

EXECUTIVE SUMMARY

Latest statistics released by the Spark Cash Index (SCI)*, which measures the average value of cash withdrawals across more than 1 800 Spark ATMs throughout the country, recorded year-on-year growth of 7.21% in cash withdrawal activity for August 2012, from R405.69 to R434.93. This is the highest growth figure in over two years since the June - July 2010 FIFA World Cup period.

Marc Sternberg, MD of Spark ATM Systems says the rate of year-on-year growth of withdrawal values in each of the first seven months of 2012 has been higher than in the previous year, suggesting that consumer spending has grown at a faster rate than in 2011.

Marc Sternberg, MD of Spark ATM Systems, says a combination of factors may have played a role in this significant year-on-year growth statistic. "The effects of the 50 basis points interest rate cut announced by the South African Reserve Bank in July may be starting to filter through in the form of higher disposable income levels amongst consumers."

Sternberg says in addition, the 'five Friday factor' in August - which historically leads to increased average cash withdrawal values during the month - would have contributed to the increased year-on-year figure.

AVERAGE CASH WITHDRAWAL VALUE

AVERAGE CASH WITHDRAWN
AUGUST 2012

R434.93

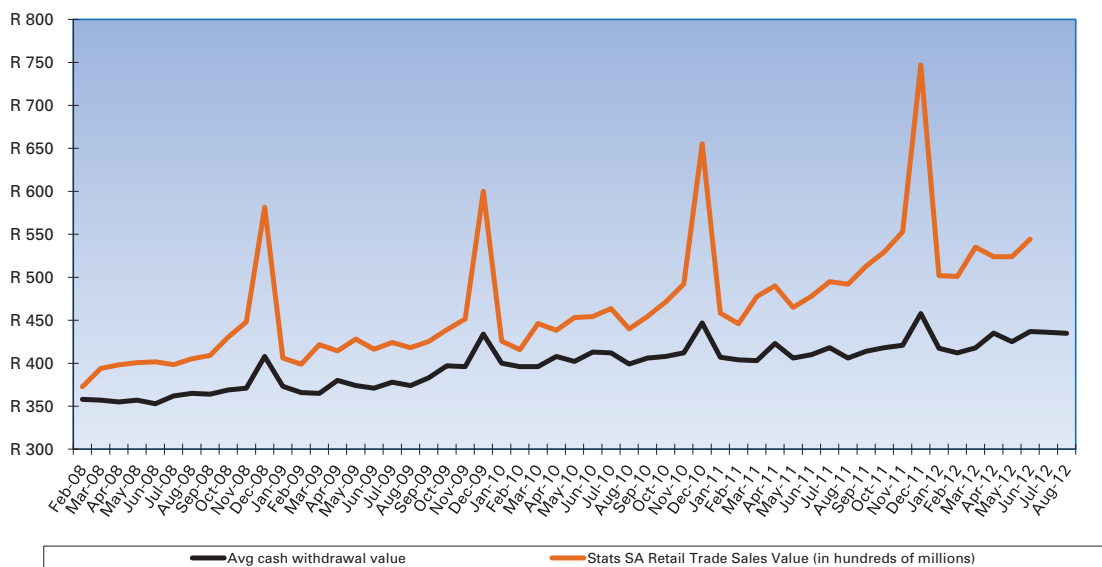
MONTH-ON-MONTH CHANGE
JULY 2012 VS AUGUST 2012

↓ -0.14 %

YEAR-ON-YEAR CHANGE
AUGUST 2011 VS AUGUST 2012

↑ 7.21 %

AVERAGE CASH WITHDRAWAL VALUE VS STATS SA RETAIL TRADE SALES VALUE



"Finally, there was a dramatic increase in the average value of cash withdrawals at farming sites throughout the country, with a year-on-year increase of 20.4% in August. Although ATM's at farming sites make up a small percentage of overall ATM's around the country, this increase would certainly have boosted overall ATM withdrawal values."

According to Sternberg, this drastic year-on-year increase at farming sites may be attributed to the South African farming sector upping production due to the shortage of grain in the United States, following that country's extreme drought conditions. "As a result, more farm workers are being employed in the agricultural sector and more cash is being withdrawn by farmers to pay wages as well as by the farmworkers themselves."

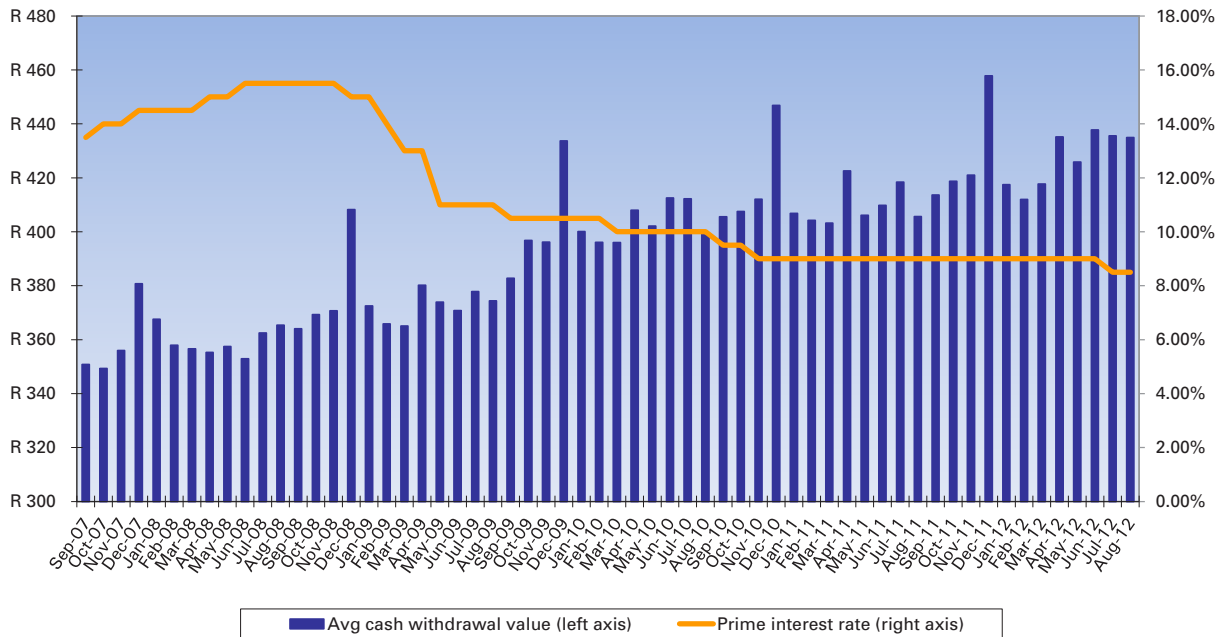
However, Ronel Oberholzer, Principal Economist at IHS Global Insights, says the month-on-month decline of 0.14% in August 2012 to R434.93 per transaction, remains worrying. "This is the second consecutive month-on-month decline and shows that consumers' budgets remained under stress during July and August."

"The most likely reason for this month-on-month drop is an increase in tariffs at municipality levels for water, rates and electricity in July spilling over into August, as well as escalating winter pricing on electricity during the past two months. We also saw an increase in petrol prices of 22c per litre on 1 August, which added pressure to budgets," says Oberholzer.

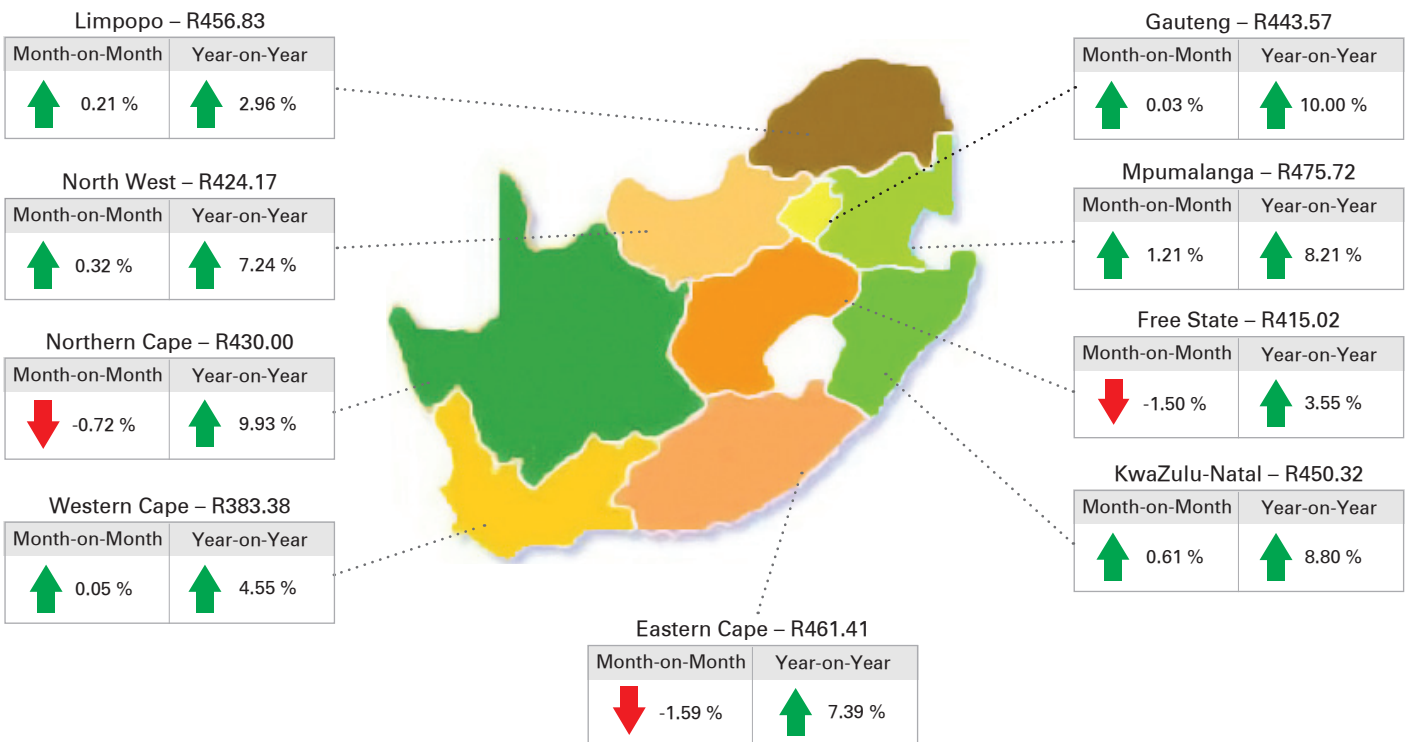
She adds that despite the interest rate cut, consumer sentiment is dropping, due to cash reserves being constrained by stellar increases in services costs and continued petrol price increases. "In the next couple of months we will most likely see a slower pace of increase in cash withdrawals and even a continued decline on a monthly basis. The low base effects will keep the annual rates high."

Sternberg adds that to date, the SCI has proven a reliable leading indicator for Stats SA Retail Trade Sales (RTS) figures, therefore it is likely that August 2012 RTS figures will also show similar positive growth year-on-year.

AVERAGE CASH WITHDRAWAL VS PRIME INTEREST RATE



AVERAGE CASH WITHDRAWAL BY REGION



*Month-on-Month = July 2012 vs. August 2012. Year-on-Year = August 2011 vs. August 2012

The Mpumalanga province - for the eighth consecutive month in 2012 - has recorded the highest provincial average cash withdrawal value of R475.72 in August 2012, as well as the largest month-on-month growth of 1.21%.

“Mpumalanga is most likely benefitting from the Maputo corridor carrying more traffic, as it is well known that the N4-toll road is extremely busy in that direction. In addition to this, a large number of tourists pass through the province on their route to Mozambique to fill up on stocks and petrol before crossing the border,” says Sternberg.

For the fourth month in a row, Gauteng recorded the highest year-on-year growth of 10.30%, followed by the Northern Cape and KwaZulu-Natal regions with growth of 9.93% and 8.80% respectively.

“For the first time in 2012, a year-on-year increase in cash withdrawal activity was recorded across all provinces, indicating that despite tough economic conditions consumers are spending more than last year,” says Sternberg.

REGIONAL AVERAGE CASH WITHDRAWAL DATA TABLE

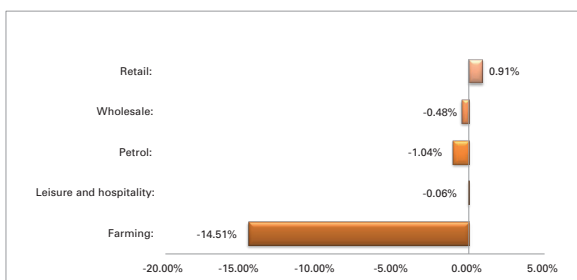
Month	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Limpopo	Mpumalanga	Northern Cape	North West	Western Cape	National
Aug-11	R 429.65	R 400.78	R 403.25	R 413.89	R 443.70	R 439.61	R 391.15	R 395.53	R 366.71	R 405.69
Sep-11	R 427.27	R 410.86	R 405.29	R 431.15	R 452.31	R 454.84	R 411.57	R 400.87	R 368.77	R 413.88
Oct-11	R 433.10	R 407.62	R 413.18	R 432.92	R 455.42	R 455.89	R 422.18	R 406.07	R 374.12	R 418.79
Nov-11	R 432.96	R 409.42	R 421.46	R 433.06	R 451.74	R 444.55	R 422.27	R 411.30	R 382.75	R 420.84
Dec-11	R 472.39	R 434.25	R 448.69	R 481.06	R 493.90	R 484.95	R 443.46	R 436.98	R 406.27	R 457.67
Jan-12	R 439.38	R 395.99	R 413.37	R 430.56	R 446.44	R 447.12	R 390.78	R 404.25	R 384.51	R 417.85
Feb-12	R 424.28	R 402.57	R 410.04	R 423.42	R 438.25	R 441.56	R 383.47	R 395.95	R 384.28	R 411.82
Mar-12	R 429.40	R 415.81	R 423.59	R 428.24	R 444.85	R 448.03	R 409.50	R 394.52	R 385.73	R 417.92
Apr-12	R 450.18	R 428.11	R 430.35	R 451.01	R 469.54	R 473.60	R 428.10	R 415.72	R 389.36	R 435.47
May-12	R 445.90	R 411.90	R 435.26	R 440.94	R 448.81	R 454.08	R 427.15	R 408.37	R 380.01	R 425.94
Jun-12	R 456.31	R 420.15	R 445.17	R 451.26	R 452.99	R 457.16	R 429.82	R 418.00	R 387.99	R 437.71
Jul-12	R 468.85	R 421.34	R 443.43	R 447.57	R 455.88	R 470.04	R 433.13	R 422.83	R 383.20	R 435.54
Aug-12	R 461.41	R 415.02	R 443.57	R 450.32	R 456.83	R 475.72	R 430	R 424.17	R 383.38	R 434.93

AVERAGE CASH WITHDRAWAL BY SITE CATEGORY

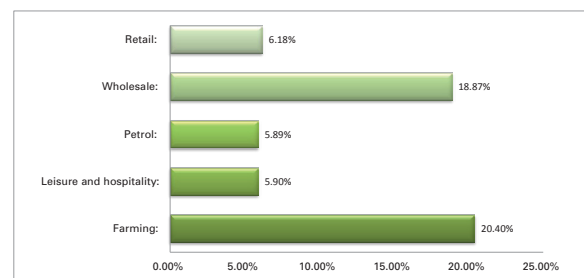
AVERAGE CASH WITHDRAWAL – JULY 2012

Retail	Wholesale	Petrol	Leisure & hospitality	Farming
R 430.82	R 449.47	R 435.25	R 393.52	R 343.61

MONTH-ON-MONTH CHANGE JULY 2012 – AUGUST 2012



YEAR-ON-YEAR CHANGE AUGUST 2011 – AUGUST 2012



Wholesale locations revealed the largest average cash withdrawal figure of R499.47 for the sixth consecutive month. Petrol sites came in second highest with a value of R435.25 followed by Retail* sites which recorded a value of R430.82.

Farming locations recorded the highest year-on-year growth of 20.40% for the month of August 2012. "This drastic year-on-year increase may be attributed to the South African farming sector upping its production levels due to the shortage of grain in the United States, following that country's extreme drought conditions. The growing statistics possibly indicate that more farm workers are being employed in the agricultural sector and more cash is being withdrawn by farmers to pay wages as well as by the farm workers themselves," says Sternberg.

*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-11	R 405.75	R 378.12	R 411.02	R 371.61	R 285.39
Sep-11	R 414.07	R 387.80	R 414.72	R 371.72	R 338.34
Oct-11	R 414.36	R 395.14	R 416.27	R 378.81	R 395.29
Nov-11	R 415.59	R 390.13	R 412.88	R 388.48	R 400.00
Dec-11	R 456.58	R 430.19	R 453.98	R 387.03	R 395.40
Jan-12	R 409.19	R 417.64	R 425.28	R 382.54	R 331.36
Feb-12	R 405.84	R 397.32	R 414.89	R 380.21	R 287.88
Mar-12	R 412.66	R 430.78	R 424.58	R 384.34	R 327.15
Apr-12	R 428.33	R 453.76	R 441.03	R 390.45	R 334.61
May-12	R 419.45	R 439.65	R 434.65	R 386.55	R 355.93
Jun-12	R 428.95	R 446.41	R 442.79	R 391.91	R 396.81
Jul-12	R 426.95	R 451.66	R 439.81	R 393.77	R 401.95
Aug-12	R 430.82	R 449.47	R 435.25	R 393.52	R 343.61

DATA TABLE

Below is the data table including all relevant statistics from August 2009 to August 2012. 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 Trade Sales Value
Aug-09	R 374.52	-0.79 %	2.51 %	R 418
Sep-09	R 382.78	2.21 %	5.20 %	R 425
Oct-09	R 396.57	3.6 %	7.06 %	R 439
Nov-09	R 396.28	-0.07 %	7.19 %	R 452
Dec-09	R 433.38	9.36 %	6.22 %	R 600
Jan-10	R 400.40	-7.61 %	7.49 %	R 426
Feb-10	R 396.06	-1.08 %	8.26 %	R 416
Mar-10	R 396.14	0.02 %	8.45 %	R 446
Apr-10	R 407.88	2.96 %	7.32 %	R 438
May-10	R 402.33	-1.36 %	7.53 %	R 453
Jun-10	R 411.04	2.16 %	10.84 %	R 454
Jul-10	R 411.92	0.21 %	9.12 %	R 464
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 %	2.76 %	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	-6.85 %	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 %	-0.36 %	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	-6.70 %	2.65 %	R 502
Feb-12	R 411.82	-1.44 %	1.87 %	R 503
Mar-12	R 417.92	1.49 %	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 %	Not yet released
Aug-12	R 434.93	-0.14 %	7.21 %	Not yet released

ABOUT THE SPARK CASH INDEX (SCI)

The amount of cash withdrawn at ATMs is a real-time indicator of cash availability and consumer spending in the 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 general economic conditions in South Africa. 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 and seasonal peaks and dips.

EXPLANATORY NOTES

The value for the Spark Cash Index is obtained using the following formula: Cash dispensed for the month divided by the number of cash withdrawals for the month across a selection of our ATM network. The sample size is very 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.

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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