

PRESS RELEASE

Of interest to editors and journalists covering:
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QI Systems Inc. Announces Improved 2nd Quarter Financials

Richmond, BC - February 25, 2004 /Send2Press Newswire/ -- QI Systems Inc. (OTC BB: QIIIF, TSX Venture Exchange: QII.U), the industry leader in smart card solutions, announced today that pursuant to the news release of February 9, 2004 regarding fiscal year 2003-2004 revenue, that 2nd quarter revenue increased by 10% over 1st quarter results. When compared to 2002-2003 results, the first two quarters of the current fiscal year equal approximately 68% of total revenue from the 2003 fiscal year.

Additionally, total expenses for the period were reduced by 31.5% from \$504,971 to \$158,937 which, in turn, resulted in a 79.9% reduction of operating loss from \$462,560 to \$93,036. This report marks the second consecutive quarter of improved financials for QI Systems Inc. which anticipates enhanced sales results throughout the remainder of 2004.

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," 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 forward-looking statements, 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 carefully in evaluating any forward-looking statements. Forward-looking statements made herein are only made as of the date of this press release and the Company undertakes no obligation to publicly update such forward-looking statements.

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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*IMPORTANT NOTE TO MEDIA:

to reach the organization releasing this news, please contact:
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