FIG. 1

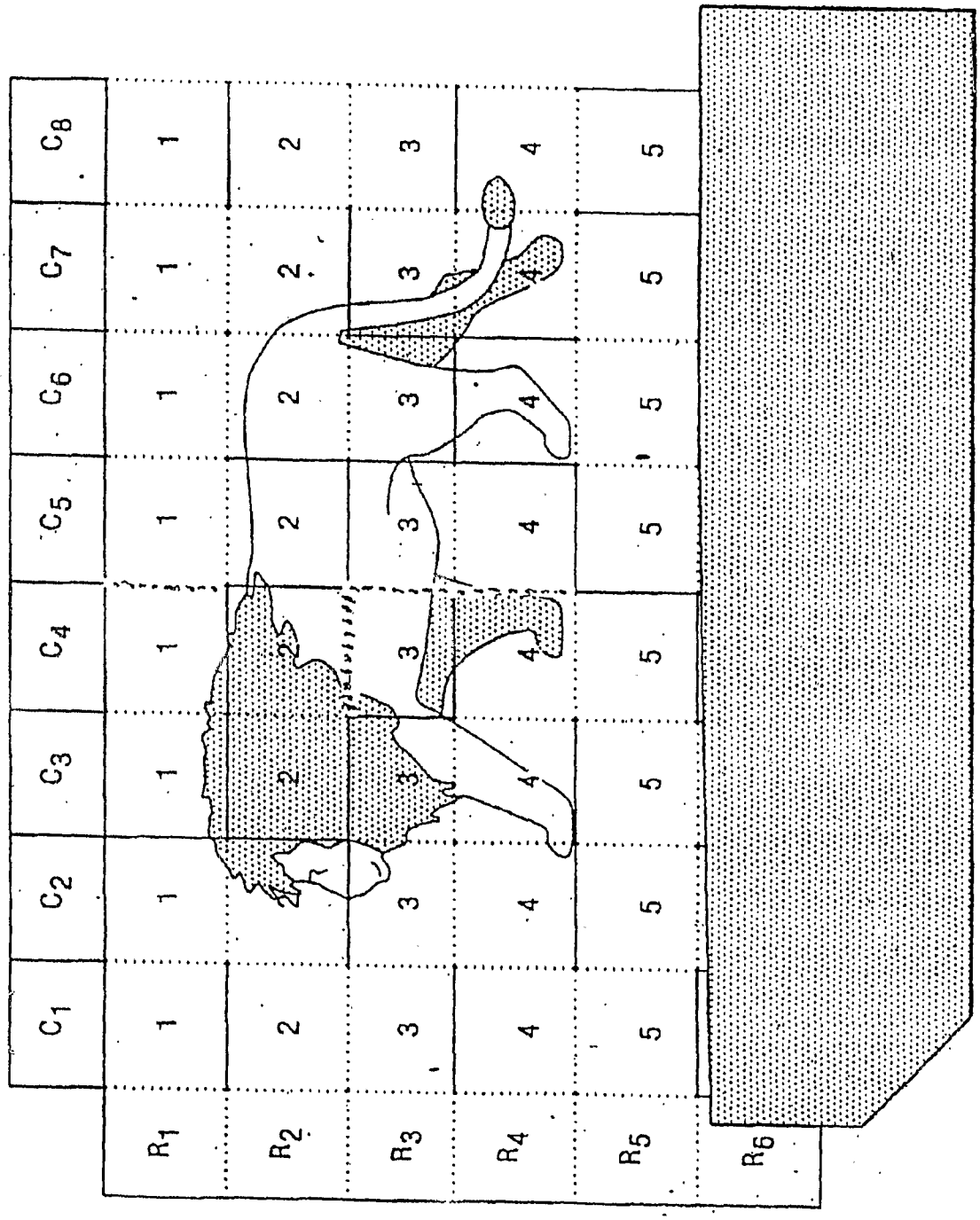
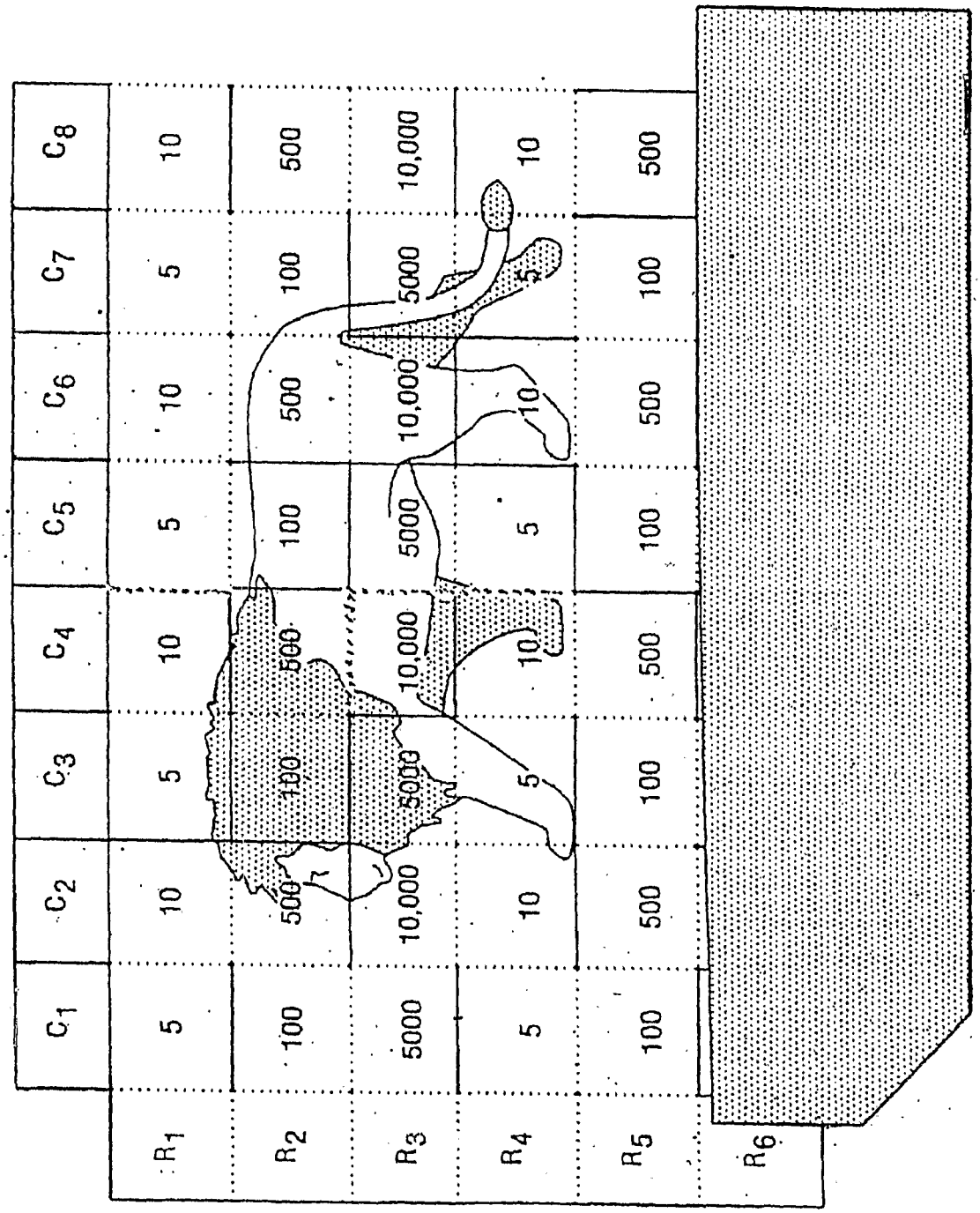


FIG. 2


C1 C2 C3 C4 C5 C6 C7 C8
R1 5 10 5 10 5 10 5 10
R2 100 500 100 500 100 500 100 500
R3 5000 10,000 5000 10,000 5000 10,000 5000 10,000
R4 5 10 5 10 5 10 5 10
R5 100 500 100 500 100 500 100 500
R6

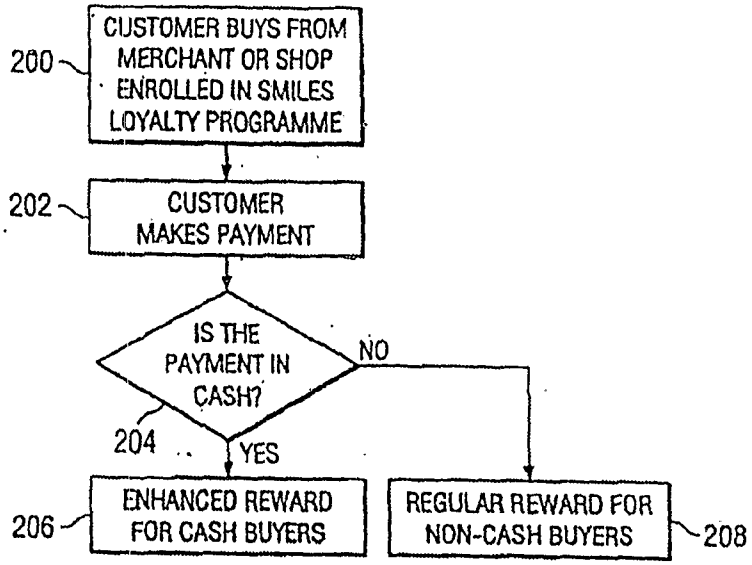

CUSTOMER BUYS FROM MERCHANT OR SHOP ENROLLED IN SMILES LOYALTY PROGRAMME
200
CUSTOMER MAKES PAYMENT
202
IS THE PAYMENT IN CASH?
NO
204
YES
ENHANCED REWARD FOR CASH BUYERS
206
REGULAR REWARD FOR NON-CASH BUYERS
208

*FIG. 3*

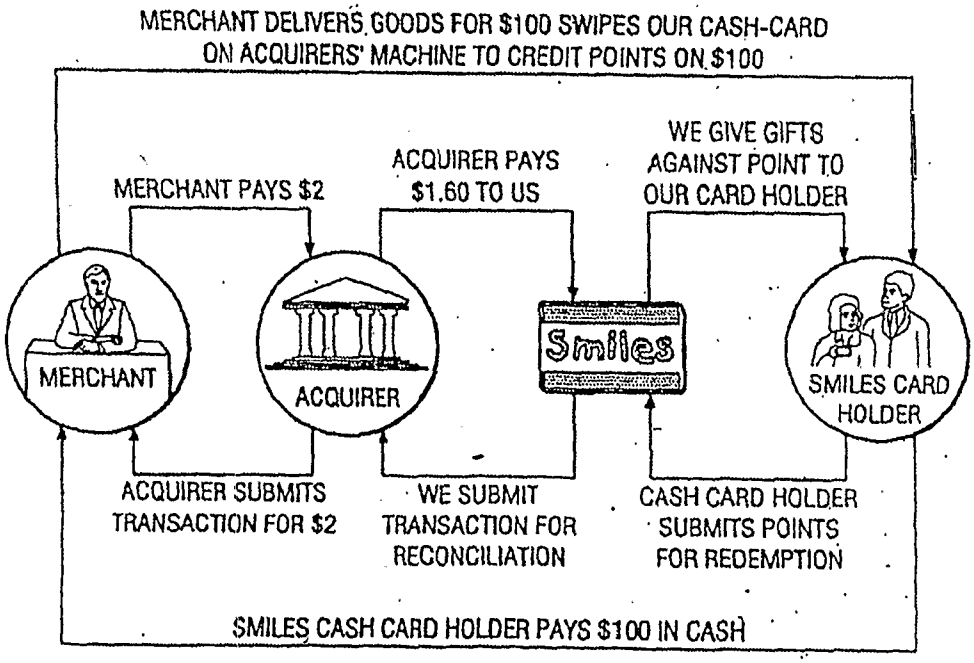

MERCHANT DELIVERS GOODS FOR $100 SWIPES OUR CASH-CARD ON ACQUIRERS' MACHINE TO CREDIT POINTS ON $100
MERCHANT PAYS $2
ACQUIRER PAYS $1.60 TO US
WE GIVE GIFTS AGAINST POINT TO OUR CARD HOLDER
MERCHANT
ACQUIRER
Smiles
SMILES CARD HOLDER
ACQUIRER SUBMITS TRANSACTION FOR $2
WE SUBMIT TRANSACTION FOR RECONCILIATION
CASH CARD HOLDER SUBMITS POINTS FOR REDEMPTION
SMILES CASH CARD HOLDER PAYS $100 IN CASH

*FIG. 4*

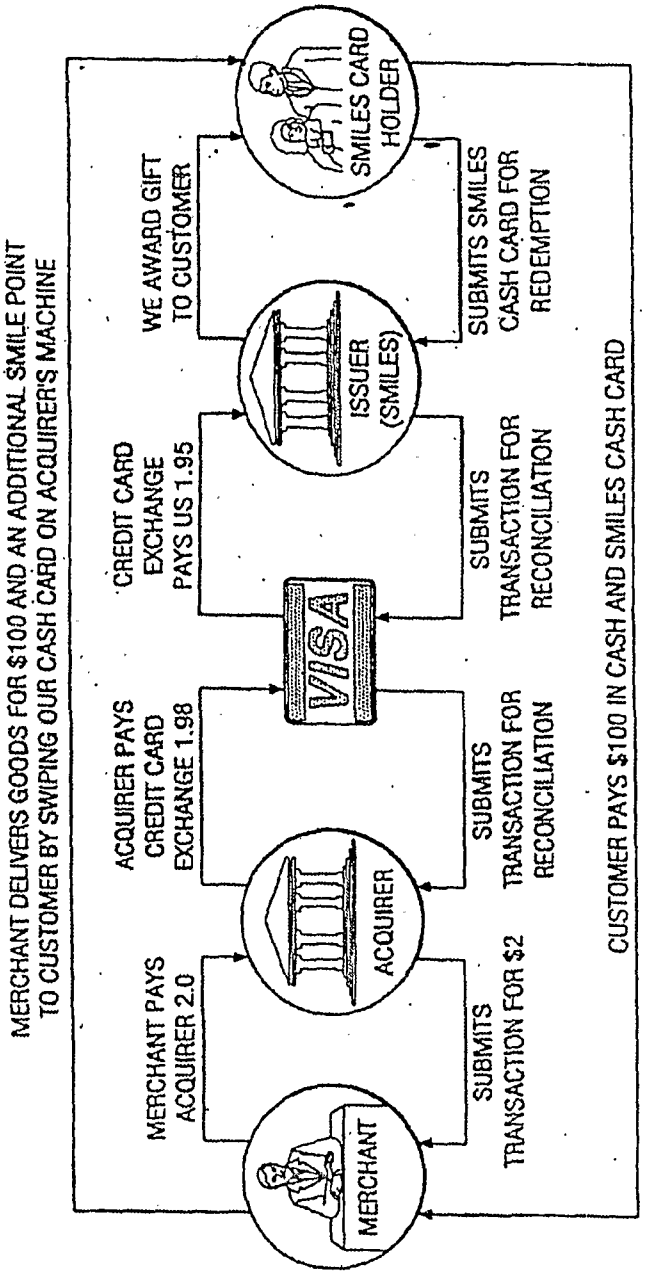

MERCHANT DELIVERS GOODS FOR $100 AND AN ADDITIONAL SMILE POINT
TO CUSTOMER BY SWIPING OUR CASH CARD ON ACQUIRER'S MACHINE
MERCHANT
MERCHANT PAYS ACQUIRER 2.0
SUBMITS TRANSACTION FOR $2
ACQUIRER
ACQUIRER PAYS CREDIT CARD EXCHANGE 1.98
SUBMITS TRANSACTION FOR RECONCILIATION
VISA
CREDIT CARD EXCHANGE PAYS US 1.95
SUBMITS TRANSACTION FOR RECONCILIATION
ISSUER (SMILES)
WE AWARD GIFT TO CUSTOMER
SUBMITS SMILES CASH CARD FOR REDEMPTION
SMILES CARD HOLDER
CUSTOMER PAYS $100 IN CASH AND SMILES CASH CARD

*FIG. 5*

Smiles Cash Points - Transaction Summary

| Date | Reference | Details | Amount Paid In Cash | Points Earned |
|---|---|---|---|---|
| 23.12.03 | 310 | Clay Oven | 450.00 | 9.0 |
| 27.12.03 | 043 | Wesside | 350.00 | 7.0 |

Total amount of Purchase in Cash 800.00

Points Earned 16.0

Total amount due 00.00

*FIG. 6A*

Smiles Cash Points + Credit Card - Transaction Summary

| Date | Reference | Details | Amount Paid In Cash | Amount Paid Through Credit Card | Points Earned |
|---|---|---|---|---|---|
| 23.12.03 | 310 | Clay Oven | 450.00 | | 9.0 |
| 27.12.03 | 043 | Wesside | | 350.00 | 3.5 |

Total amount of Purchase in Cash 450.00

Points Earned 12.5

Total amount due 350.00

*FIG. 6B*

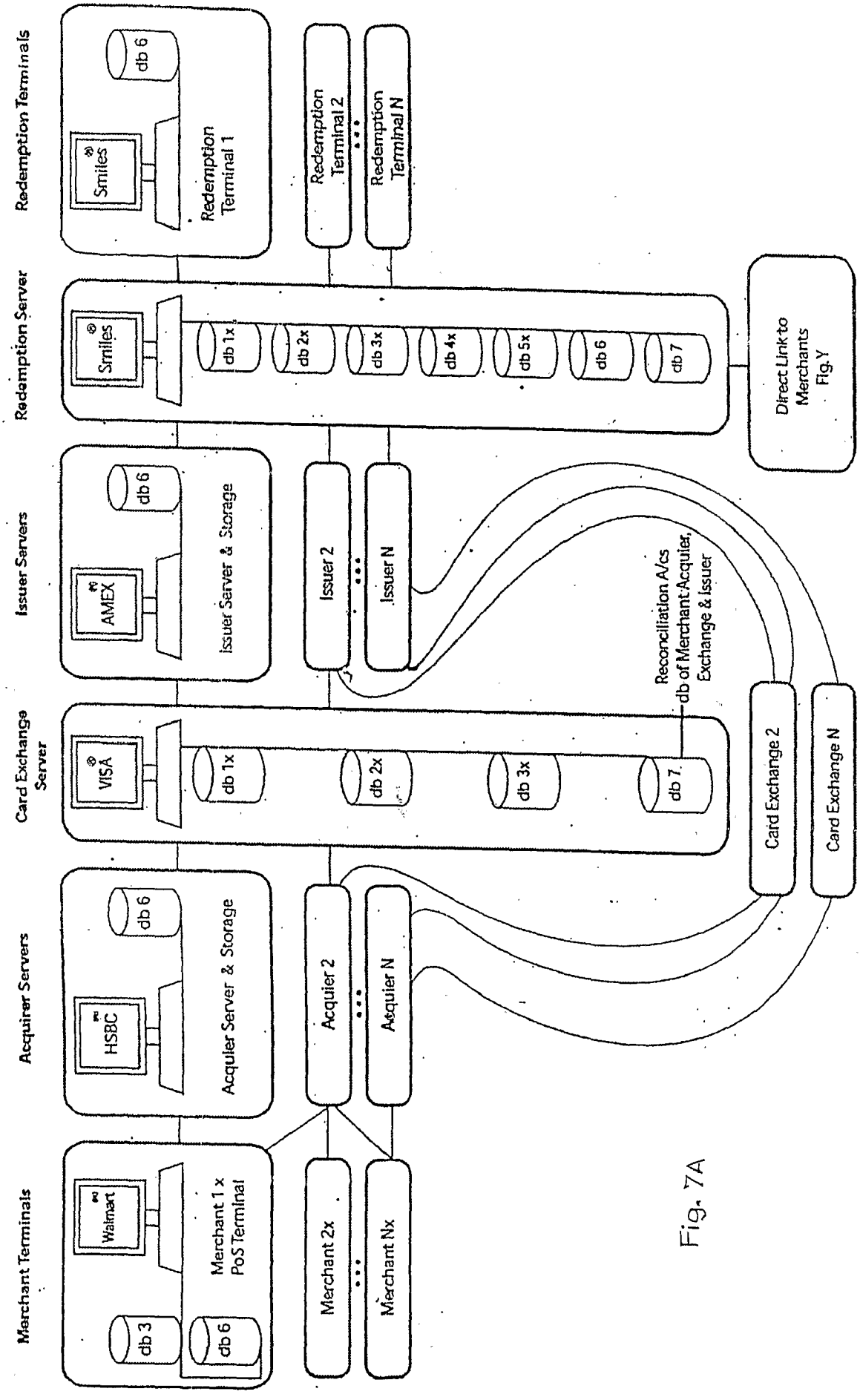

Merchant Terminals
Acquirer Servers
Card Exchange Server
Issuer Servers
Redemption Server
Redemption Terminals
Walmart
Merchant 1 x PoS Terminal
db 3
db 6
HSBC
Acquier Server & Storage
db 6
VISA
db 1x
db 2x
db 3x
db 7
AMEX
Issuer Server & Storage
db 6
Smiles
db 1x
db 2x
db 3x
db 4x
db 5x
db 6
db 7
Smiles
Redemption Terminal 1
db 6
Merchant 2x
Merchant Nx
Acquier 2
Acquier N
Issuer 2
Issuer N
Redemption Terminal 2
Redemption Terminal N
Reconciliation A/cs db of Merchant:Acquier, Exchange & Issuer
Card Exchange 2
Card Exchange N
Direct Link to Merchants Fig.Y

Fig. 7A

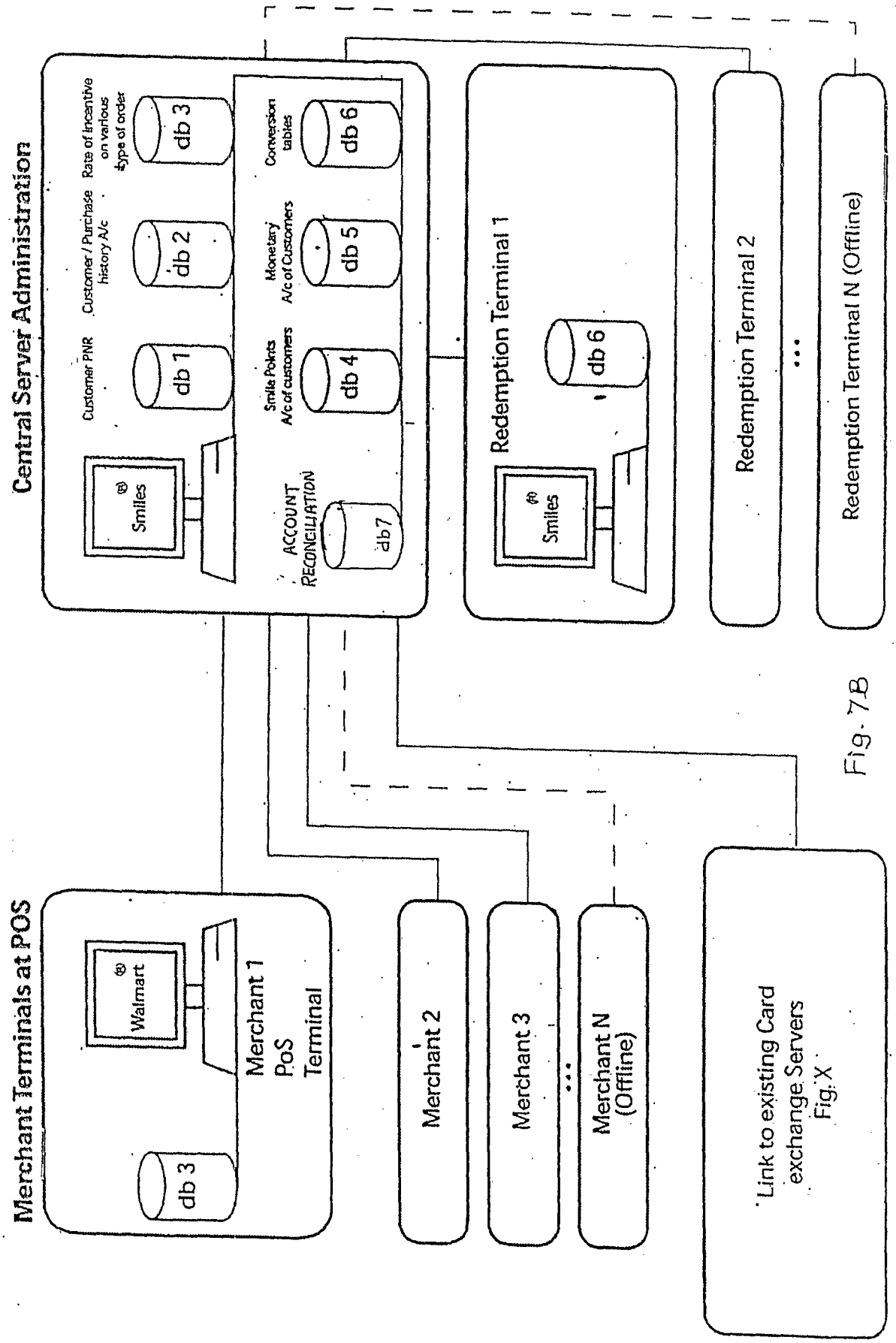
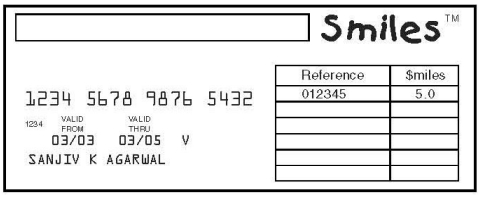

Central Server Administration
Customer PNR
db 1
Customer / Purchase history A/c
db 2
Rate of incentive on various type of order
db 3
Smiles Points A/c of customers
db 4
Monetary A/c of Customers
db 5
Conversion tables
db 6
ACCOUNT RECONCILIATION
db 7
Smiles
Redemption Terminal 1
db 6
Smiles
Redemption Terminal 2
Redemption Terminal N (Offline)
Merchant Terminals at POS
db 3
Walmart
Merchant 1 PoS Terminal
Merchant 2
Merchant 3
Merchant N (Offline)
Link to existing Card exchange Servers
Fig. X

Fig. 7B

# Fig. 8A

Coupon is a substitute for online points directly credited into member account and also a substitute for $tamps.

**Example (i)**
Manually Imprinted draft by an offline merchant



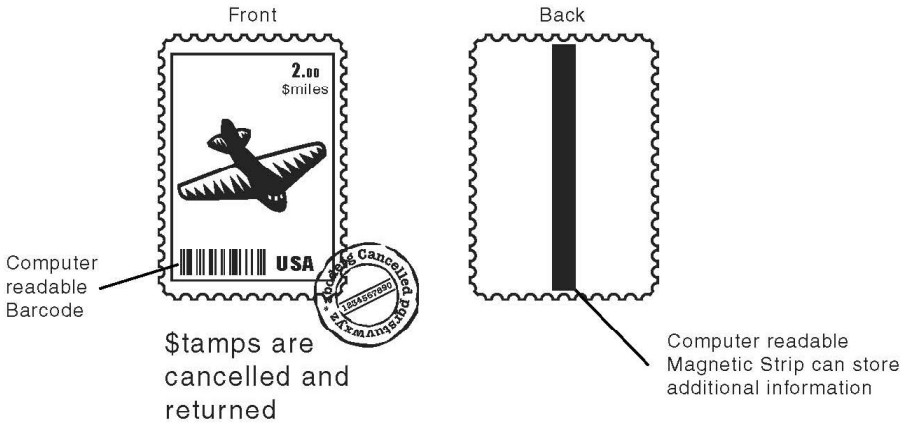

**Example (ii)**
In an ad




**Example (iii)**
on a wrapper




# Fig. 8B




# Fig. 8C

