

## The Spark Cash Index

Release version: December 2010

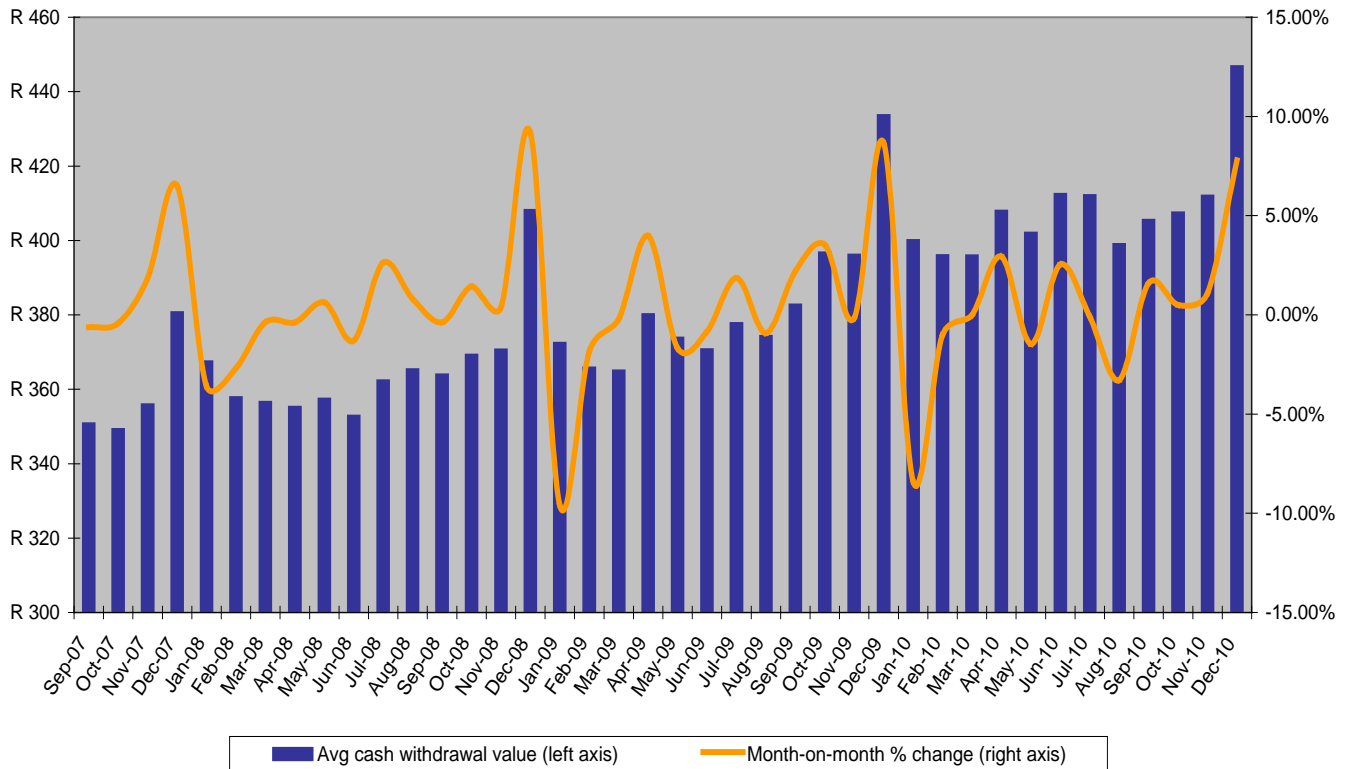
### About Spark ATM Systems

Spark ATM Systems is South Africa's leading independent ATM provider, deploying convenience Automated Teller Machines ('ATMs') in retail, convenience and hospitality locations across South Africa.

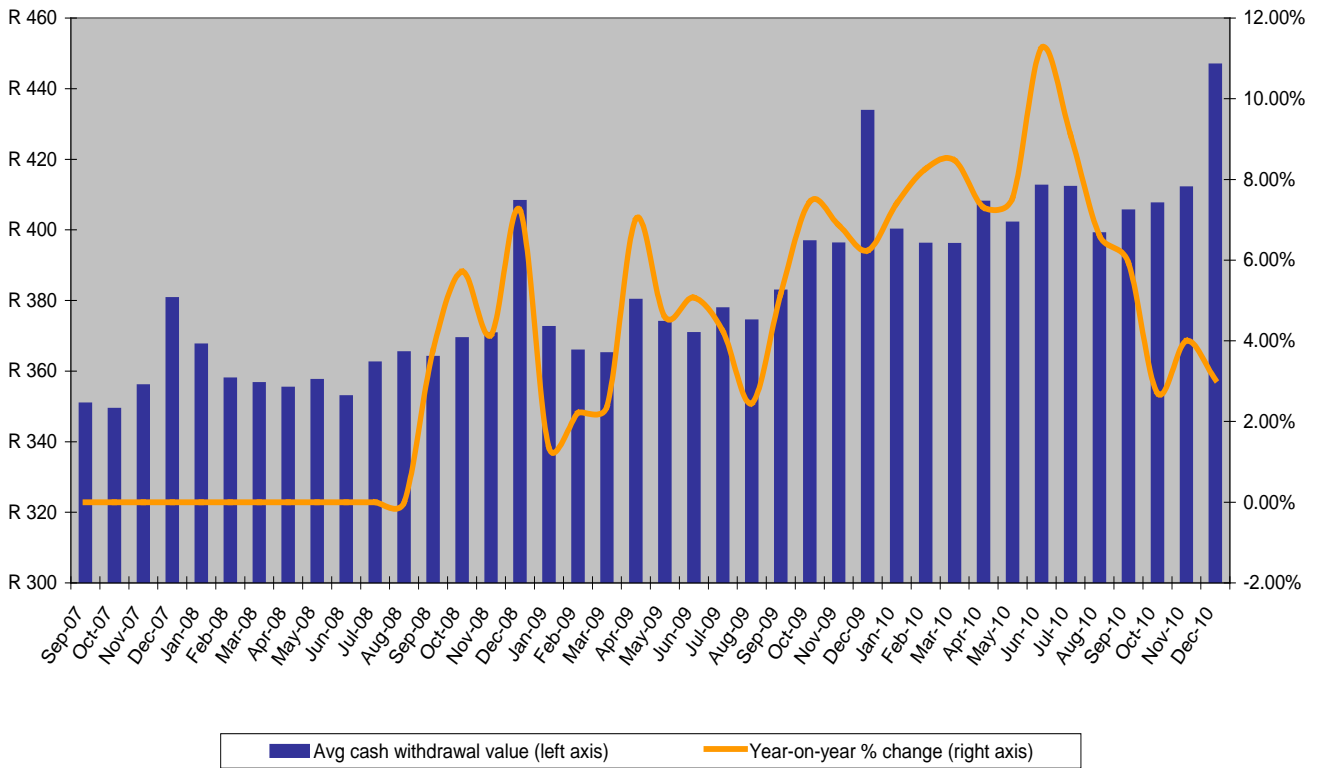
### Introduction to the Spark Cash Index

The amount of cash withdrawn at ATMs is a real-time indicator of cash availability and consumer spending in the economy. From our records we have noticed that over time the average amount of cash withdrawn at our network of ATMs corresponds with general economic conditions in the country. We have also seen that consumers vary the amount of cash they withdraw based on prevailing economic conditions, particularly variations in the prime interest rate.

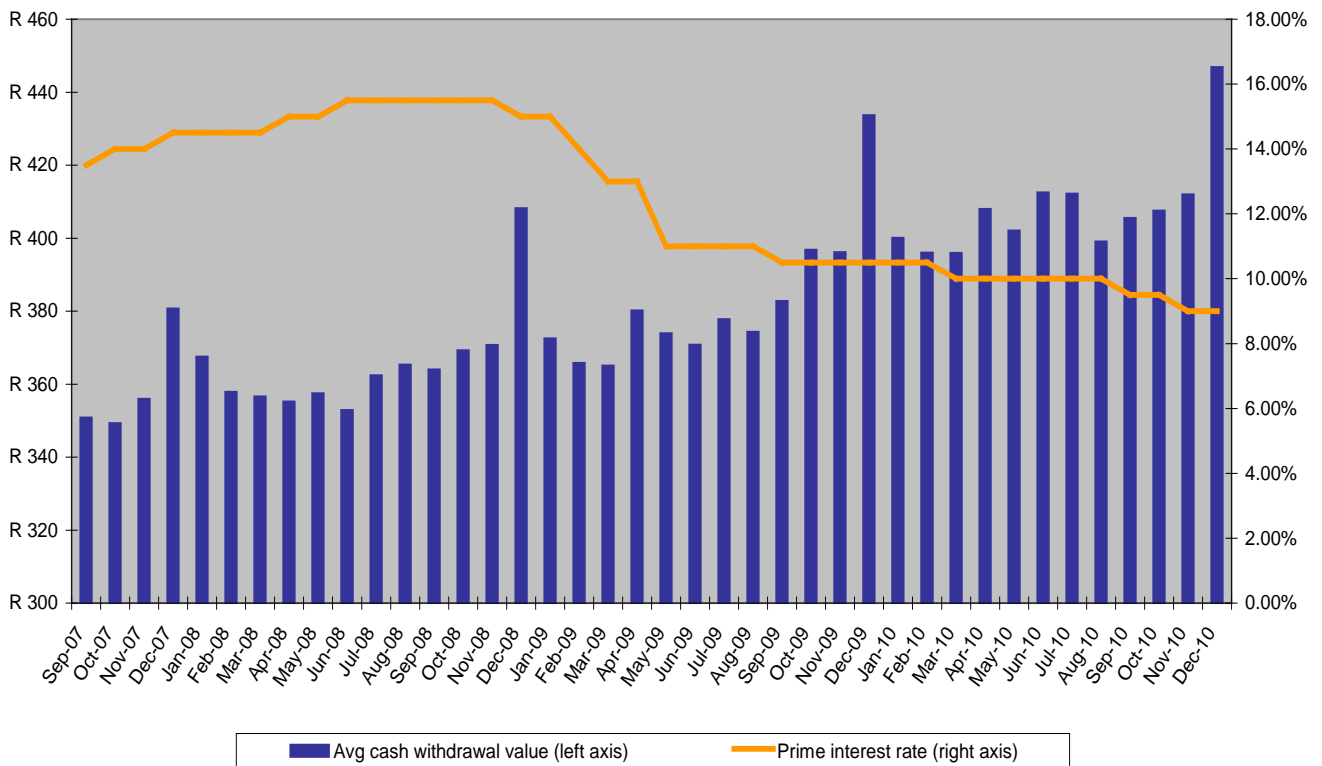
**Graph A**  
**Average cash withdrawal value**



**Graph B**  
**Average cash withdrawal change year-on-year**



**Graph C**  
**Avg cash withdrawal value vs Prime interest rate**



## Data Table

Month	Avg Cash Withdrawal	Month on Month Change	Year on Year Change	Prime Interest Rate
Sep-07	R 351	-0.62%	N/A	13.50%
Oct-07	R 349	-0.43%	N/A	14.00%
Nov-07	R 356	1.86%	N/A	14.00%
Dec-07	R 381	6.49%	N/A	14.50%
Jan-08	R 368	-3.58%	N/A	14.50%
Feb-08	R 358	-2.69%	N/A	14.50%
Mar-08	R 357	-0.37%	N/A	14.50%
Apr-08	R 355	-0.38%	N/A	15.00%
May-08	R 357	0.62%	N/A	15.00%
Jun-08	R 353	-1.30%	N/A	15.50%
Jul-08	R 362	2.63%	N/A	15.50%
Aug-08	R 365	0.81%	N/A	15.50%
Sep-08	R 364	-0.37%	3.76%	15.50%
Oct-08	R 369	1.43%	5.72%	15.50%
Nov-08	R 371	0.38%	4.15%	15.50%
Dec-08	R 408	9.19%	7.23%	15.00%
Jan-09	R 373	-9.58%	1.36%	15.00%
Feb-09	R 366	-1.83%	2.22%	14.00%
Mar-09	R 365	-0.22%	2.37%	13.00%
Apr-09	R 380	3.98%	7.02%	13.00%
May-09	R 374	-1.68%	4.60%	11.00%
Jun-09	R 371	-0.84%	5.07%	11.00%
Jul-09	R 378	1.85%	4.24%	11.00%
Aug-09	R 374	-0.92%	2.45%	11.00%
Sep-09	R 383	2.21%	5.16%	10.50%
Oct-09	R 397	3.53%	7.44%	10.50%
Nov-09	R 396	-0.16%	6.87%	10.50%
Dec-09	R 434	8.65%	6.24%	10.50%
Jan-10	R 400	-8.40%	7.40%	10.50%
Feb-10	R 396	-1.02%	8.26%	10.50%
Mar-10	R 396	0.00%	8.47%	10.00%
Apr-10	R 408	2.94%	7.31%	10.00%
May-10	R 402	-1.47%	7.53%	10.00%
Jun-10	R 413	2.54%	11.26%	10.00%
July-10	R 412	-0.09%	9.10%	10.00%
Aug-10	R 399	-3.29%	6.61%	10.00%
Sept-10	R 406	1.59%	5.94%	9.50%
Oct-10	R 408	0.49%	2.71%	9.50%
Nov-10	R 412	1.09%	4.00%	9.00%
Dec-10	R 447	7.79%	3.03%	9.00%

## Commentary

South Africans splurged over the festive season with average cash withdrawals during December reaching an unprecedented high of R447 per withdrawal.

The December Spark Cash Index shows that average cash withdrawals were up 3.03% compared to December 2009 and 7.79% compared to November 2010. The previous average cash withdrawal record was R434, achieved during December 2009.

The stats show an increase in consumer confidence and a tendency for consumers to shy away from credit, with lessons learned from the ongoing recession and credit crunch still fresh in the memory. The fact that average cash withdrawals reached a record high last month shows that consumers treated themselves this festive season, especially with lower interest rates, a strong rand and low inflation.

The most recent Spark Cash Index results tie in with comments from various national retailers and hospitality outlets, which experienced strong trading during the festive season.

Independent ATMs also attract consumers who often go on to spend money within the store. It has become apparent to retailers that these consumers often turn into repeat customers and ATMs are an excellent way of drawing customers to your business. Many hotels also saw the benefits of offering their guests a safe and convenient place to withdraw cash, particularly those in remote regions.

Predictions for 2011 are that consumers will continue to be cautious, although spending is expected to exceed that of 2010. Cash will continue to dominate as consumers prefer to steer clear of credit. With confidence increasing and consumers that are still credit-wary, the demand for cash is set to further increase; as will the need for secure places to withdraw this cash.

### Explanatory Notes

The value for the Spark Cash Index value 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 Spark ATM's network of ATMs. The sample size is hundreds of thousands of transactions in both 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.

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