

President of Ant Financial discusses "Euronet and its Hostile Proposal for MoneyGram"
Wednesday, April 12, 2017 11:14:57 AM (GMT)

- Highlights (full statement in PR linked below):
 - Euronet has sought to create phantom national security arguments and encouraged political interference in a commercial transaction. A closer examination of Euronet's self-serving claims demonstrates that its hostile bid for MoneyGram does nothing to advance American interests.
 - There is a reason the company is named "Euronet" – its operations are far from being American; rather they are primarily in Eastern Europe where the company was founded and is still heavily concentrated. Over 85% of its assets are outside of the U.S.
 - At its U.S. headquarters, it has just 150 employees according to the Kansas City Business Journal.
 - Nearly all of Euronet's servers and data centers where its customer information resides are located outside of the U.S., according to public filings. Euronet has just two data facilities in the U.S.
 - Euronet was recently fined millions of dollars by regulators for a massive data breach that exposed more than 2M credit card accounts, which raises real questions about its data security.
 - Euronet derives only 28% of its revenue in the U.S. and pays virtually no tax in the U.S., according to its annual report to shareholders. Last year, Euronet paid zero U.S. tax and over the last decade only 4% of all taxes paid were paid in the U.S.
 - Further, Euronet has disclosed it has been penalized by tax authorities for underpaying taxes. In March of this year, Euronet announced it has no intention to bring its profits to the U.S. where it would have to pay taxes.
 - Euronet has told investors it plans to cut \$60M in costs if it acquires MoneyGram, which would inevitably impact U.S. facilities and employment, leading to significant U.S. job cuts.
 - Euronet's acquisition of MoneyGram would reduce competition by consolidating the industry from three U.S. players to two.
 - Ant Financial's acquisition of MoneyGram will preserve three U.S. players and through Ant Financial's significant investment and expansion plans, enhance competition, which will benefit U.S. consumers.
 - Following its acquisition by Ant Financial, MoneyGram will continue to independently operate all its data systems and Ant Financial will not have access to any U.S. customer data. Additionally, the entire Texas-based MoneyGram management team and all of its employees in the U.S., including the data security team, will remain in place at MoneyGram. Ant Financial intends to invest significant additional money and resources in MoneyGram, including expenditures to maintain the highest standards of data security and user privacy. This capital and resources will also be used to grow MoneyGram's U.S. workforce and provide its employees with more growth opportunities. As part of Ant Financial, MoneyGram will continue to pay U.S. federal and state taxes.

Reference Links:

- [Setting the Record Straight on Euronet and its Hostile Proposal for MoneyGram](#)

Industries: Consumer Financial Services, Business Services

Primary Identifiers: EEFT-US, MGI-US

Related Identifiers: EEFT-US, MGI-US

Subjects: Mergers and Acquisitions, M&A Other Announcements

Related Stories:

- [MoneyGram rejects Euronet's \(EEFT\) claims that a Ant-MoneyGram takeover would pose security risks -- FT](#)
- [Euronet \(EEFT\) points to security risks in Ant-MoneyGram takeover -- FT](#)
- [MoneyGram enters into confidentiality agreement with Euronet Worldwide \(EEFT\) to further consider Euronet's unsolicited proposal](#)
- [MoneyGram board determines Euronet \(EEFT\) offer could reasonably be expected to result in a Superior](#)

Proposal

- Follow-up: Euronet Worldwide (EFT) proposes to acquire MoneyGram for \$15.20 per share