



Stored Value and International Remittances

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1.- The International Remittances Market

2.- US Market Overview

3.- The Opportunity

4.- About EMIDA and the PUNTOflex Network

- Latin America is now the fastest growing and highest volume remittance market in the world.
- Remittances from US to Latin America constitute the highest volume remittance market in the world (31% of the total \$103 billion remitted to developing countries in 2002)
- Remittances to Latin America in 2004 reached over US\$ 45 billion.
- This amount exceeded the combined flows of all Foreign Direct Investment (FDI) and net Official Development Assistance (ODA) to the Region.
- These flows substantially exceed tourism income to each country, account for at least 10% of GDP in six countries, and almost always exceed the largest export.

Source: "Remittances 2004: Transforming Labor Markets and Promoting Final Democracy",
Inter-American Development Bank

- An estimate of 175 million separate remittance transactions take place, almost all of them outside of the formal financial system.
- Transaction costs to send remittances have been cut in half over the past 5 years; but at 7% still remain too high.
- Remittances are used, for the most part to pay for basic family needs (food, clothing and shelter).
- Remittances represent approximately:
 - ✓ 10% of the senders household income
 - ✓ Between 50% - 80% of the recipients household income, depending on the country.
- 40% - 50% of Hispanics living in the US are unbanked.
- The percentage of remittances recipients living in Latin America who have a bank account is estimated at less than 10%

Latin American Market Overview:

Country	2003 GDP ⁽¹⁾ (in millions of US\$)	2003 Remittances Received ⁽²⁾ (in millions of US\$)	As % of GDP	2004 Remittances Received ⁽²⁾ (in millions of US\$)	Δ% 2004 vs 2003
Mexico	626,080	13,266	2.12%	16,613	25.2%
Brazil	492,338	5,200	1.06%	5,624	8.2%
Colombia	77,559	3,067	3.95%	3,857	25.8%
El Salvador	14,396	2,316	16.09%	2,548	10.0%
Dominican Republic	15,915	2,217	13.93%	2,438	10.0%
Guatemala	24,730	2,106	8.52%	2,681	27.3%
Ecuador	26,913	1,656	6.15%	1,740	5.1%
Jamaica	7,817	1,425	18.23%	1,497	5.1%
Peru	61,011	1,295	2.12%	1,360	5.0%
Cuba	n/a	1,194	n/a	n/a	n/a
Haiti	2,745	977	35.59%	1,026	5.0%
Honduras	6,978	862	12.35%	1,134	31.6%
Nicaragua	4,100	788	19.22%	n/a	n/a
Bolivia	8,024	340	4.24%	422	24.1%
Costa Rica	17,482	306	1.75%	306	0.0%
Venezuela	84,793	247	0.29%	259	4.9%
Argentina	129,735	225	0.17%	270	20.0%
Panama	12,916	220	1.70%	n/a	n/a
Guyana	742	137	18.46%	143	4.4%
Trinidad & Tobago	10,201	88	0.86%	93	5.7%
Belize	928	73	7.87%	77	5.5%
Uruguay	11,182	42	0.38%	105	150.0%
Total	1,636,585	38,047	2.32%	42,193	10.9%

Sources: (1) World Bank, 2003 and (2) Inter-American Development Bank - IADB

Remittances Received by Country: 2004



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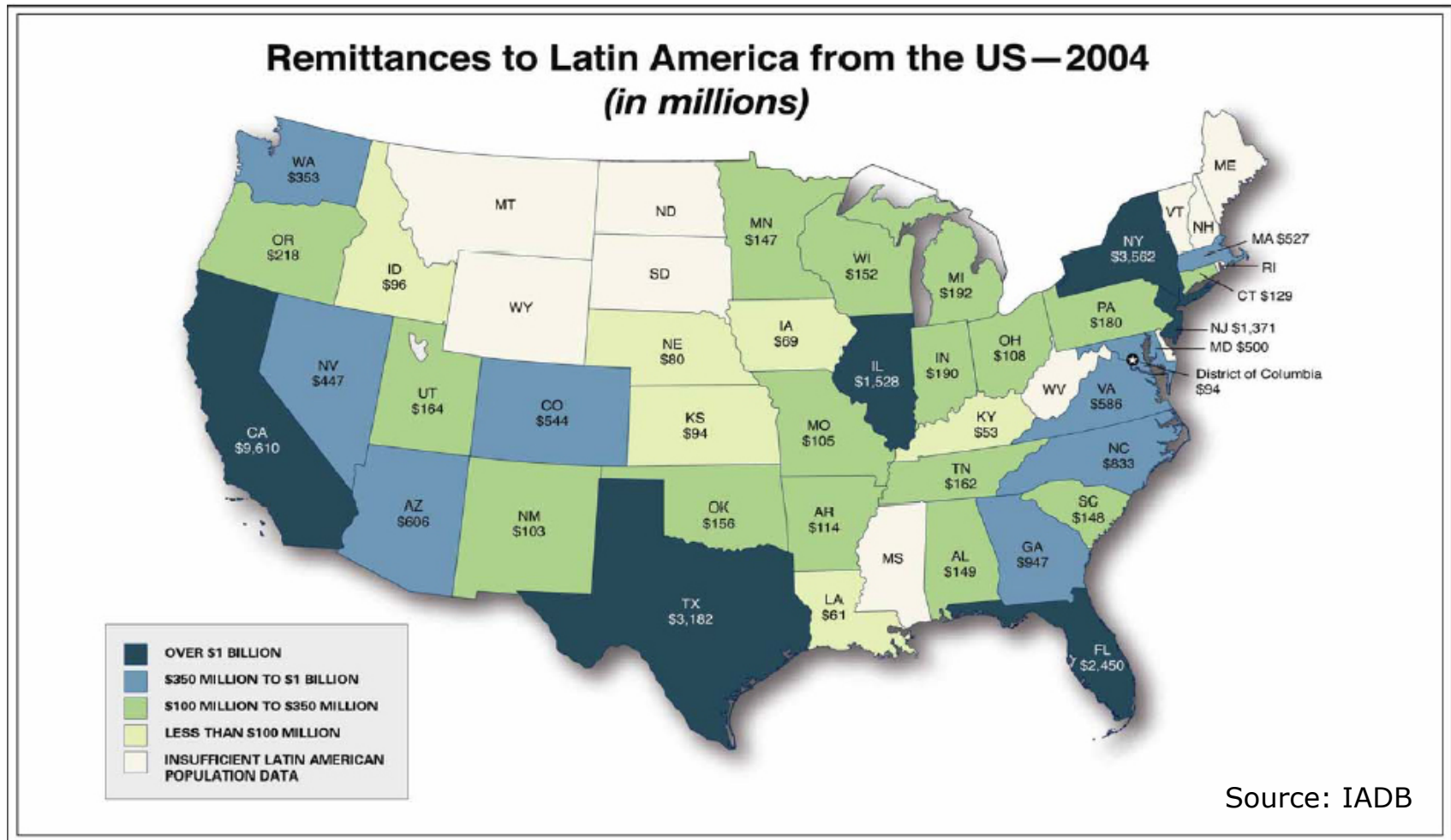
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US Hispanics: Facts and Figures

- 39.9 million Hispanics in the U.S. in 2003 - grew 57% from 1990 to 2000
- Hispanics are the largest minority group in the US, and are expected to make up 25% of the U.S. population by 2050
- 40% - 50% of US Hispanics are unbanked
- Largest users of money transfer and prepaid services with very limited banking relations.
- Very family oriented culture – more than \$40 billion remitted to Latin America in 2004 – more than 75% was by immigrants in the US
- 42% of adult foreign-born Latinos send money regularly to their home countries
- Estimated \$600 billion spending power, expected to reach \$926 billion by 2007

Money Transfer:

**Over \$30 Billion dollars were sent in 2004
from the U.S. to Latin America & the Caribbean**



Top 10 US States by Remittances Sent to Latin America - 2003

State	\$ (in 000's)	% of Total Remittances	Number of Latin American Immigrant Adults	% that Send Remittances	Times Sent per Year	Avg Amount Sent per Remittance
California	\$9,610	31.88%	5,378,555	64%	11.9	\$235
New York	\$3,562	11.82%	1,428,614	81%	13.7	\$225
Texas	\$3,180	10.55%	2,547,203	43%	12.9	\$225
Florida	\$2,450	8.13%	1,796,959	47%	12.6	\$230
Illinois	\$1,528	5.07%	830,020	66%	12.4	\$225
New Jersey	\$1,371	4.55%	606,479	68%	14.2	\$235
Georgia	\$947	3.14%	345,253	81%	13.3	\$255
North Carolina	\$833	2.76%	290,877	84%	14.2	\$240
Arizona	\$606	2.01%	535,119	42%	11.2	\$240
Virginia	\$586	1.94%	219,417	84%	13.2	\$240
Total Top 10	\$24,673	81.86%	13,978,496	66%	13.0	\$235
Remaining States	\$5,467	18.14%	2,722,634	56%	12.6	\$245
Total	\$30,140	100%	16,701,130	61%	12.6	\$240

Source: "Sending Money Home: Remittances to Latin America from the US", IADB 2004

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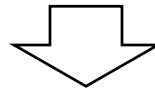
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Trends

- Industry Buzz: Everyone is talking about Hispanic non-bank convergence of prepaid, money transfer, store value. All major processors, FI's, Card Franchises, Retailers, MT, and other players want in the game.
- Market Distortion: No clear sign on what is technology/network possible and what is commercially viable, Retailer, banks and MT's have their options open on how to attack the market.
- Market Setting Trends: Size, Distribution Agreements and Multi-Product Networks will drive scale. Business still in its infancy.



Today we are moving on the right path, however distribution agreements and achieving scale will be key for success. New local and regional players will intensify competition.

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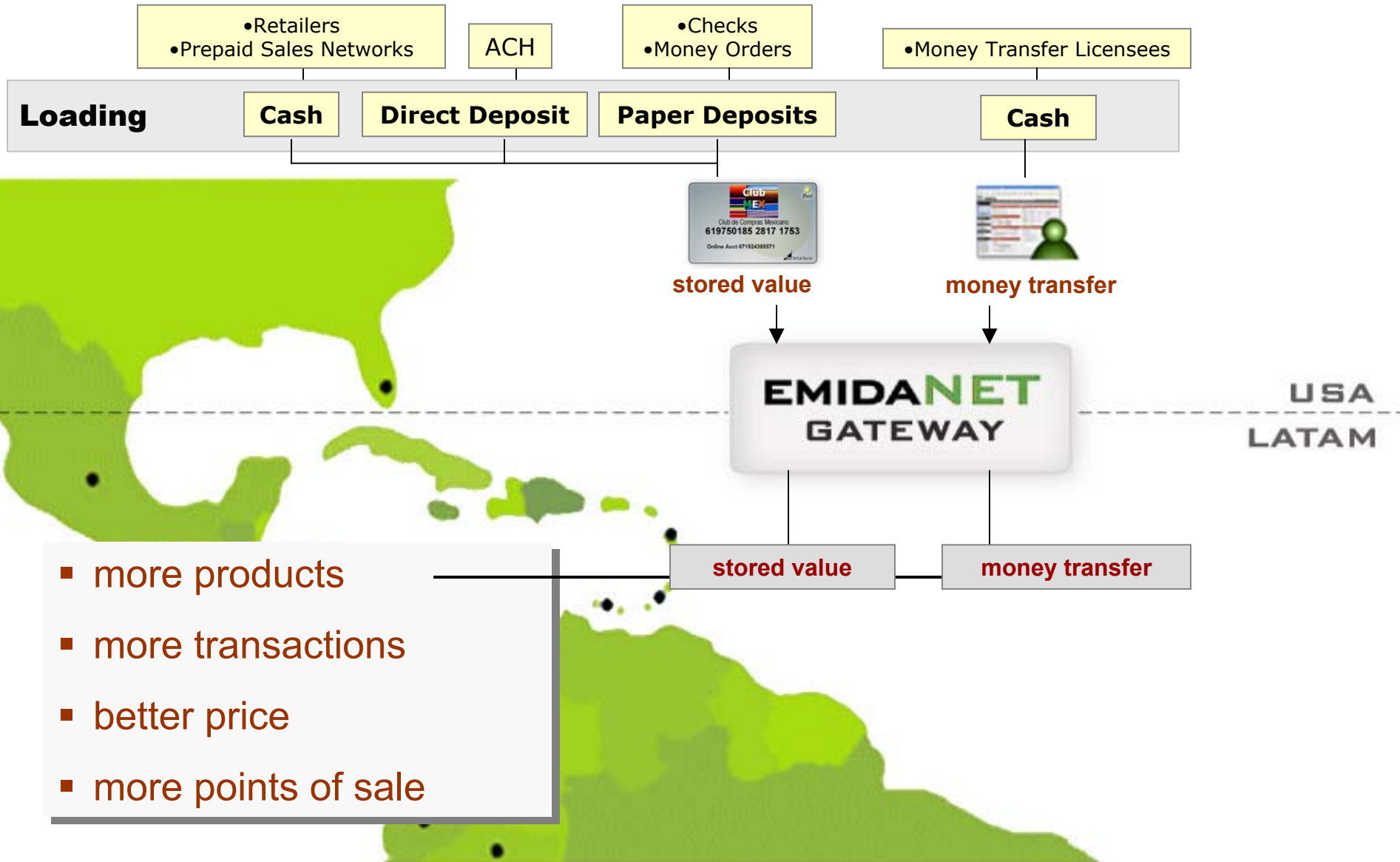
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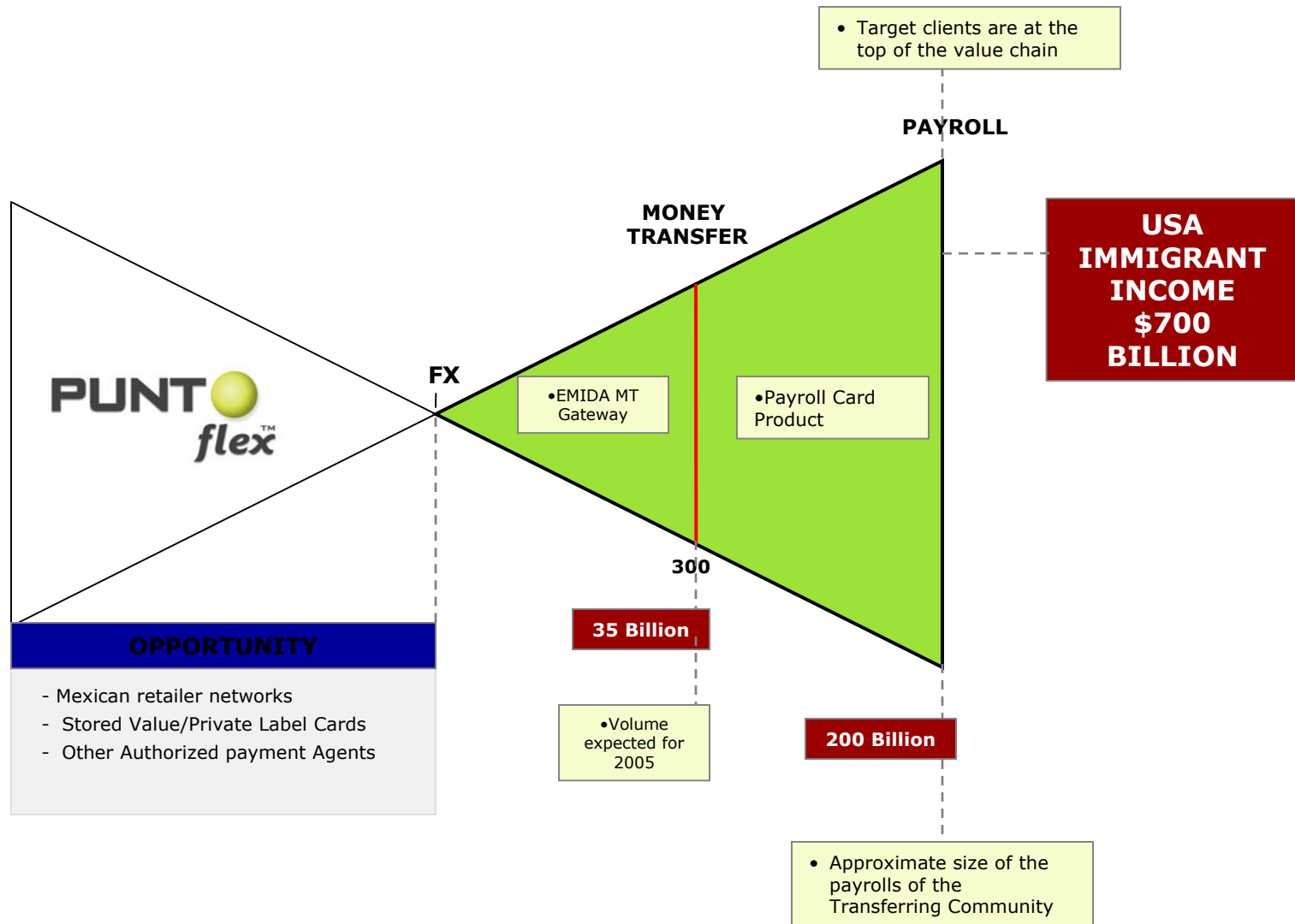
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Emida is deploying the PUNTOflex network, a widespread electronic payment transaction-processing network focused on the Latin American and Global Hispanic markets

- Emida provides a centralized turn-key technology platform to manage three business segments:
 - Prepaid Services Distribution
 - Money Transfer
 - Stored-Value Card Processing
- Emida continues to establish significant market presence by partnering with local payment networks that focus on the unbanked population
- The company is partnering with major payment, retail and bank brands to service a population of over 250 million which is steadily joining the banked economy via prepaid cards as payment instruments





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Market Position:

- 8 Markets in operation (Mexico, Guatemala, Peru, Ecuador, Colombia, Venezuela, Dominican Republic and Aruba)
- Largest Known country footprint in the market for non-bank transaction network for Hispanics and Latin America outside of MT companies.

Investors:

- **Latin American Enterprise Fund:** Largest Independent Investment Fund in Latin America with over US\$500 million in investments. Among their investors are: Harvard Endowment and the IFC.
- **GRP Partners:** US Investment Fund with over US\$600 million in assets. Among their investors are: Carrefour (France) and Paul Allen (Microsoft Co-founder).
- **Rick L. Scott Investments:** Richard L. Scott Investments, LLC was established in 1997 by Richard L. Scott, founder and former Chairman and CEO of Columbia/HCA Healthcare Corporation (later renamed HCA, Inc.), one of the world's largest healthcare services companies
- **Other Latin American Financial, Media and Industrial Groups:** Important Industrial and Media Groups in Latin America.

QUESTIONS?

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