo shareholder may engage in activity with a remittance hub service similar to HomeSend.</p> <p>MasterCard may drag along eServGlobal if MasterCard is selling all its shares in NewCo to a bona fide third party arm’s length purchaser. eServGlobal can tag along pro rata if MasterCard takes its interest in NewCo below 25%.</p> <p>Management of the HomeSend JV is generally reserved to the Board and the CEO appointed by the NewCo Board. eServGlobal has veto rights over some management matters which, if exercised, then require approval of the holders of two thirds of the NewCo shares. BICS also has veto rights requiring unanimous approval. MasterCard may override eSG triggered deadlocks after the first 18 months by acquiring the minority shareholdings at fair market value. MasterCard cannot override deadlocks relating to agreements between NewCo and MasterCard that grant MasterCard rights to NewCo’s intellectual property assets.</p> <p>Distributions to NewCo shareholders are at the discretion of the holders of two thirds of the NewCo shares. eServGlobal does not anticipate any distributions in the short term.</p>