



E-News Update

March 2010, Grant Halverson, CEO, GFG Group

Moving on from 2009

It is without question that 2009 was a most challenging year across all sectors and in particular the financial markets. The resulting slowdown and impact on global economies will have far reaching consequences on which businesses will survive and highlight underlying operational issues for the future. It is also widely acknowledged that the next 12 months will continue to be just as challenging as businesses realign and adjust their focus for growth after a period of restraint and uncertainty.

Despite these difficult conditions in 2009, GFG was able to achieve double digit growth of 19% and increase its global penetration with more than 130 million customers able to access GFG's software solutions across 39 countries and hence becoming one of the largest players in mobile payments in emerging markets. The sales growth is even more notable given that 70% of GFG's revenues are in US dollars which depreciated 48% in the reporting period versus the NZ dollar.

During 2009 and in an environment where some organisations were pulling back on any investment, GFG chose to strategically invest and continue to innovate. Today I am delighted to share with you the outcome of some of the developments that we have completed that we believe will enhance the overall customer experience and demonstrate our commitment to assisting you - our Clients.

Launch of the new GFG Website

A key and very visible demonstration of our commitment to growth is the launch of our new and innovative website. The fully dynamic and interactive site has been designed to deliver rapid access and easy download of up to date product information for the GFG Group Card Management system, Cadencie and Simfonie - the Mobile Payments solution as well as the GFG Group Payment and Testing Tools.

The site architecture has a clear navigation system that will enable our visitors to quickly view:

- Industry Updates and a compilation of global best practice sharing
- Enhanced Product information
- Subscribe to a source of thought leadership articles through e-news
- Contact details for the expanded network of customer support across multiple geographies including Asia and UAE

As a global company operating in 19 countries, we are acutely aware of the important role that the web site has in the selling and servicing of the payment solutions we provide. Given the broad geographic spread of our Clients the website delivers a cost effective way for both marketing and selling.

The need to update our old site and to have a contemporary and fully functional site was critical. We undertook an extensive search process in order to select a web designer that we felt would be able to meet our needs. The winning agency was AMG based in Auckland.

The decision to hire AMG was based on their ability to translate our IT solutions into an International market place reflecting different cultures and attitudes. We think AMG have done an outstanding job for GFG and look forward to hearing back from you on your thoughts and experience with our new website.

Pen Hunt from AMG said, *"GFG Group required a contemporary website revamp that was fast loading and easy to navigate. AMG designed a clean, contemporary website that reflected the global nature of their business. A dynamic pop-out navigation menu was created for ease of use."*

Expanded presence in Asia

In 2009, GFG was able to develop significant opportunities in 15 key target markets in Australasia, Asia and the Middle East. We continued to make good progress in our desire to grow market share in Card Management Solutions and Mobile Payments. Each of these markets has its own challenges but 2009 we were able to capitalise on a number of key opportunities by executing on a tightly focused strategy.

An integral part of positioning the organisation for further growth in 2010 and delivering local support for clients was the appointment of several senior industry experts based in Asia.

Miguel Warren has joined GFG as VP Sales Asia, based in the GFG Manila office. Miguel has comprehensive experience in IT, with roles spanning sales/account management, pre-sales, and project management. He was previously responsible for the Philippine operations at FIS, one of the world's top providers of core banking, channels and payment solutions to the financial services industry. Prior to FIS, Miguel worked with Sybase, a US-based technology company, where his main responsibility was technical pre-sales and consulting for business intelligence projects in Asia.

Ismael Lavergne is the VP Mobile Sales in the GFG Singapore office. Ismael has extensive experience in the mobile / mobile payment industry with a focus on Asia. He worked with FERMA for 8 years, managing sales and operations for Asia in the early 2000's. His expertise in prepaid top-up and messaging systems led to collaboration with more than 30 mobile carriers. Ismael's passion for the mobile payment industry has led him to collaborate with ViVOtech as a Business Development Director for NFC services.

Along with both of these experts, the existing highly skilled and experienced GFG Sales team will continue to provide support to all of the GFG clients in Asia and the developing markets.

Commitment to continue innovating

The total investment in GFG's IP exceeds US\$60 million and has required a balance of astute technology combination, practical design and effective use of investment dollars. Investment has been contained through disciplined focus balanced with business needs.

GFG will continue to strategically invest and continue to innovate its core product offerings. An example was the roll out last year of the new product releases based on Java for GFG's two payment platforms – Simfonie for mobile payments solution and Cadencie for card management solutions.

GFG is uniquely positioned and structured to take advantage in the markets its operates and with the support of our current shareholders will remain debt free, profitable and well placed to deliver in 2010 based on the stellar performance in 2009.