

UK Gift Card Sales up 194% says Europe's Biggest Prepaid Issuer

A record 194% increase in the sale of UK giftcards has been announced following new figures [from the last quarter of 2009] released by the leading issuer of prepaid cards in the UK and Europe, Newcastle Building Society (NBS).

NBS, through its Card Solutions division, and veteran gift card programme manager Flex-e-Vouchers (FEV), sold almost half a million (484,000) of its gift cards in the run up to Christmas (October to December 2009). These cards had a total load value of £16.1M across 76 shopping centres where FEV giftcards are available, far exceeding predicted sales of 350,000.

Approximately 60% (£10m) of the load value occurred in December alone, which according to Kritya Patel, Head of Card Solutions, indicates a preference towards giftcards over the more traditional paper voucher.

He said: "With the rapid growth of giftcard sales this Christmas, we're expecting 2010 sales to exceed paper voucher sales for the first time ever. FEV has an unrivalled footprint across UK shopping centres with more than 80 giftcard schemes meeting this growing demand. This is testament to the experience we have at Newcastle's Card Solutions division and our partnership with FEV."

Tony Kerr, Managing Director of Flex-e-Vouchers commented: "FEV was one of the first major players in the UK gift card market. Now we're seeing giftcards become mainstream in the eyes of consumers, which was way beyond our predictions for Christmas 2009. Gift cards offer the convenience and security of cash cards and as more consumers realise these benefits we're expecting further growth.



"Through our partnership with Newcastle's Card Solutions we're confident we'll continue to dominate the gift card market and we aim to expand our distribution across more shopping centres throughout the UK and Europe."

As a licensed issuer of E-money, Newcastle Building Society provides expertise in the prepaid card industry having now launched more than 200 prepaid card programmes on the MasterCard® and Maestro® platforms.

ENDS

Notes to editors:

For further information please contact:

Natalie Falkous
Corporate Communications Manager
Newcastle Building Society
0191 244 2024

Emma Bowden
Wriglesworth
0207 427 1400

About Newcastle Building Society (www.newcastle.co.uk)

Newcastle Building Society is the biggest building society based in the North East and one of the strongest mutual building societies in the country. With assets of over £4.5bn we are certainly large enough to cope but small enough to care deeply about the needs of our members. We are committed to providing a range of innovative and attractive products.

Newcastle Building Society is committed to remaining mutual and by doing so we feel we are better placed to continue to provide our investors with the quality of service expected from one of the country's strongest building societies.

Newcastle Strategic Solutions Limited (NSSL) (www.nssl.info)

NSSL is the financial services outsourcing division of Newcastle Building Society and provides cost effective financial solutions to help businesses maximise their income potential. NSSL's four core services are:

- Fully Managed Savings Accounts
- Mortgage Management Services
- Savings and Loans Systems
- Card Solutions (through Newcastle Card Solutions Ltd (NCS))

Since its inception in 1997, and with a client portfolio of UK and international financial institutions, NSSL is now the most trusted and experienced partner in its industry, offering the security of being backed by a mutual building society. NSSL strives to be at the forefront in quality and technological innovation and its award-winning team works with clients to create fast, flexible and bespoke business solutions.

Card Solutions

Card Solutions offers BIN sponsorship, card issuance, settlement services and complete regulatory compliance. It is currently ranked as the largest provider in UK and Europe by MasterCard® on monies settled, and third globally on MasterCard® prepaid network, with



over 200 live schemes. It has over 1 million of its issued cards active month on month carrying out over 1,700,000 transactions.

Card Solutions issues a range of card programmes including:

- Debit cards
- Retail gift cards - replacement of paper gift token.
- Teen cards - 13-plus age introduced to card holding.
- General spend cards for adults without access to banking facilities.
- Travel cards - Safe convenient alternative to travellers cheques.
- Corporate incentive cards - cards issued direct to employees as reward payments.
- Payroll and Payroll Plus cards - salary payments for employees.

The Society is a MasterCard® Principal Member, with the most MasterCard® approved prepaid programmes in the UK. We hold a SEPA licence and have live programmes in the UK, Ireland, Germany, Belgium, Poland, Spain, Italy, Portugal and Hungary.

About Flex-e-vouchers Limited

Flex-e-vouchers Limited is the leading provider of Prepaid Shopping Mall Gift Card Programme Management Services in Europe. The Company operates Gift Card programmes in the UK and Europe with clients including Westfield, Capital Shopping Centres, Hammerson, PruPIM, Land Securities, Simon Ivanhoe, Grosvenor, Capital & Regional, Henderson Global Investor and UBS. The Company issued over 450,000 prepaid cards in Q4 2009 alone and its programmes produce combined sales of over £35m per annum.

Flex-e-vouchers prepaid Gift Card programmes provide a flexible customer service that drives customer loyalty and generates a positive revenue stream for its shopping mall clients. The programmes are underpinned by proprietary, web-enabled technology. The Company's retail, back office administration & financial control systems not only mitigate risk and guarantee operational control but also provide its clients with significant management information reporting and valuable consumer data.