

PRESS RELEASE

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Business/Finance, Banking, Electronics, Tech Stocks, Canada(BC) Business News

QI Systems Inc. Announces Second Quarter Revenue Increase

Richmond, BC - February 9, 2004 /Send2Press Newswire/ -- QI Systems Inc. (OTC BB: QIIIF, TSX Venture Exchange: QII.U), the industry leader in smart card solutions, announced today that second quarter revenue increased by ten percent over first quarter results. This marks the second consecutive quarter of growth for the company and brings total sales to date for fiscal 2003-2004 to \$220,000 US. When compared to 2002-2003 results, the first two quarters of the current fiscal year equal approximately 68 percent of total revenue from last year.

QI Systems Inc. President and C.E.O. Steve Garman said, "We believe that our internal corporate reorganization and more aggressive posture in the marketplace are beginning to produce tangible results. We anticipate that 2004 will be a record sales year for the company and will signal QI's successful emergence as a premier smart card solutions provider. While the company will continue to provide high quality OEM payment terminals to our key customer base for parking, vending and other applications, QI Systems will at the same time be expanding into smart card system solutions that afford the company significant long-term growth potential."

QI Systems Inc. (<http://www.qisystems.ca>) designs hardware and software for the rapidly expanding smart card industry. The company is a world leader in supplying top-to-bottom solutions for smart card applications in a wide variety of industries. QI Systems Inc. has a high level of expertise in delivering stored value solutions for specialized needs.

Matters discussed in this press release are forward-looking statements (FLS), and can be identified as such because the context of the statement will include words such as expects, anticipates, or words of similar import. Statements describing the Company's future plans, objectives or goals are also FLS, and are subject to certain risks and uncertainties, including the financial performance of the Company and market valuations of its stock, which could cause actual results to differ materially from those currently anticipated. Consider these factors when evaluating FLS. FLS made herein are only made as of the date of this press release and the Company undertakes no obligation to publicly update such FLS.

The TSX Venture Exchange does not accept responsibility for the adequacy of this news release and has not investigated the validity of these claims.

Approved on behalf of the Board.

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