

emERCHANTS

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ASX Market Announcements
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

EMERCHANTS PARTNERS WITH SAVVY FLEET AND SALARY

EmERCHANTS Limited (**emERCHANTS**) (ASX:EML) is pleased to announce that it has partnered with Savvy Fleet and Salary Pty Ltd (**Savvy**) to provide salary packaging solutions.

Products

Under the partnership, emERCHANTS and Savvy will introduce a range of prepaid card solutions for:

- novated motor vehicle leases for all categories of Australian employers, including small to large corporations and government organisations;
- salary packaging programs, including novated leases, for the public benevolent institution (**PBI**) and not-for-profit sectors; and
- salary packaging programs, including novated leases, for the public hospital sector.

Market

The novated lease market and PBI market in Australia is significant. The novated lease market encompasses all organisations in Australia that offers novated leases to their employees and includes all government agencies.

The PBI market is estimated to encompass approximately 1.2 million employees (Source- *Catholic Services Australia Report to the Australian Government Productivity Commission June 2009*).

About Savvy

Savvy is a company that specialises in the field of employee benefit delivery.

Savvy's executive team has a depth of experience in this field that spans from the creation and implementation of novated leases in 1988 through to its latest development in salary packaging.

For the past 25 years, members of Savvy's executive team have written industry publications, created benefit control systems, managed the Australian Defence Department's Employee Benefit Programme, founded Smartsalary Pty Ltd and were an integral part of the creation and implementation of Westpac's Employee Benefit Card, Meal and Entertainment Card and Leisure and Accommodation Card.

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Savvy has reviewed the alternatives in relation to emerging technology, processes, and costs in providing novated leases and salary packaging benefits. The result has been partnering with emerchants to utilise the advanced payment technology that emerchants has created.

Tom Cregan, Managing Director of emerchants commented *“emerchants has been investigating the application of our card technology for the salary packaging market for over 12 months and we are pleased to be working with Savvy to position our card programs as the centrepiece for employee benefit programs.*

We expect the first cards to be delivered to customers in the coming months, including the employees of the ACT Government. The sales cycle for salary packaging is not unlike our traditional corporate programs and can take upwards of 12 months, so we see this as a strategic long term positioning in a large segment of the payments market in Australia.”

Alex Paine, CEO and co-founder of Savvy stated *“We are delighted to be working with emerchants and we believe we can differentiate our salary packaging services by using emerchants card technology to streamline processes, deliver increased flexibility for the employer and employee, and to do so at a lower cost than offered by the current salary packaging providers.*

Although novated leases were first introduced in 1988 and are an important employee benefit, fleet managers and salary packaging bureaus still use administration systems that include manual intervention, pre-authorisation of expenses, reimbursements and a variety of processes to manage FBT and payments. Employees pay up to \$600 per year to have their novated lease managed through their salary package.”

For more information on Savvy, please refer to their website at www.savvyfleet.com.au.

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About emerchants Limited

emerchants is led by Managing Director, Mr Tom Cregan, and is a financial services company that specialises in the pre-paid financial card market. emerchants is focused on the twin goal of delivering high quality payment systems to its customers and superior returns to its shareholders.

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