

EXECUTIVE SUMMARY

Spark ATM Systems today released its latest Spark Cash Index (SCI), which measures the key cash withdrawal statistics across more than 2 200 Spark ATMs throughout South Africa.

The latest SCI for August 2013 revealed an 8.48% year-on-year increase in average cash withdrawal values to R471.81. This also reflects a 1.97% month-on-month growth from R462.70 in July.

AVERAGE CASH WITHDRAWAL VALUE

AVERAGE CASH WITHDRAWN
AUGUST 2013

R471.81

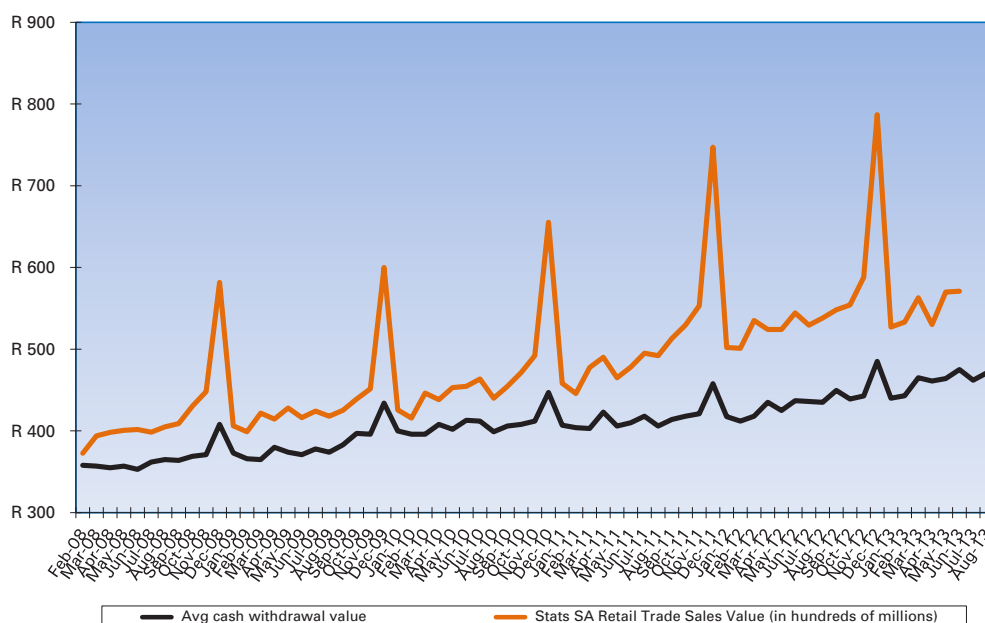
MONTH-ON-MONTH CHANGE
JULY 2013 VS AUGUST 2013

↑ 1.97%

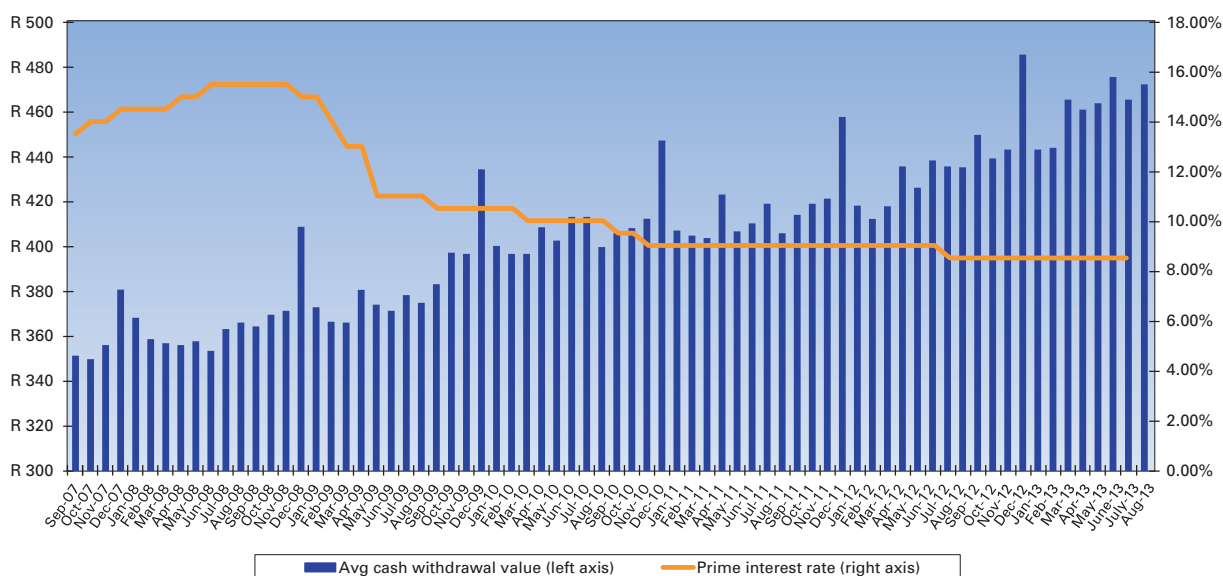
YEAR-ON-YEAR CHANGE
AUGUST 2012 VS AUGUST 2013

↑ 8.48%

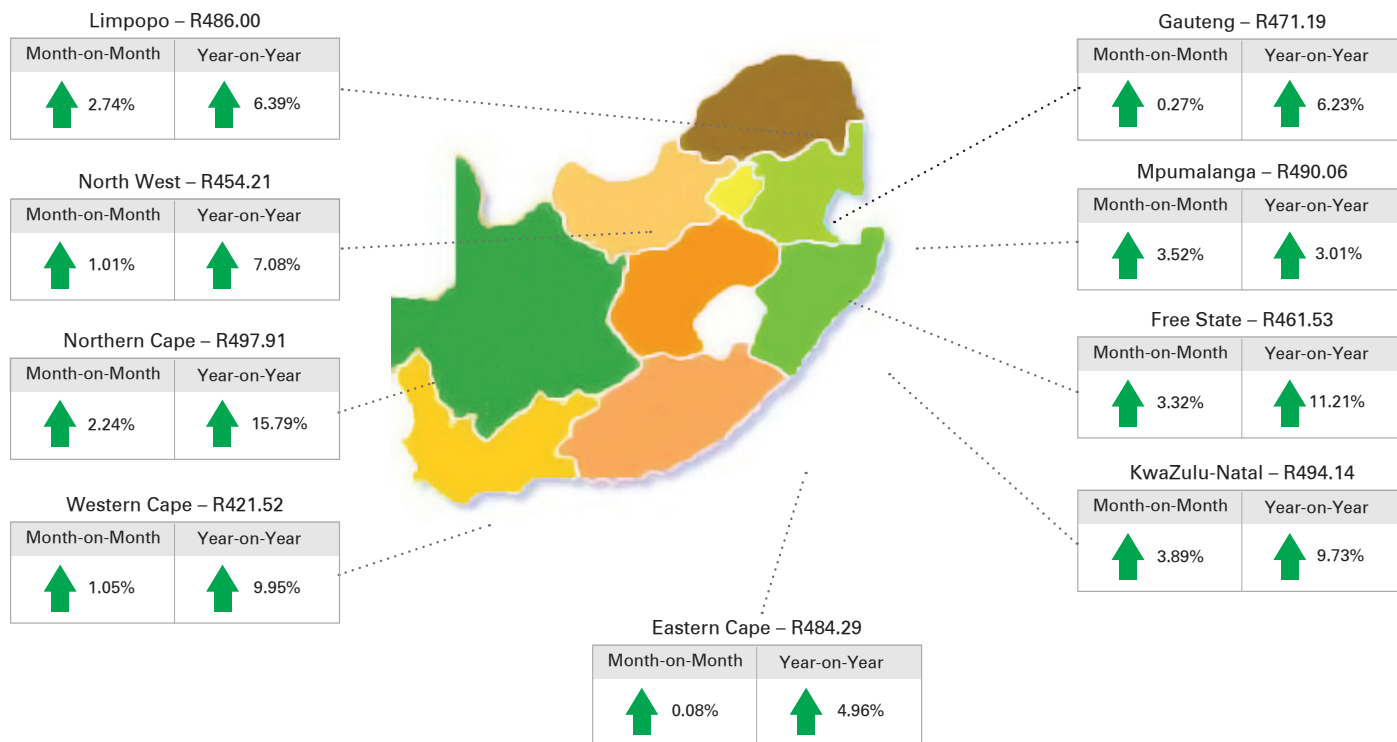
AVERAGE CASH WITHDRAWAL VALUE VS STATS SA RETAIL TRADE SALES VALUE



AVERAGE CASH WITHDRAWAL VS PRIME INTEREST RATE



AVERAGE CASH WITHDRAWAL BY REGION



*Month-on-Month = July 2013 vs. August 2013. Year-on-Year = August 2012 vs. August 2013

The Northern Cape province recorded the highest average cash withdrawal value (R497.91) for August 2013, followed by KwaZulu-Natal (R494.14) and Mpumalanga (R490.06).

These provinces have higher withdrawal amounts due to the remittance income that flows from the metro areas to the rural areas of these provinces. The Northern Cape also displayed the highest year-on-year growth rate of 15.79%.

KwaZulu-Natal recorded the highest growth in month-on month withdrawal value of 3.89%, followed by Mpumalanga which recorded a 3.52% month-on-month increase.

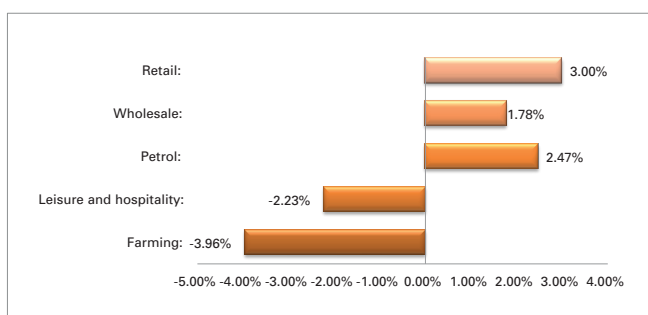
REGIONAL AVERAGE CASH WITHDRAWAL DATA TABLE

Month	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Limpopo	Mpumalanga	Northern Cape	North West	Western Cape	National
Aug-12	R 461.41	R 415.02	R 443.57	R 450.32	R 456.83	R 475.72	R 430.00	R 424.17	R 383.38	R 434.93
Sep-12	R 472.15	R 438.48	R 457.95	R 462.15	R 477.25	R 503.48	R 446.78	R 440.25	R 389.30	R 449.47
Oct-12	R 464.91	R 416.41	R 454.51	R 450.50	R 458.14	R 477.96	R 447.03	R 430.36	R 387.52	R 439.27
Nov-12	R 465.11	R 417.88	R 453.51	R 460.30	R 454.29	R 475.75	R 456.47	R 431.59	R 391.48	R 442.71
Dec-12	R 520.71	R 439.39	R 491.90	R 508.87	R 491.16	R 512.61	R 482.24	R 468.25	R 428.13	R 485.07
Jan-13	R 475.59	R 412.06	R 450.69	R 451.59	R 446.55	R 459.36	R 434.16	R 432.79	R 405.73	R 440.53
Feb-13	R 467.44	R 429.57	R 456.93	R 458.60	R 457.25	R 459.89	R 435.09	R 434.77	R 406.32	R 443.56
Mar-13	R 487.94	R 457.77	R 453.40	R 484.50	R 484.44	R 488.44	R 470.51	R 458.40	R 424.16	R 465.04
Apr-13	R 495.24	R 452.35	R 455.72	R 475.90	R 479.13	R 481.14	R 474.17	R 455.10	R 418.37	R 461.65
May-13	R 482.56	R 448.75	R 467.96	R 485.33	R 477.88	R 484.19	R 478.11	R 447.04	R 419.96	R 464.52
Jun-13	R 494.04	R 474.44	R 474.35	R 498.87	R 485.05	R 490.10	R 501.55	R 467.28	R 422.37	R 475.98
Jul-13	R 483.92	R 446.69	R 469.90	R 475.66	R 473.05	R 473.39	R 487.00	R 449.66	R 417.16	R 462.70
Aug-13	R 484.29	R 461.53	R 471.19	R 494.14	R 486.00	R 490.06	R 497.91	R 454.21	R 421.52	R 471.81

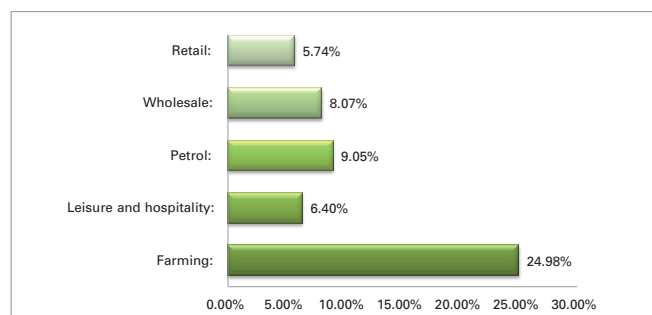
AVERAGE CASH WITHDRAWAL BY SITE CATEGORY

Retail	Wholesale	Petrol	Leisure & hospitality	Farming
R 455.55	R 485.74	R 474.62	R 418.70	R 429.44

MONTH-ON-MONTH CHANGE JULY 2013 – AUGUST 2013



YEAR-ON-YEAR CHANGE AUGUST 2012 – AUGUST 2013



Wholesale locations recorded the highest cash withdrawal value (R485.74) for August 2013 for the seventh month in a row, with a month-on-month increase of 1.78%. Goods purchased from wholesalers also contribute to the sustenance of SASSA card holders, who find better value for their money at these types of outlets, and many of Spark's new installations have taken place at cash and carry-type wholesale outlets.

Petrol sites recorded the second highest average cash withdrawal value (R474.62) for August 2013, the second highest month-on-month increase of 2.47%, and the highest year-on-year growth of 9.05%. "The increased withdrawal data at these locations is attributed to the recent fuel price increases, and consumers therefore having to make larger withdrawals when refuelling," says Sternberg.

Retail locations recorded the highest month-on-month increase of 3.00%, and the third highest cash withdrawal value of R455.55. This has normalised following a decrease in July of 3.74%, but is also attributed to the end of winter sales promotions at retail locations in August. Both farming and leisure locations recorded month-on-month decreases of 3.96% and 2.23% respectively, representing the lower levels of activity in these outlets during the winter month of August.

**Retail sites includes supermarkets, convenience stores, fast food outlets, pharmacies, hardware stores, liquor stores and butcheries.

SITE CATEGORY AVERAGE CASH WITHDRAWAL DATA TABLE

Month	Retail	Wholesale	Petrol	Leisure & hospitality	Farming
Aug-12	R 430.82	R 449.47	R 435.25	R 393.52	R 343.61
Sep-12	R 445.66	R 468.46	R 448.54	R 395.41	R 401.90
Oct-12	R 432.95	R 450.16	R 440.05	R 401.28	R 454.68
Nov-12	R 434.28	R 456.30	R 439.38	R 402.21	R 442.39
Dec-12	R 476.78	R 509.51	R 476.52	R 427.70	R 455.99
Jan-13	R 427.44	R 445.77	R 448.11	R 429.40	R 410.91
Feb-13	R 432.20	R 451.79	R 445.31	R 423.82	R 375.51
Mar-13	R 455.12	R 479.75	R 468.75	R 415.39	R 415.92
Apr-13	R 444.14	R 472.23	R 472.04	R 424.43	R 409.77
May-13	R 447.18	R 476.57	R 470.87	R 418.63	R 439.68
Jun-13	R 459.47	R 491.71	R 477.28	R 414.11	R 475.34
Jul-13	R 442.29	R 477.25	R 463.18	R 428.24	R 447.15
Aug-13	R 455.55	R 485.74	R 474.62	R 418.70	R 429.44

DATA TABLE

Below is the data table including all relevant statistics from August 2010 to Aug 2013. The table demonstrates the average cash withdrawal value across South Africa, the changes in withdrawal values from month-to-month and year-to-year as well as the Stats SA retail trade sales value.

Month	Average Cash Withdrawal	Month-on-Month Change	Year-on-Year Change	Stats SA retail TradeSales Value
Aug-10	R 401.46	-2.54%	7.2%	R 440
Sep-10	R 405.47	1.00%	5.93%	R 454
Oct-10	R 407.58	0.52%	2.78%	R 471
Nov-10	R 411.98	1.08%	3.96%	R 492
Dec-10	R 446.56	8.39%	3.04%	R 655
Jan-11	R 407.06	-8.85%	1.66%	R 458
Feb-11	R 404.28	-0.68%	2.08%	R 446
Mar-11	R 403.11	-0.29%	1.76%	R 478
Apr-11	R 422.30	4.76%	3.54%	R 490
May-11	R 406.41	-3.76%	1.01%	R 465
Jun-11	R 409.95	0.87%	-0.26%	R 478
Jul-11	R 418.40	2.06%	1.57%	R 495
Aug-11	R 405.69	-3.04%	1.05%	R 492
Sep-11	R 413.88	2.02%	2.07%	R 513
Oct-11	R 418.79	1.19%	2.75%	R 530
Nov-11	R 420.84	0.49%	2.15%	R 553
Dec -11	R 457.67	8.75%	2.49%	R 747
Jan-12	R 417.85	-8.70%	2.65%	R 502
Feb-12	R 411.82	-1.44%	1.87%	R 503
Mar-12	R 417.92	1.48%	3.67%	R 535
Apr-12	R 435.47	4.20%	3.12%	R 524
May-12	R 425.94	-2.19%	4.81%	R 524
Jun-12	R 437.71	2.76%	6.77%	R 544
Jul-12	R 435.54	-0.50%	4.10%	R 529
Aug-12	R 434.93	-0.14%	7.21%	R 538
Sep-12	R 449.47	3.34%	8.60%	R 548
Oct-12	R 439.27	-2.27%	4.89%	R 554
Nov-12	R 442.71	0.78%	5.20%	R 588
Dec-12	R 485.07	9.57%	5.99%	R 787
Jan-13	R 440.53	-9.18%	5.43%	R 527
Feb-13	R 443.56	0.69%	7.71%	R 533
Mar-13	R 465.64	4.84%	11.28%	R 563
Apr-13	R 461.65	-0.73%	6.01%	R 530
May-13	R 464.52	0.62%	9.06%	R 570
Jun-13	R 475.98	2.47%	8.74%	R 571
Jul-13	R 462.70	-2.79%	6.24%	Not yet released
Aug-13	R 471.81	1.97%	8.48%	Not yet released

ABOUT THE SPARK CASH INDEX (SCI)

The volume and value of cash withdrawn at ATMs is a real-time indicator of cash utilisation and consumer spending in the South African economy. From Spark ATM Systems' records the company has noticed that over time the average amount of cash withdrawn at its network of ATMs corresponds with macro and seasonal economic conditions in the country. The SCI also points to consumer trends such as the variations in cash withdrawn based on prevailing economic conditions, particularly variations in the prime interest rate, seasonal peaks and dips and regional and site specific activity.

EXPLANATORY NOTES

The value for the SCI is obtained using the following formula: Cash dispensed for the month divided by the number of cash withdrawals for the month across Spark's ATM network. The sample size is large and spans urban and rural areas across all nine provinces of South Africa, therefore representing a very good cross section of South African consumers. The data presented is raw data and has not been adjusted for seasonality or for the effects of inflation.

ATM LANDSCAPE – SOCIAL GRANT CARD

The continued rise in the use of the South African Social Security Agency (SASSA) debit cards as a means of paying social grants in South Africa has had a significant impact on the country's Automated Teller Machine (ATM) landscape and has further entrenched cash as the preferred method of transacting for local consumers.

"SASSA cards now represent 14% of our transaction volumes, up from nil just eighteen months ago. The introduction of these cards represents a huge injection of new customers into the formal banking and ATM system," says Marc Sternberg, Managing Director of Spark ATM Systems.

He explains the SASSA card allows beneficiaries to access their social grant anywhere in South Africa using traditional banking channels, such as ATMs. "This has in turn driven significant demand for convenient ATM services, with Spark installing a record 496 ATMs in the first eight months of 2013. A majority of Spark's ATMs were installed in rural and peri-rural areas and the strong demand for cash by the previously unbanked is reflected in the withdrawal volumes we have recorded on these rural ATMs, particularly on SASSA transactions."

According to Sternberg, the flood of almost 10 million new SASSA cardholders into the system has resulted in the peak ATM withdrawal day for the entire ATM industry moving from the last Friday of the month to the SASSA grant day, which is the 1st of the month, creating huge queues at retailers and at ATMs countrywide. He adds that many of Spark's merchants who host ATMs, have expressed their desire for the SASSA payments to be staggered across multiple days to alleviate the strain on their businesses and to ensure the social grant congestion does not coincide with month-end, which is already the busiest time of the month for them.

Furthermore, Sternberg says that cash volumes in the country continue to grow at a significant rate. Recent figures released by the South African Reserve Bank show that total cash in circulation in South Africa has increased by 13% year-on-year, with R82.19 billion in circulation in March 2013, up from R72.90 billion in March 2012.

The Spark ATM Systems' data suggests that it is consumers at the lower end of the income spectrum that are driving the higher cash withdrawal volumes.

This view is backed up by a recent FinScope survey, which revealed that the introduction of the new SASSA card system contributed to the significant increase in the banked population, particularly at the bottom of the pyramid, where ATM/debit card usage increased from 52% in 2011 to 61% in 2012.

The survey also revealed that 88% of the banked population use an ATM once a month as their primary means of accessing cash and that the second most popular banking transaction is obtaining cash at a store via debit card, which is done by 25% of the banked population.

Sternberg says this data indicates that cash is still very much the dominant payment method in the South African economy and that the demand for ATMs continues to grow despite the other electronic payment options available to consumers.

ABOUT SPARK ATM SYSTEMS

Spark ATM Systems is the premier independent ATM deployer in South Africa importing, installing and maintaining world-leading Automated Teller Machines (ATMs) for the South African convenience ATM market.

Convenience ATMs have taken the world and South Africa by storm and today are found in every conceivable type of retail, hospitality, leisure and convenience location for one simple reason - consumers expect them wherever they need cash and merchants recognise their many benefits.

Established in 2005, Spark ATM Systems has grown into a national organisation with sales and technical capabilities across South Africa. From our headquarters in Cape Town, our Head Office team coordinates the sales, installation, maintenance, processing, settlement, reconciliation, monitoring, reporting, customer relationship and contact centre requirements for our ever-growing national network of ATMs. We boast a national list of independent and corporate customers across all major retail, convenience, wholesale, leisure and hospitality operators. Visit www.sparkatm.co.za for more information.

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