

(17) Valuation and Qualifying Accounts

	Balance at January 1	Additions charged to expense	Amounts written off	Balance at December 31
	<i>(in thousands)</i>			
1998				
Allowance for doubtful accounts	\$ —	\$ 291	\$ —	\$ 291
1999				
Allowance for doubtful accounts	\$ 291	\$ 90	\$ —	\$ 381
2000				
Allowance for doubtful accounts	\$ 381	\$ 408	\$ 49	\$ 740

(18) Stock Plans

The Company has established a share compensation plan that provides certain employees options to purchase shares of its common stock. The options vest over a period of five years from the date of grant. Options are exercisable during the term of employment or consulting arrangements with the Company and its subsidiaries. At December 31, 2000, the Company has authorized options for the purchase of 6,463,991 shares of common shares, of which 4,584,508 have been awarded to employees and 2,441,928 remain unexercised.

In accordance with a shareholders' agreement dated February 15, 1996 and amended on October 14, 1996, Euronet reserved 2,850,925 common shares for the purpose of awarding common shares ("milestone awards") to certain investors and options to acquire common shares ("milestone options") to the founders, management and key employees. The Company granted 800,520 milestone awards at an exercise price of \$0.02 per share and 2,050,405 milestone options at an exercise price of \$2.14 per share.

Upon the initial public offering of the Company on March 6, 1997, all milestone awards and milestone options granted under the milestone arrangement (with the exception of 49,819 options to certain key employees which vested equally over the two years following the initial public offering) vested and all shares became immediately issuable to beneficiaries of milestone awards and options. At that time, 800,520 milestone awards and 232,078 milestone options were exercised. As of December 31, 2000 1,428,303 milestone options remain unexercised.

Share option activity during the periods indicated is as follows:

	Number of Shares	Weighted-Average Exercise Price
Balance at December 31, 1997 (1,984,365 shares exercisable)	2,798,206	\$ 2.67
Granted	941,396	5.87
Granted in Arksys acquisition	63,410	4.44
Exercised	(80,132)	2.13
Forfeited	(100,289)	6.23
Balance at December 31, 1998 (2,174,412 shares exercisable)	3,622,591	\$ 3.46
Granted	1,140,830	5.02
Exercised	(228,503)	1.46
Forfeited	(233,194)	5.09
Balance at December 31, 1999 (2,379,729 shares exercisable)	4,301,724	\$ 3.87
Granted	1,237,000	7.24
Exercised	(390,231)	2.43
Forfeited	(563,985)	6.00
Balance at December 31, 2000 (2,441,928 shares exercisable)	4,584,508	\$ 4.65