



Q Comm International Reports Third Quarter 2006 Results

Orem, UT – November 13, 2006 – Q Comm International, Inc. (Amex: QMM; QMM.WS), a provider of prepaid transaction processing and electronic point-of-sale (POS) distribution solutions, today announced third quarter 2006 financial results.

On a sequential basis, compared to the second quarter of 2006, the Company reported:

- Revenue of \$12.4 million, down slightly from \$12.6 million
- Gross profit improvement to \$375,000, compared to \$329,000
- Contribution margin of \$476,000, compared to \$653,000
- Unchanged operating loss of \$1.4 million
- Unchanged net loss per share of (\$0.20)
- 4,800 active terminals in the U.S. and Canada
- 3,700 terminals transacting monthly in the U.S. and Canada, or 77% of total activated terminals
- Transacting U.S. terminals of 3,200, down from 3,400 at the start of the quarter

On a year-over-year basis, compared to the third quarter of 2005, the Company reported:

- Revenue of \$12.4 million, compared to \$12.8 million
- Gross profit of \$375,000, up 61% from \$233,000
- Operating loss of \$1.4 million, compared to an operating loss of \$1.0 million
- Net loss per share of (\$0.20), compared to a net loss per share of (\$0.19)

“Our financial results this quarter were essentially flat with our second quarter financial results, although we did improve our gross margin sequentially and our gross sales topped \$21.6 million. We still believe that we have top and bottom line growth opportunities although right now we are focused on finding strategic partnerships that will help us get to profitability in the near term,” said Michael Keough, Chief Executive Officer of Q Comm International.

Keough continued, “Our recent decision to delist the Company from the AMEX is the right one for the Company and its shareholders, we believe. We are utilizing the time and costs typically associated with being an AMEX listed, SEC registered company and plowing that into business development. Our majority shareholders continue to be supportive of our plans as we focus on achieving breakeven.”

Balance Sheet

As of September 30, 2006, the Company had \$2.4 million of cash, compared to \$3.8 million at December 31, 2005. Q Comm had working capital of \$1.5 million.

Q Xpress Terminal Count

Average monthly revenue per transacting terminal decreased to \$42 in the third quarter of 2006, compared to \$55 in the second quarter of 2006. The Company considers a terminal “transacting” when it completes at least one transaction in a 30-day period. The decrease in the third quarter is primarily attributable to product mix impacts, increased PIN purchase rates, a reduction in sales per transacting terminal, and a reduction in the average number of transacting terminals.

As of September 30, 2006, Q Comm had 3,200 U.S. transacting terminals, down from 3,400 at the beginning of the quarter. The decrease reflects fewer units in operation due to a planned roll out with Vertex Communications, which resulted in fewer than anticipated transacting units. In an effort to give investors a clear picture of Q Comm’s per-unit usage, the transacting terminal count includes only terminals that have completed a transaction within the last 30 days.

Guidance

Today Q Comm is reiterating its previously announced breakeven guidance. The Company expects to reach profitability based on the following:

- 6,000-7,000 transacting units in the U.S. and Canada
- ARPU between \$75-\$80

- The successful roll-out of new products and services, including but not limited to financial services products. For example, Q Comm is evaluating handset distribution and wholesale PIN businesses, which provide additional opportunity to accelerate breakeven.

ABOUT Q COMM INTERNATIONAL:

Q Comm International is a prepaid transaction processor that electronically distributes prepaid products from service providers to the point of sale. Q Comm offers proprietary prepaid transaction processing platforms, support of various point-of-sale (POS) terminals, product management, merchandising, customer support and engineering. Q Comm systems replace traditional hard cards (also known as scratch cards or vouchers) that are costly to distribute, and provide more comprehensive reporting and inventory management among other benefits. Q Comm's solutions are currently used by wireless carriers, telecom distributors, and various retailers to sell a wide range of prepaid products and services, including prepaid wireless, prepaid phone cards, prepaid dial tone and prepaid debit cards, such as prepaid MasterCard and Visa. Visit <http://www.qcomm.com> for more information.

Statements made in this press release are forward-looking and are made pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties that may cause actual results to differ materially from those set forth in these statements. The economic, competitive, governmental, technological and other factors identified in the Company's filings with the Securities and Exchange Commission, including the Form 10-K for the year ended December 31, 2005, may cause actual results or events to differ materially from those described in the forward looking statements in this press release. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events, or otherwise.

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Q COMM INTERNATIONAL, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	<u>September 30,</u> <u>2006</u>	<u>December 31,</u> <u>2005</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 2,375,152	\$ 3,806,904
Trade accounts receivable, net	357,616	638,725
Inventory, net	1,044,781	1,456,937
Equipment held for resale	-	610,000
Prepaid expenses	19,821	46,550
Total Current Assets	<u>3,797,370</u>	<u>6,559,116</u>
Property and Equipment, net	<u>579,358</u>	<u>1,321,564</u>
Other Assets:		
Restricted cash	326,107	532,875
Capitalized software development costs, net	104,976	283,762
Intangible assets, net	105,265	24,000
Deposits	115,945	162,432
Total Other Assets	<u>652,293</u>	<u>1,003,069</u>
Total Assets	<u>\$ 5,029,021</u>	<u>\$ 8,883,749</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 797,840	\$ 909,231
Accrued expenses	531,269	463,974
Notes Payable	300,000	-
Related party obligation, net of unamortized discount of \$106,700 and \$0, respectively	607,300	-
Capital lease obligations - current portion	45,043	390,906
Total Current Liabilities	<u>\$ 2,281,452</u>	<u>\$ 1,764,111</u>
Long Term Liabilities:		
Related party obligation, net of unamortized discount of \$0 and \$223,216, respectively	-	390,784
Capital lease obligations, net of current portion	28,424	32,297
Total Long term Liabilities	<u>28,424</u>	<u>423,081</u>
Total Liabilities	<u>2,309,876</u>	<u>2,187,192</u>
Commitments and Contingencies (notes 7, 8, 9, and 12)		
Stockholders' Equity:		
Common stock, \$0.001 par value; 50,000,000 shares authorized, 6,914,795 shares outstanding	6,915	6,915
Additional paid-in capital	35,623,632	35,038,139
Accumulated deficit	(32,969,619)	(28,389,476)
Accumulated other comprehensive income	68,985	51,747
Receivable from shareholder	(10,768)	(10,768)
Total Stockholders' Equity	<u>2,719,145</u>	<u>6,696,557</u>
Total Liabilities and Stockholders' Equity	<u>\$ 5,029,021</u>	<u>\$ 8,883,749</u>

Q COMM INTERNATIONAL, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2006	2005	2006	2005
SALES AND REVENUE				
Prepaid PIN sales	\$ 11,734,369	\$ 11,493,411	\$ 35,786,093	\$ 32,063,160
Prepaid PIN fees	404,882	392,028	1,186,826	1,064,733
Product sales	108,005	659,626	993,954	686,006
Processing and other fees	183,105	237,029	490,919	768,148
Total sales and revenue	\$ 12,430,361	\$ 12,782,094	\$ 38,457,792	\$ 34,582,047
COST OF SALES AND REVENUE				
Cost of prepaid PIN sales and fees	10,465,699	10,328,259	31,706,654	29,734,688
Cost of product sales	28,969	655,265	916,338	675,530
Distribution commissions and fees	1,560,472	1,565,298	5,081,578	5,732,601
Total cost of sales and revenue	12,055,140	12,548,822	37,704,570	36,142,819
Gross Profit (Loss)	375,221	233,272	753,222	(1,560,772)
OPERATING EXPENSES				
Selling	355,972	197,028	1,086,838	657,018
General and administrative	1,156,560	1,018,353	3,410,217	3,522,559
Non-cash compensation related to operations	147,434	-	585,493	-
Depreciation and amortization	65,861	46,550	151,669	135,385
Total operating expenses	1,725,827	1,261,931	5,234,217	4,314,962
Loss from operations	(1,350,606)	(1,028,659)	(4,480,995)	(5,875,734)
OTHER INCOME (EXPENSE)				
Interest income	2,520	2,777	10,021	13,702
Interest and other expense	(31,146)	(93,652)	(109,169)	(136,087)
Total Other Income Expense, net	(28,626)	(90,875)	(99,148)	(122,385)
Net Loss	\$ (1,379,232)	\$ (1,119,533)	\$ (4,580,143)	\$ (5,998,119)
Basic and Diluted Net Loss per Common Share	\$ (0.20)	\$ (0.19)	\$ (0.66)	\$ (1.10)
Basic and Diluted Weighted Average Common Shares Outstanding	6,914,795	5,914,794	6,914,795	5,450,703
OTHER COMPREHENSIVE LOSS				
Net loss	\$ (1,379,232)	\$ (1,119,533)	\$ (4,580,143)	\$ (5,998,119)
Foreign currency translation adjustment, net of tax	17,882	10,243	17,238	37,920
Comprehensive Loss	\$ (1,361,350)	\$ (1,109,290)	\$ (4,562,905)	\$ (5,960,199)

	September 30,	
	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (4,580,143)	\$ (5,998,119)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,230,373	1,411,156
Amortization of discount on debentures and notes	116,516	100,553
Provision for doubtful accounts	498,612	103,847
Loss on disposal of property and equipment		6,444
Handset inventory adjustment		925,000
Impairment and write-off of terminals	-	1,266,704
Loss from PIN and handset inventory adjustments	-	18,454
Non-cash compensation related to options	585,493	
Change in operating assets and liabilities		
Accounts receivable	(217,504)	(374,160)
Inventory	412,156	(99,946)
Prepaid expenses	26,729	141,595
Accounts payable	(111,391)	(740,064)
Accrued expenses	67,297	125,465
Other assets	46,486	2,739
Net Cash Used in Operating Activities	(1,925,376)	(3,110,332)
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in restricted cash	206,768	(25,295)
Purchase of intangible assets	(150,395)	56,003
Purchase of property and equipment	(205,951)	(847,689)
Proceeds from terminals held for sale	610,000	
Capitalized software development costs	(34,300)	(128,571)
Net Cash Used by Investing Activities	\$ 426,122	\$ (945,552)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of common stock	\$	\$ 4,375,653
Proceeds from notes and debentures	400,000	
Proceeds from issuance of related party notes payable and warrants		614,000
Payments on capital lease obligations	(349,736)	(367,169)
Net Cash Provided by Financing Activities	50,264	4,622,484
Net decrease in cash and cash equivalents	(1,448,990)	566,600
Effect of foreign-exchange-rate changes on cash	17,238	(29,219)
Cash and cash equivalents, beginning of year	3,806,904	773,052
Cash and cash equivalents, end of year	\$ 2,375,152	\$ 1,310,433
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for:		
Interest	\$ 158,388	\$ (67,534)