

Net 1 UEPS Technologies, Inc. Announces Second Quarter Results

Johannesburg, South Africa (February 7, 2007) –Net 1 UEPS Technologies, Inc. (“Net1” or the “Company”) (Nasdaq: UEPS) today announced results for the second quarter of fiscal 2007.

Results

Three months ended December 31, 2006 and 2005

| | GAAP Q2 2007 | Fundamental Q2 2007⁽¹⁾ | GAAP and Fundamental Q2 2006 | GAAP Variance % | Fundamental Variance % |
|--|-------------------------|--|---|--------------------------------|---------------------------------------|
| Net income (US\$'000) | 12,823 | 15,393 | 13,932 | (8)% | 10% |
| Earnings per share, basic (US cents) | 22.5 | 27.0 | 24.6 | (9)% | 10% |
| Revenue (US\$'000) | 49,571 | 49,571 | 47,429 | 5% | 5% |

(1) - Fundamental net income and earnings per share is GAAP net income and earnings per share excluding the effects related to the amortization of acquisition-related intangible assets, net of deferred taxes, non-tax deductible expenses related to the transaction that the Company ultimately decided not to pursue discussed below and stock-based compensation charges)

Since the Company's reporting currency is the U.S. dollar (“USD”) but its functional currency is the South African rand (“ZAR”), and due to the significant impact of currency fluctuations between the USD and the ZAR on the Company's results of operations, the Company also analyzes its results of operations in ZAR to assist investors in understanding the changes in the underlying trends of its business. During the three and six months ended December 31, 2006, the ZAR was significantly weaker against the USD than during the same periods in the prior year. The impact of these changes on results of operations is shown under the column “Change” in the tables of key metrics included at the end of this press release. In addition, results for the three and six months ended December 31, 2005, were favourably impacted by hardware sales to Nedbank Limited of \$3.4 million (ZAR 22.6 million) and \$5.6 million (ZAR 36.5 million), respectively.

| | GAAP Q2 2007 | Fundamental Q2 2007 | GAAP and Fundamental Q2 2006 | GAAP Variance % | Fundamental Variance % |
|---|-------------------------|--------------------------------|---|--------------------------------|---------------------------------------|
| Net income (ZAR'000) | 93,852 | 112,663 | 91,649 | 2% | 23% |
| Earnings per share, basic (ZAR cents) | 164.9 | 197.9 | 161.8 | 2% | 22% |
| Revenue (ZAR'000) | 362,800 | 362,800 | 312,000 | 16% | 16% |

Six months ended December 31, 2006 and 2005

| | GAAP YTD 2007 | Fundamental YTD 2007 | GAAP and Fundamental YTD 2006 | GAAP Variance % | Fundamental Variance % |
|--|--------------------------|---------------------------------|--|--------------------------------|---------------------------------------|
| Net income (US\$'000) | 27,895 | 31,388 | 27,111 | 3% | 16% |
| | | | | | |
| Earnings per share, basic (US cents) | 49.0 | 55.1 | 48.1 | 2% | 15% |
| | | | | | |
| Revenue (US\$'000) | 102,497 | 102,497 | 93,316 | 10% | 10% |

| | GAAP YTD 2007 | Fundamental YTD 2007 | GAAP and Fundamental YTD 2006 | GAAP Variance % | Fundamental Variance % |
|---|--------------------------|---------------------------------|--|--------------------------------|---------------------------------------|
| Net income (ZAR'000) | 202,655 | 228,013 | 177,313 | 14% | 29% |
| | | | | | |
| Earnings per share, basic (ZAR cents) | 356.0 | 400.5 | 314.6 | 13% | 27% |
| | | | | | |
| Revenue (ZAR'000) | 744,600 | 744,600 | 610,300 | 22% | 22% |

Use of Non-GAAP measures

On July 3, 2006, the Company acquired Prism Holdings Limited (“Prism”) and has combined its results with those of the Company. Effective October 1, 2006, Prism acquired the remaining 25.1% of EasyPay (Pty) Ltd (“EasyPay”). Under United States generally accepted accounting principles (“GAAP”), the Company is required to fair value all intangible assets on the date of acquisition and amortize these intangible assets over their expected useful lives. In addition, under GAAP, the Company is required to measure the fair value of options granted to Prism employees and other employees and recognize a stock-based compensation charge over the requisite service period. The Company’s results for the three and six months ended December 31, 2006 also include expenses relating to a potential acquisition that the Company ultimately determined not to pursue. The Company’s net income and earnings per common share and linked unit for the three and six months ended December 31, 2006 includes the expenses related to this potential acquisition, amortization of Prism and EasyPay intangibles acquired as well as the stock-based compensation charge related to options granted to Prism employees and other employees. Attachment C presents a reconciliation between GAAP net income and earnings per common share and linked unit and measures of fundamental net income and fundamental earnings per common share and linked unit.

Management believes that these adjustments to net income and earnings per common share and linked unit enhance the Company’s evaluation of its performance. Therefore, the Company excludes these items from GAAP net income and earnings per common share and linked unit in calculating fundamental net income and earnings per common share and linked unit.

Financial results excluding Prism

The Company's consolidated financial results excluding Prism's consolidated financial results are attached as Attachment B.

Second Quarter Highlights

- \$185.2 million in transactions were processed through the Company's merchant acquiring system in the second quarter of fiscal 2007, compared to \$118.4 million in the second quarter of fiscal 2006. During the three months ended December 31, 2006, 2,788,529 grants were paid through the Company's terminal base, compared to 1,496,384 during the three months ended December 31, 2005;
- 4,145 terminals were in use at 2,443 participating UEPS retail locations as of December 31, 2006, compared with 3,929 terminals in use at 2,366 locations as of December 31, 2005. These numbers were comparable to June 30, 2006. The number of transactions processed per terminal increased from 379 during the three months ended December 31, 2005, to 671 during the three months ended December 31, 2006;
- UEPS transaction-based activities effected 11.3 million payments during the second quarter of fiscal 2007, a 9% increase over the number of payments effected during the second quarter of fiscal 2006;
- A total of 3,790,813 UEPS smart card-based accounts were active at December 31, 2006, compared to 3,497,664 active accounts at December 31, 2005;
- Prism acquired the remaining 25.1% of the issued and outstanding ordinary share capital of EasyPay effective October 1, 2006 for approximately \$8.8 million; and
- EasyPay processed 117,626,419 transactions and generated an average fee per transaction of \$0.03.

Comments and Outlook

"I am very pleased with our performance for the second quarter and our recent successes which resulted in the finalization of our banking license, the signing of VTU contracts in Colombia and Vietnam and the 15 month extension of all our pension and welfare contracts," said Dr. Serge Belamant, Chairman and CEO of Net1. "I am especially pleased with the momentum we have gained in our international development with national tender submissions in both Nigeria and Ghana and new initiatives in Iraq and Indonesia. The need for our merchant acquiring system continues to be apparent with more than 20% growth in the number of beneficiaries serviced through this system since the November pay cycle. The refocusing of our Prism activities is starting to show potential in both the SIM and the bill payments markets. I therefore see no reason at this stage to review our earnings guidance for 2007," he concluded.

Conference call

Net1 will host a conference call to review second quarter results on February 8, 2007 at 9:30 a.m EST. To participate in the call, dial 1-800-860-2442 (U.S. only), 1-866-519-5086 (Canada only), 0-800-917-7042 (U.K. only) or 0-800-200-648 (South Africa only) five minutes prior to the start of the call. The passcode is "Net1". The call will also be webcast on the Net1 homepage, www.net1ueps.com. Please click on the webcast link at least 10 minutes prior to the call. A replay of the call may be accessed through the Net1 website through March 1, 2007.

As disclosed in previous press announcements we plan to provide additional information on SmartSwitch Nigeria Limited and the banking license announcement and our wage strategy.

About Net1 (www.net1ueps.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. The Company believes that it is the first company worldwide to implement a system that can enable 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. To accomplish this, the Company has developed and deployed the UEPS. This system uses secure 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 Net1's system can enter into transactions at any time with other cardholders in even the most remote areas so long as a portable offline smart card reader is available. In addition to payments and purchases, Net1's system can be used for banking, health care management, international money transfers, voting and identification.

The Company also focuses on the development and provision of secure transaction technology, solutions and services. The Company's core competencies around secure online transaction processing, cryptography and integrated circuit card (chip/smart card) technologies are principally applied to electronic commerce transactions in the telecommunications, banking, retail, petroleum and utilities market sectors. These technologies form the cornerstones of the "trusted transactions" environment of Prism, a South African based subsidiary of the Company, and provide the Company with the building blocks for developing secure end-to-end payment solutions.

This announcement contains forward-looking statements pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed, implied or inferred by these forward-looking statements, such as implementation of the Company's Prism strategy, product demand, market and customer acceptance, the effect of economic conditions, competition, pricing, development difficulties, foreign currency risks, costs of capital, the ability to consummate and integrate acquisitions, and other risks detailed in the Company's SEC filings. 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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NET 1 UEPS TECHNOLOGIES, INC.
Unaudited Condensed Consolidated Statements of Operations

| | Three months ended | | Six months ended | |
|---|---------------------------------------|------------------|---------------------------------------|------------------|
| | December 31, | | December 31, | |
| | 2006 | 2005 | 2006 | 2005 |
| | (In thousands, except per share data) | | (In thousands, except per share data) | |
| REVENUE | \$ 49,571 | \$ 47,429 | \$ 102,497 | \$ 93,316 |
| EXPENSE | | | | |
| COST OF GOODS SOLD, IT PROCESSING, SERVICING AND SUPPORT | 10,926 | 12,908 | 24,245 | 24,727 |
| GENERAL AND ADMINISTRATION | 15,690 | 11,956 | 29,175 | 22,612 |
| DEPRECIATION AND AMORTIZATION | 2,813 | 1,365 | 5,760 | 2,903 |
| COSTS RELATED TO PUBLIC OFFERING AND NASDAQ LISTING | - | 27 | - | 1,504 |
| OPERATING INCOME | 20,142 | 21,173 | 43,317 | 41,570 |
| INTEREST INCOME, net | 1,186 | 1,343 | 2,058 | 2,246 |
| INCOME BEFORE INCOME TAXES | 21,328 | 22,516 | 45,375 | 43,816 |
| INCOME TAX EXPENSE | 8,690 | 8,577 | 17,530 | 16,988 |
| NET INCOME FROM CONTINUING OPERATIONS BEFORE MINORITY INTEREST AND EARNINGS FROM EQUITY ACCOUNTED INVESTMENTS | 12,638 | 13,939 | 27,845 | 26,828 |
| MINORITY INTEREST | - | - | 205 | - |
| EARNINGS FROM EQUITY ACCOUNTED INVESTMENTS | 185 | (7) | 255 | 283 |
| NET INCOME | \$ <u>12,823</u> | \$ <u>13,932</u> | \$ <u>27,895</u> | \$ <u>27,111</u> |
| Net income per share | | | | |
| Basic earnings, in cents – common stock and linked units | 22.5 | 24.6 | 49.0 | 48.1 |
| Diluted earnings, in cents – common stock and linked units | 22.3 | 24.2 | 48.5 | 47.4 |

NET 1 UEPS TECHNOLOGIES, INC.
Condensed Consolidated Balance Sheets

| | Unaudited December 31, 2006 | A June 30, 2006 |
|--|-----------------------------------|-----------------------|
| | (In thousands, except share data) | |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 127,902 | \$ 189,735 |
| Pre-funded social welfare grants receivable | 34,110 | 17,223 |
| Accounts receivable, net of allowances of – December: \$542; June: \$159 | 15,927 | 21,219 |
| Finance loans receivable, net of allowances of – December: \$4,232; June: \$3,448 | 7,596 | 6,713 |
| Deferred expenditure on smart cards | 470 | 656 |
| Inventory | 5,814 | 1,935 |
| Deferred income taxes | 8,335 | 3,237 |
| Total current assets | 200,154 | 240,718 |
| LONG TERM RECEIVABLE | 967 | 946 |
| PROPERTY, PLANT AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION OF – December: \$25,754; June: \$16,543 | 8,135 | 3,757 |
| EQUITY ACCOUNTED INVESTMENTS | 5,412 | 4,986 |
| GOODWILL | 86,134 | 13,923 |
| INTANGIBLE ASSETS, NET OF ACCUMULATED AMORTIZATION OF – December: \$10,350; June: \$6,549 | 35,124 | 5,649 |
| TOTAL ASSETS | 335,926 | 269,979 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Bank overdraft | - | 20 |
| Accounts payable | 3,076 | 2,073 |
| Other payables | 42,411 | 28,575 |
| Income taxes payable | 10,654 | 12,455 |
| Total current liabilities | 56,141 | 43,123 |
| DEFERRED INCOME TAXES | 32,771 | 17,846 |
| INTEREST BEARING LIABILITIES | 3,586 | - |
| TOTAL LIABILITIES | 92,498 | 60,969 |
| SHAREHOLDERS' EQUITY | | |
| COMMON STOCK | | |
| Authorized: 83,333,333 with \$0.001 par value; | | |
| Issued and outstanding shares - December: 50,483,228; June: 49,596,879 | 51 | 50 |
| SPECIAL CONVERTIBLE PREFERRED STOCK | | |
| Authorized: 50,000,000 with \$0.001 par value; | | |
| Issued and outstanding shares - December: 6,445,416; June: 7,315,099 | 6 | 7 |
| B CLASS PREFERENCE SHARES | | |
| Authorized: 330,000,000 with \$0.001 par value; | | |
| Issued and outstanding shares (net of shares held by the Company) - December: 47,492,563; June: 53,900,752 | 8 | 9 |
| ADDITIONAL PAID-IN-CAPITAL | 106,339 | 105,792 |
| TREASURY SHARES ISSUED: December: 147,973; June: 147,973 | (3,958) | (3,958) |
| ACCUMULATED OTHER COMPREHENSIVE INCOME | (3,786) | (9,763) |
| RETAINED EARNINGS | 144,768 | 116,873 |
| TOTAL SHAREHOLDERS' EQUITY | 243,428 | 209,010 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$ 335,926 | \$ 269,979 |

(A) – amounts derived from audited financial statements

NET 1 UEPS TECHNOLOGIES, INC.
Unaudited Condensed Consolidated Statements of Cash Flows

| | Three months ended | | Six months ended | |
|---|---------------------------|-------------------|-------------------------|-------------------|
| | December 31, | | December 31, | |
| | 2006 | 2005 | 2006 | 2005 |
| | (In thousands) | | (In thousands) | |
| Cash flows from operating activities | | | | |
| Net income | \$ 12,823 | \$ 13,932 | \$ 27,895 | \$ 27,111 |
| Depreciation and amortization | 2,813 | 1,365 | 5,760 | 2,903 |
| Earnings from equity accounted investments | (185) | 7 | (255) | (283) |
| Fair value adjustment related to financial liabilities | 153 | 3 | 153 | 6 |
| Fair value of FAS 133 derivative adjustments | 75 | (94) | 77 | 53 |
| (Profit) Loss on disposal of property, plant and equipment | (33) | 2 | (67) | 9 |
| Minority interest | - | - | 205 | - |
| Stock compensation charge | 524 | - | 496 | - |
| Decrease(Increase) in accounts receivable, pre-funded social welfare grants receivable and finance loans receivable | 6,477 | 23,847 | (2,552) | 16,194 |
| Decrease in deferred expenditure on smart cards | 151 | 641 | 194 | 1,660 |
| Increase in inventory | (174) | (1,333) | (2,753) | (1,270) |
| Decrease in accounts payable and other payables | (3,655) | (6,363) | (10,946) | (3,237) |
| Decrease in taxes payable | (512) | (1,599) | (3,378) | (5,186) |
| (Decrease) Increase in deferred taxes | (1,947) | 2,593 | 153 | 4,264 |
| Net cash provided by operating activities | 16,510 | 33,001 | 14,982 | 42,224 |
| Cash flows from investing activities | | | | |
| Capital expenditures | (860) | (346) | (1,703) | (888) |
| Proceeds from disposal of property, plant and equipment | 28 | 80 | 146 | 84 |
| Acquisition of Prism Holdings Limited, net of cash acquired | (224) | - | (82,330) | - |
| Acquisition of equity interest in and advance of loans to equity accounted investment | - | - | - | (1,851) |
| Net cash used in investing activities | (1,056) | (266) | (83,887) | (2,655) |
| Cash flows from financing activities | | | | |
| Proceeds from issue of share capital, net of share issue expenses | - | - | 50 | 32,219 |
| Proceeds from bank overdrafts | 43,410 | - | 61,583 | - |
| Repayment of bank overdraft | (45,216) | - | (62,272) | - |
| Proceeds from interest bearing liabilities | 3,513 | - | 3,513 | - |
| Net cash provided by financing activities | 1,707 | - | 2,874 | 32,219 |
| Effect of exchange rate changes on cash | 8,608 | (1,034) | 4,198 | 4,365 |
| Net increase (decrease) in cash and cash equivalents | 25,769 | 31,701 | (61,833) | 76,153 |
| Cash and cash equivalents – beginning of period | 102,133 | 152,201 | 189,735 | 107,749 |
| Cash and cash equivalents – end of period | \$ 127,902 | \$ 183,902 | \$ 127,902 | \$ 183,902 |

Net 1 UEPS Technologies, Inc.
Attachment A

Key metrics and statistics at and for the three months ended December 31, 2006 and 2005:

Three months ended December 31, 2006 and 2005

| | <u>Three months ended</u> <u>December 31,</u> | | <u>Change</u> <u>Constant</u> <u>Exchange</u> <u>Rate</u> ⁽¹⁾ | | <u>Three</u> <u>months</u> <u>ended</u> <u>Sep 30,</u> | <u>Year ended</u> <u>June 30,</u> |
|--|--|----------------------------|---|------------|---|--------------------------------------|
| | <u>2006</u> <u>US\$</u> | <u>2005</u> <u>US\$</u> | <u>Actual</u> | | <u>2006</u> <u>US\$</u> | <u>2006</u> <u>US\$</u> |
| Key statement of operations data, in '000, except EPS | | | | | | |
| Revenue | \$49,571 | \$47,429 | 5% | 16% | \$52,926 | \$196,098 |
| Operating income..... | 20,142 | 21,173 | (5)% | 6% | 23,175 | 89,613 |
| Income tax expense..... | 8,690 | 8,577 | 1% | 13% | 8,840 | 36,653 |
| Net income | \$12,823 | \$13,932 | (8)% | 2% | \$15,072 | \$59,232 |
| Earnings per share, | | | | | | |
| Basic (cents) | 22.5 | 24.6 | (9)% | 2% | 26.5 | 105.8 |
| Diluted (cents) | 22.3 | 24.2 | (8)% | 3% | 26.2 | 103.3 |
| Fundamental earnings per share, | | | | | | |
| Basic (cents) | 27.0 | 24.6 | 10% | 22% | 28.1 | 105.8 |
| Key segmental data, in '000, except margins | | | | | | |
| Revenue: | | | | | | |
| Transaction-based activities | \$29,973 | \$27,255 | 10% | 22% | \$32,237 | \$117,186 |
| Smart card accounts | 8,487 | 8,744 | (3)% | 8% | 8,580 | 36,220 |
| Financial services | 2,793 | 3,982 | (30)% | (22)% | 2,985 | 16,129 |
| Hardware, software and related technology sales | 8,318 | 7,448 | 12% | 24% | 9,124 | 26,563 |
| Total consolidated revenue | \$49,571 | \$47,429 | 5% | 16% | \$52,926 | \$196,098 |
| Consolidated operating income (loss): | | | | | | |
| Transaction-based activities | \$17,502 | \$13,517 | 29% | 44% | \$18,428 | 60,653 |
| Smart card accounts | 3,858 | 3,974 | (3)% | 8% | 3,900 | 16,464 |
| Financial services | 768 | 1,828 | (58)% | (53)% | 1,060 | 6,929 |
| Hardware, software and related technology sales | 581 | 3,874 | (85)% | (83)% | 1,049 | 16,721 |
| Corporate/ Eliminations | (2,567) | (2,020) | 27% | 41% | (1,262) | (11,154) |
| Total operating income..... | \$20,142 | \$21,173 | (5)% | 6% | \$23,175 | \$89,613 |
| Operating income margin (%) | | | | | | |
| Transaction-based activities | 58% | 50% | | | 57% | 52% |
| Smart card accounts | 45% | 45% | | | 45% | 45% |
| Financial services | 27% | 46% | | | 36% | 43% |
| Hardware, software and related technology sales | 7% | 52% | | | 11% | 63% |
| Overall operating margin | 41% | 45% | | | 44% | 46% |

Key balance sheet data, in '000

| | <u>Dec 31,</u> <u>2006</u> | <u>Jun 30,</u> <u>2006</u> | |
|----------------------------------|-------------------------------|-------------------------------|-------|
| Cash and cash equivalents | \$127,902 | \$189,735 | (33)% |
| Total current assets | 200,154 | 240,718 | (17)% |
| Total assets | 335,926 | 269,979 | 24% |
| Total current liabilities | 56,141 | 43,123 | 30% |
| Total shareholders' equity | \$243,428 | \$209,010 | 16% |

(1) – This information shows what the change in these items would have been if the USD/ ZAR exchange rate that prevailed during the second quarter of fiscal 2007 also prevailed during the second quarter of fiscal 2006.

Three months ended December 31, 2006 and 2005 (continued)

| | <u>Three months ended</u> <u>December 31,</u> <u>2006</u> | | <u>Change</u> | <u>Three</u> <u>months</u> <u>ended</u> <u>Sep 30,</u> <u>2006</u> | <u>Year ended</u> <u>June 30,</u> <u>2006</u> |
|--|---|-------------------|---------------|--|---|
| Additional information: | | | | | |
| Transaction-based activities: | | | | | |
| Total number of grants paid: | | | | | |
| KwaZulu-Natal..... | 5,022,500 | 4,444,129 | 13% | 4,915,405 | 18,117,676 |
| Limpopo | 2,905,861 | 2,753,537 | 6% | 2,892,620 | 11,154,040 |
| North West | 827,058 | 787,009 | 5% | 820,955 | 3,181,242 |
| Northern Cape | 416,702 | 396,750 | 5% | 413,243 | 1,585,846 |
| Eastern Cape..... | 2,144,919 | 2,034,904 | 5% | 2,127,992 | 8,204,977 |
| | <u>11,317,040</u> | <u>10,416,329</u> | 9% | <u>11,170,215</u> | <u>42,243,781</u> |
| Average revenue per grant paid: | | | | | |
| | <u>ZAR</u> | <u>ZAR</u> | | <u>ZAR</u> | <u>ZAR</u> |
| KwaZulu-Natal..... | 20.18 | 20.67 | (2)% | 20.35 | 20.14 |
| Limpopo | 15.98 | 15.59 | 3% | 16.00 | 15.59 |
| North West | 19.71 | 17.21 | 15% | 17.94 | 18.10 |
| Northern Cape | 18.67 | 18.89 | (1)% | 18.69 | 19.30 |
| Eastern Cape..... | 11.81 | 12.07 | (2)% | 11.86 | 12.04 |
| UEPS merchant acquiring system: | | | | | |
| Terminals installed at period end | 4,145 | 3,929 | 5% | 4,169 | 4,038 |
| Number of participating retail locations at period end..... | 2,443 | 2,366 | 3% | 2,468 | 2,381 |
| Value of transactions processed through POS devices during the quarter (in \$ '000) | 185,190 | 118,396 | 56% | 202,299 | 189,649 |
| Value of transactions processed through POS devices during the completed pay cycles for the quarter (in \$ '000) | 188,074 | 127,765 | 47% | 189,139 | 187,769 |
| Average number of grants processed per terminal during the quarter..... | 671 | 379 | 77% | 725 | 643 |
| Average number of grants processed per terminal during the completed pay cycles for the quarter | 683 | 470 | 45% | 678 | 639 |
| EasyPay transaction fees: | | | | | |
| Number of transactions processed..... | 117,626,419 | | | 100,831,659 | |
| Average fee per transaction (in ZAR) | 0.21 | | | 0.21 | |

Three months ended December 31, 2006 and 2005 (continued)

| | <u>Three months ended</u> <u>December 31,</u> | | <u>Change</u> | <u>Three months ended</u> <u>Sep 30,</u> | <u>Year ended</u> <u>June 30,</u> |
|---|--|-------------|---------------|---|--------------------------------------|
| | <u>2006</u> | <u>2005</u> | | <u>2006</u> | <u>2006</u> |
| Smart card accounts: | | | | | |
| Total number of smart card accounts | 3,790,813 | 3,497,664 | 8% | 3,738,975 | 3,653,696 |
| Hardware, software and related technology sales: | | | | | |
| Ad hoc significant hardware sales (US\$ '000) | | | | | |
| Nedbank POS's, pin pads, smart cards and other hardware | - | 3,400 | nm | - | 13,300 |
| Smartswitch Namibia hardware and software (before consolidation adjustments) | - | 1,500 | nm | - | 3,900 |
| Smartswitch Botswana hardware and software (before consolidation adjustments) | - | - | nm | 2,000 | - |
| Financial services: (US\$ '000) | | | | | |
| Traditional microlending: | | | | | |
| Finance loans receivable – gross | 7,399 | 8,318 | (11)% | 6,650 | 7,169 |
| Allowance for doubtful finance loans receivable | (4,232) | (3,672) | 15% | (3,551) | (3,448) |
| Finance loans receivable – net | 3,167 | 4,646 | (32)% | 3,099 | 3,721 |
| UEPS-based lending: | | | | | |
| Finance loans receivable –net and gross (i.e., no provisions) | 4,429 | 5,732 | (23)% | 2,899 | 2,992 |
| Earnings (Loss) from equity accounted investments: (US\$ '000) | | | | | |
| SmartSwitch Namibia: | | | | | |
| Equity owned | 50% | 50% | | 50% | 50% |
| Beginning of period | (659) | - | | (516) | - |
| Equity accounted (loss) ⁽¹⁾ | (38) | - | | (206) | (586) |
| Foreign currency adjustment | (67) | - | | 63 | 70 |
| End of period of period | (764) | - | | (659) | (516) |
| SmartSwitch Botswana: | | | | | |
| Equity owned | 50% | 50% | | 50% | 50% |
| Beginning of period | (495) | - | | - | - |
| Equity accounted (loss) ⁽¹⁾ | (35) | - | | (520) | - |
| Foreign currency adjustment | (46) | - | | 25 | - |
| End of period of period | (576) | - | | (495) | - |

nm – Statistic not meaningful

(1) – includes the elimination of unrealized net income

Key metrics and statistics at and for the six months ended December 31, 2006 and 2005:

Six months ended December 31, 2006 and 2005

| | <u>Six months ended</u> <u>December 31,</u> | | <u>Change</u> <u>Constant</u> <u>Exchange</u> <u>Rate</u> ⁽¹⁾ | | <u>Year ended</u> <u>June 30,</u> |
|--|--|-------------------------------|---|------------|--------------------------------------|
| | <u>2006</u> <u>US\$</u> | <u>2005</u> <u>US\$</u> | <u>Actual</u> | | <u>2006</u> <u>US\$</u> |
| Key statement of operations data, in '000, except EPS | | | | | |
| Revenue | \$102,497 | \$93,316 | 10% | 22% | \$196,098 |
| Operating income..... | 43,317 | 41,570 | 4% | 16% | 89,613 |
| Income tax expense..... | 17,530 | 16,988 | 3% | 15% | 36,653 |
| Net income | \$27,895 | \$27,111 | 3% | 14% | \$59,232 |
| Earnings per share, | | | | | |
| Basic (cents) | 49.0 | 48.1 | 2% | 13% | 105.8 |
| Diluted (cents)..... | 48.5 | 47.4 | 2% | 14% | 103.3 |
| Fundamental earnings per share, | | | | | |
| Basic (cents) | 55.1 | 48.1 | 15% | 27% | 105.8 |
| Key segmental data, in '000, except margins | | | | | |
| Revenue: | | | | | |
| Transaction-based activities | \$62,210 | \$55,073 | 13% | 25% | \$117,186 |
| Smart card accounts | 17,067 | 17,296 | (1)% | 10% | 36,220 |
| Financial services | 5,778 | 8,256 | (30)% | -22% | 16,129 |
| Hardware, software and related technology sales | 17,442 | 12,691 | 37% | 53% | 26,563 |
| Total consolidated revenue | \$102,497 | \$93,316 | 10% | 22% | \$196,098 |
| Consolidated operating income (loss): | | | | | |
| Transaction-based activities | \$35,930 | \$27,649 | 30% | 44% | 60,653 |
| Smart card accounts | 7,758 | 7,861 | (1)% | 10% | 16,464 |
| Financial services | 1,828 | 3,672 | (50)% | (45)% | 6,929 |
| Hardware, software and related technology sales | 1,630 | 7,941 | (79)% | (77)% | 16,721 |
| Corporate/ Eliminations | (3,829) | (5,553) | (31)% | (23)% | (11,154) |
| Total operating income..... | \$43,317 | \$41,570 | 4% | 16% | \$89,613 |
| Operating income margin (%) | | | | | |
| Transaction-based activities | 58% | 50% | | | 52% |
| Smart card accounts | 45% | 45% | | | 45% |
| Financial services | 32% | 44% | | | 43% |
| Hardware, software and related technology sales | 9% | 63% | | | 63% |
| Overall operating margin | 42% | 45% | | | 46% |
| Key balance sheet data, in '000 | | | | | |
| | Dec 31, 2006 | Jun 30, 2006 | | | |
| Cash and cash equivalents..... | \$127,902 | \$189,735 | (33)% | | |
| Total current assets..... | 200,154 | 240,718 | (17)% | | |
| Total assets | 335,926 | 269,979 | 24% | | |
| Total current liabilities | 56,141 | 43,123 | 30% | | |
| Total shareholders' equity | \$243,428 | \$209,010 | 16% | | |

(1) – This information shows what the change in these items would have been if the USD/ ZAR exchange rate that prevailed during the first half of fiscal 2007 also prevailed during the first half of fiscal 2006.

Six months ended December 31, 2006 and 2005 (continued)

| | <u>Six months ended</u> <u>December 31,</u> | | <u>Change</u> | <u>Year ended</u> <u>June 30,</u> <u>2006</u> |
|--|--|-------------------|---------------|---|
| | <u>2006</u> | <u>2005</u> | | |
| Additional information: | | | | |
| Transaction-based activities: | | | | |
| Total number of grants paid: | | | | |
| KwaZulu-Natal..... | 9,937,905 | 8,752,494 | 14% | 18,117,676 |
| Limpopo | 5,798,481 | 5,447,705 | 6% | 11,154,040 |
| North West | 1,648,013 | 1,563,972 | 5% | 3,181,242 |
| Northern Cape | 829,945 | 786,325 | 6% | 1,585,846 |
| Eastern Cape..... | 4,272,911 | 4,005,075 | 7% | 8,204,977 |
| | <u>22,487,255</u> | <u>20,555,571</u> | 9% | <u>42,243,781</u> |
| Average revenue per grant paid: | | | | |
| | <u>ZAR</u> | <u>ZAR</u> | | <u>ZAR</u> |
| KwaZulu-Natal..... | 20.29 | 19.95 | 2% | 20.14 |
| Limpopo | 15.99 | 15.46 | 3% | 15.59 |
| North West | 18.85 | 16.9 | 12% | 18.10 |
| Northern Cape | 18.73 | 18.96 | (1)% | 19.30 |
| Eastern Cape..... | 11.83 | 12.13 | (2)% | 12.04 |
| UEPS merchant acquiring system: | | | | |
| Terminals installed at period end | 4,145 | 3,929 | 5% | 4,038 |
| Number of participating retail locations at period end..... | 2,443 | 2,366 | 3% | 2,381 |
| Value of transactions processed through POS devices during the quarter (in \$ '000) | 185,190 | 118,396 | 56% | 189,649 |
| Value of transactions processed through POS devices during the completed pay cycles for the quarter (in \$ '000) | 188,074 | 127,765 | 47% | 187,769 |
| Average number of grants processed per terminal during the quarter..... | 671 | 379 | 77% | 643 |
| Average number of grants processed per terminal during the completed pay cycles for the quarter | 683 | 470 | 45% | 639 |
| EasyPay transaction fees: | | | | |
| Number of transactions processed..... | 218,458,078 | | | |
| Average fee per transaction (in ZAR) | 0.21 | | | |

Six months ended December 31, 2006 and 2005 (continued)

| | <u>Six months ended</u> <u>December 31,</u> | | <u>Change</u> | <u>Year ended</u> <u>June 30,</u> <u>2006</u> |
|---|--|-------------|---------------|---|
| | <u>2006</u> | <u>2005</u> | | |
| Smart card accounts: | | | | |
| Total number of smart card accounts | 3,790,813 | 3,497,664 | 8% | 3,653,696 |
| Hardware, software and related technology sales: | | | | |
| Ad hoc significant hardware sales (US\$ '000) | | | | |
| Nedbank POS's, pin pads, smart cards and other hardware..... | - | 5,600 | nm | 13,300 |
| Smartswitch Namibia hardware and software (before consolidation adjustments) | - | 2,700 | nm | 3,900 |
| Smartswitch Botswana hardware and software (before consolidation adjustments) | 2,000 | - | nm | - |
| Financial services: (US\$ '000) | | | | |
| Traditional microlending: | | | | |
| Finance loans receivable – gross..... | 7,399 | 8,318 | (11)% | 7,169 |
| Allowance for doubtful finance loans receivable | (4,232) | (3,672) | 15% | (3,448) |
| Finance loans receivable – net..... | 3,167 | 4,646 | (32)% | 3,721 |
| UEPS-based lending: | | | | |
| Finance loans receivable –net and gross (i.e., no provisions) | 4,429 | 5,732 | (23)% | 2,992 |
| Earnings (Loss) from equity accounted investments: (US\$ '000) | | | | |
| SmartSwitch Namibia: | | | | |
| Equity owned | 50% | 50% | | 50% |
| Beginning of period..... | (516) | - | | - |
| Equity accounted (loss) ⁽¹⁾ | (244) | - | | (586) |
| Foreign currency adjustment..... | (4) | - | | 70 |
| End of period of period..... | (764) | - | | (516) |
| SmartSwitch Botswana: | | | | |
| Equity owned | 50% | 50% | | 50% |
| Beginning of period..... | - | - | | - |
| Equity accounted (loss) ⁽¹⁾ | (555) | - | | - |
| Foreign currency adjustment..... | (21) | - | | - |
| End of period of period..... | (576) | - | | - |

nm – Statistic not meaningful

(1) – includes the elimination of unrealized net income

Net 1 UEPS Technologies, Inc.
Attachment B

Key metrics and statistics for the three months ended December 31, 2006 and 2005 excluding the results of Prism Holdings Limited:

Three months ended December 31, 2006 and 2005

| | <u>Three months ended December 31,</u> | | <u>Change Constant Exchange Rate ⁽²⁾</u> | | <u>Three months ended Sep 30,</u> | <u>Year ended June 30,</u> |
|--|--|----------------------|---|-------------|---|--------------------------------|
| | <u>2006⁽¹⁾ US\$</u> | <u>2005 US\$</u> | <u>Actual</u> | | <u>2006 US\$</u> | <u>2006 US\$</u> |
| Key statement of operations data, in '000, except EPS | | | | | | |
| Revenue | \$40,435 | \$45,887 | (12)% | (2)% | \$45,126 | \$196,098 |
| Operating income..... | 19,431 | 20,397 | (5)% | 6% | 24,017 | 89,613 |
| Net income ⁽³⁾ | \$12,802 | \$13,179 | (3)% | 8% | \$16,295 | \$59,232 |
| Earnings per share, Basic ⁽³⁾ | 22.50 | 24.6 | (9)% | 2% | 28.6 | 105.8 |
| Key segmental data, in'000, except margins | | | | | | |
| Revenue: | | | | | | |
| Transaction-based activities | \$26,506 | \$27,818 | (5)% | 6% | \$29,214 | \$117,186 |
| Smart card accounts | 8,487 | 8,552 | (1)% | 10% | 8,580 | 36,220 |
| Financial services | 2,793 | 4,274 | (35)% | (27)% | 2,985 | 16,129 |
| Hardware, software and related technology sales | 2,649 | 5,243 | (49)% | (44)% | 4,347 | 26,563 |
| Total consolidated revenue | \$40,435 | \$45,887 | (12)% | (2)% | \$45,126 | \$196,098 |
| Consolidated operating income (loss): | | | | | | |
| Transaction-based activities | \$16,153 | \$14,132 | 14% | 27% | \$17,629 | 60,653 |
| Smart card accounts | 3,858 | 3,887 | (1)% | 10% | 3,901 | 16,464 |
| Financial services | 768 | 1,844 | (58)% | (54)% | 1,060 | 6,929 |
| Hardware, software and related technology sales | 902 | 4,067 | (78)% | (75)% | 2,387 | 16,721 |
| Corporate/ Eliminations | (2,250) | (3,533) | (36)% | (29)% | (960) | (11,154) |
| Total operating income..... | \$19,431 | \$20,397 | (5)% | 6% | \$24,017 | \$89,613 |
| Operating income margin (%) | | | | | | |
| Transaction-based activities | 61% | 51% | | | 60% | 52% |
| Smart card accounts | 45% | 45% | | | 45% | 45% |
| Financial services | 27% | 43% | | | 36% | 43% |
| Hardware, software and related technology sales | 34% | 78% | | | 55% | 63% |
| Overall operating margin | 48% | 44% | | | 53% | 46% |

(1) – Amounts and percentages in this column exclude the consolidated results of Prism Holdings Limited.

(2) – This information shows what the change in these items would have been if the USD/ ZAR exchange rate that prevailed during the second quarter of fiscal 2007 also prevailed during the second quarter of fiscal 2006.

Three months ended December 31, 2006 and 2005 (continued)

(3) – Net income and earnings per share – basic for the three months ended December 31, 2006 are non-GAAP measures as they exclude the results of Prism for the three months ended December 31, 2006, the expense related to the amortization of intangible assets acquired in the Prism acquisition and the stock-based compensation charge related to options granted to Prism employees. Accordingly, Prism's net income of \$1,183, or 2.0 cents is required to be added to the non-GAAP net income and earnings per shares – basic measures and the amortization expense of \$858, or 1.5 cents, and the stock-based compensation charge of \$304, or 0.5 cents, must be subtracted from the non-GAAP net income and earnings per share - basic measures provided in order to arrive at GAAP net income of \$12,823, or 22.5 cents.

The Company believes it meaningful to present this information until the Prism integration is complete and the Company's shareholders are able to better understand the implications of the Prism acquisition on the Company's results.

Key metrics and statistics for the six months ended December 31, 2006 and 2005 excluding the results of Prism Holdings Limited:

Six months ended December 31, 2006 and 2005

| | <u>Six months ended</u> <u>December 31,</u> | | <u>Change</u> <u>Constant</u> <u>Exchange</u> <u>Rate</u> ⁽²⁾ | | <u>Year ended</u> <u>June 30,</u> |
|--|--|----------------------------|---|------------|--------------------------------------|
| | <u>2006⁽¹⁾</u> <u>US\$</u> | <u>2005</u> <u>US\$</u> | <u>Actual</u> | | <u>2006</u> <u>US\$</u> |
| Key statement of operations data, in '000, except EPS | | | | | |
| Revenue | \$85,561 | \$93,316 | (8)% | 2% | \$196,098 |
| Operating income..... | 43,570 | 41,570 | 5% | 16% | 89,613 |
| Net income ⁽³⁾ | \$29,219 | \$27,111 | 8% | 20% | \$59,232 |
| Earnings per share, | | | | | |
| Basic ⁽³⁾ | 51.3 | 48.1 | 7% | 18% | 105.8 |
| Key segmental data, in'000, except margins | | | | | |
| Revenue: | | | | | |
| Transaction-based activities | \$55,720 | \$55,073 | 1% | 12% | \$117,186 |
| Smart card accounts | 17,067 | 17,296 | (1)% | 10% | 36,220 |
| Financial services | 5,778 | 8,256 | (30)% | (22)% | 16,129 |
| Hardware, software and related technology sales | 6,996 | 12,691 | (45)% | (39)% | 26,563 |
| Total consolidated revenue | \$85,561 | \$93,316 | (8)% | 2% | \$196,098 |
| Consolidated operating income (loss): | | | | | |
| Transaction-based activities | \$33,782 | \$27,649 | 22% | 36% | 60,653 |
| Smart card accounts | 7,759 | 7,861 | (1)% | 10% | 16,464 |
| Financial services | 1,828 | 3,672 | (50)% | (45)% | 6,929 |
| Hardware, software and related technology sales | 3,289 | 7,941 | (59)% | (54)% | 16,721 |
| Corporate/ Eliminations | (3,088) | (5,553) | (44)% | (38)% | (11,154) |
| Total operating income..... | \$43,570 | \$41,570 | 5% | 16% | \$89,613 |
| Operating income margin (%) | | | | | |
| Transaction-based activities | 61% | 50% | | | 52% |
| Smart card accounts | 45% | 45% | | | 45% |
| Financial services | 32% | 44% | | | 43% |
| Hardware, software and related technology sales | 47% | 63% | | | 63% |
| Overall operating margin | 51% | 45% | | | 46% |

(1) – Amounts and percentages in this column exclude the consolidated results of Prism Holdings Limited.

(2) – This information shows what the change in these items would have been if the USD/ ZAR exchange rate that prevailed during the first half of fiscal 2007 also prevailed during the first half of fiscal 2006.

Six months ended December 31, 2006 and 2005 (continued)

(3) – Net income and earnings per share – basic for the six months ended December 31, 2006 are non-GAAP measures as they exclude the results of Prism for the six months ended December 31, 2006, the expense related to the amortization of intangible assets acquired in the Prism acquisition and the stock-based compensation charge related to options granted to Prism employees. Accordingly, Prism's net income of \$761, or 1.3 cents is required to be added to the non-GAAP net income and earnings per shares – basic measures and the amortization expense of \$1,659, or 2.9 cents, and the stock-based compensation charge of \$426, or 0.7 cents, must be subtracted from the non-GAAP net income and earnings per share - basic measures provided in order to arrive at GAAP net income of \$27,895, or 49.0 cents.

The Company believes it meaningful to present this information until the Prism integration is complete and the Company's shareholders are able to better understand the implications of the Prism acquisition on the Company's results.

Net 1 UEPS Technologies, Inc.
Attachment C

Reconciliation of GAAP results to fundamental results:

Three months ended December 31, 2006 and 2005

| | Three months ended December 31, | | | | | |
|--|--|----------------------------|----------------------|---------------------------|----------------------|--------------------|
| | <u>2006</u> | <u>Amortization</u> | <u>Stock-</u> | <u>Expenses</u> | <u>2006</u> | <u>2005</u> |
| | <u>GAAP</u> | <u>of Prism and</u> | <u>based</u> | <u>associated</u> | <u>Funda-</u> | <u>GAAP</u> |
| | | <u>EasyPay</u> | <u>charge</u> | <u>with</u> | <u>mental</u> | |
| | | <u>intangible</u> | <u>(2)</u> | <u>acquisition</u> | | |
| | | <u>assets</u> | | <u>not</u> | | |
| | | <u>(1)</u> | | <u>pursued</u> | | |
| | | | | <u>(3)</u> | | |
| Net income (US\$'000)..... | 12,823 | 858 | 524 | 1,188 | 15,393 | 13,932 |
| Earnings per share, basic (US\$ cents) | 22.5 | | | | 27.0 | 24.6 |
| Net income (ZAR'000)..... | 93,852 | 6,280 | 3,835 | 8,696 | 112,663 | 91,649 |
| Earnings per share, basic (ZAR cents) | 164.9 | | | | 197.9 | 161.8 |

(1) Amortization of Prism and EasyPay Intangibles, net of deferred tax benefit:

| | <u>\$ '000</u> | <u>ZAR '000</u> |
|--------------------------------------|-----------------------|------------------------|
| Customer relationships | 359 | 2,630 |
| Software and unpatented technology . | 93 | 679 |
| Trademarks | 908 | 6,642 |
| Deferred tax benefit | (502) | (3,671) |
| | <u>858</u> | <u>6,280</u> |

(2) Includes stock-based compensation charge related to options granted to employees of Prism and under the Net 1 UEPS Technologies, Inc. 2004 Stock Incentive Plan.

(3) Represents expenses associated with a potential acquisition that Net1 ultimately decided not to pursue during the three months ended December 31, 2006.

Six months ended December 31, 2006 and 2005

| | Six months ended December 31, | | | | | |
|--|--------------------------------------|----------------------------|----------------------|---------------------------|----------------------|--------------------|
| | <u>2006</u> | <u>Amortization</u> | <u>Stock-</u> | <u>Expenses</u> | <u>2006</u> | <u>2005</u> |
| | <u>GAAP</u> | <u>of Prism and</u> | <u>based</u> | <u>associated</u> | <u>Funda-</u> | <u>GAAP</u> |
| | | <u>EasyPay</u> | <u>charge</u> | <u>with</u> | <u>mental</u> | |
| | | <u>intangible</u> | <u>(2)</u> | <u>acquisition</u> | | |
| | | <u>assets</u> | | <u>not</u> | | |
| | | <u>(1)</u> | | <u>pursued</u> | | |
| | | | | <u>(3)</u> | | |
| Net income (US\$'000)..... | 27,895 | 1,659 | 646 | 1,188 | 31,388 | 27,111 |
| Earnings per share, basic (US\$ cents) | 49.0 | | | | 55.1 | 48.1 |
| Net income (ZAR'000)..... | 202,654 | 12,044 | 4,690 | 8,625 | 228,013 | 177,313 |
| Earnings per share, basic (ZAR cents) | 356.0 | | | | 400.5 | 314.6 |

(1) Amortization of Prism and EasyPay Intangibles, net of deferred tax benefit:

| | <u>\$ '000</u> | <u>ZAR '000</u> |
|--------------------------------------|-----------------------|------------------------|
| Customer relationships | 658 | 4,780 |
| Software and unpatented technology . | 178 | 1,294 |
| Trademarks | 1,792 | 13,018 |
| Deferred tax benefit | (969) | (7,043) |
| | <u>1,659</u> | <u>12,049</u> |

(2) Includes stock-based compensation charge related to options granted to employees of Prism and under the Net 1 UEPS Technologies, Inc. 2004 Stock Incentive Plan.

(3) Represents expenses associated with a potential acquisition that Net1 ultimately decided not to pursue during the three months ended December 31, 2006.