

## **Net1 to benefit from announcements in South Africa 2008/2009 Budget Speech**

Johannesburg, February 20, 2008 – Net 1 UEPS Technologies, Inc. (NASDAQ: UEPS) (“Net1” or the “Company”) today announced that South Africa’s Finance Minister Trevor Manuel outlined proposed changes to the social welfare grant system and a reduction in the corporate rate of taxation for South African companies.

The proposed changes to the social welfare grant system include:

- old age pension, disability and care dependency grants to be increased by 8% to R940 a month from April 1, 2008;
- age of eligibility for men to receive the old age pension grants will decline from 65 to 63 during 2008, to 61 in 2009, and to 60 in 2010;
- child support grants to increase by 5% to R210 a month from April 1, 2008 with a further increase of 5% to R220 a month from October 1, 2008; and
- maximum eligible age for child support grants will be increased from 14 to 15 from January 2009.

Net1 distributes social welfare grants in five of South Africa’s nine provinces utilizing its UEPS technology. It generates revenues based on a percentage of the value of grants distributed in the largest and most populous province in which it distributes grants. Net1 generates revenues based on the number of grants distributed in the other four provinces.

Minister Manuel also announced a reduction in the corporate rate of taxation for South African companies from 29% to 28%, and confirmed that the replacement of Secondary Tax on Companies with a dividends tax should be completed in 2009. The Company only recognizes changes in taxation legislation in its reported results once it has been promulgated in South Africa. The Company currently cannot estimate when the new taxation legislation will be promulgated.

The Company cannot predict whether the proposed changes will be formally implemented as announced.

### **About Net1 ([www.net1ueps.com](http://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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