

Friday, October 10, 2008

**OPTIMAL GROUP SELLS PAYMENT-PROCESSING BUSINESS:** The Optimal Group Inc. is one step closer to getting out of the payment-processing business. Montreal-based Optimal Group said this week it sold its card-not-present transaction-processing business, Optimal Payments, to Card One Plus Ltd., a Toronto-based prepaid card and payments-services company, according to a U.S. Securities and Exchange Commission document the company filed this week. Optimal Group says Card One Plus paid US\$7 million (5.1 million euros) for the business, which operates in Canada, Ireland, the United Kingdom and United States. Card One Plus also took over the headquarters of the Optimal Payments unit and says it will retain the Optimal Payments name. Optimal Group announced earlier this year it was seeking buyers of its payments operations, which also include card-present transaction processing in Canada. In August, the company said it planned to sell the card-present operations to Sterling Payment Solutions Inc. for \$2 million. The companies expected the deal to close by 29 Aug., but CardLine Global was unable to confirm the closure in any SEC filings. Sterling Payment and Optimal Group officials could not be reached for comment. In August, Optimal Group said it would keep its U.S.-based card-present transaction business because it continued to generate the majority of Optimal's payment cash flow. But the company did not rule out selling that business later, possibly over the next 12 months. In 2007, Optimal Group generated \$123.3 million in revenue, a 36% decrease from \$191.9 million in 2006. The company reported a net loss for the year of \$36.5 million, a reversal from \$12.8 million in net income in 2006.