

The Spark Cash Index

Release version: February 2011

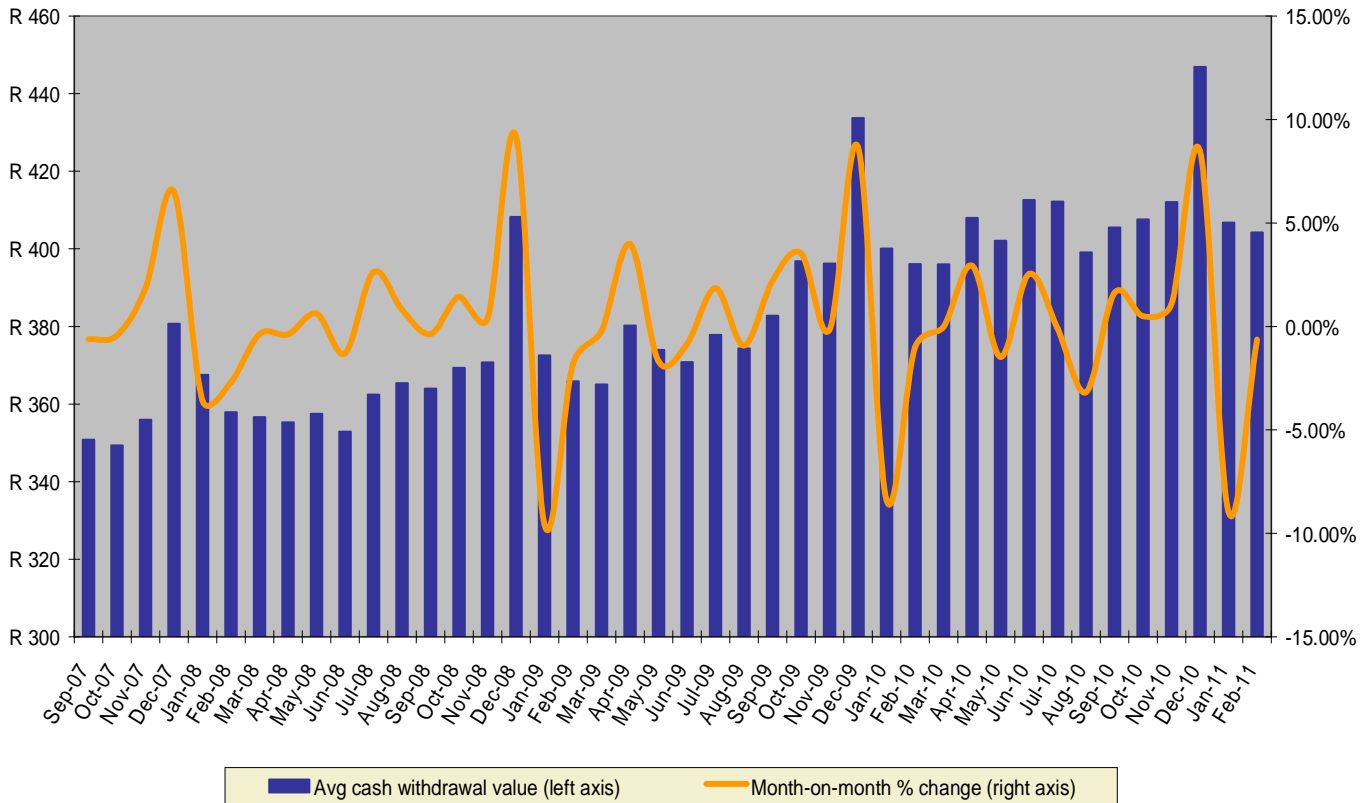
About Spark ATM Systems

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.

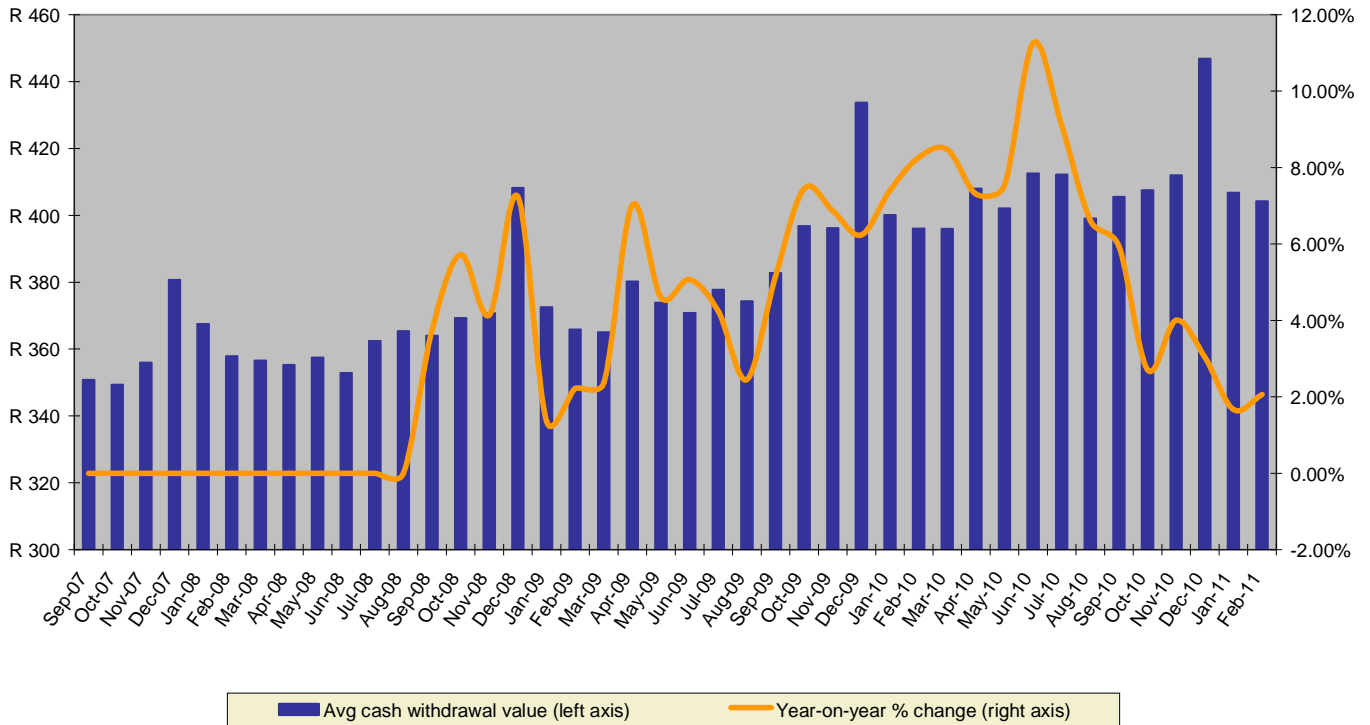
Introduction to the Spark Cash Index

The amount of cash withdrawn at ATMs is a real-time indicator of cash availability and consumer spending in the economy. From our records we have noticed that over time the average amount of cash withdrawn at our network of ATMs corresponds with general economic conditions in the country.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.

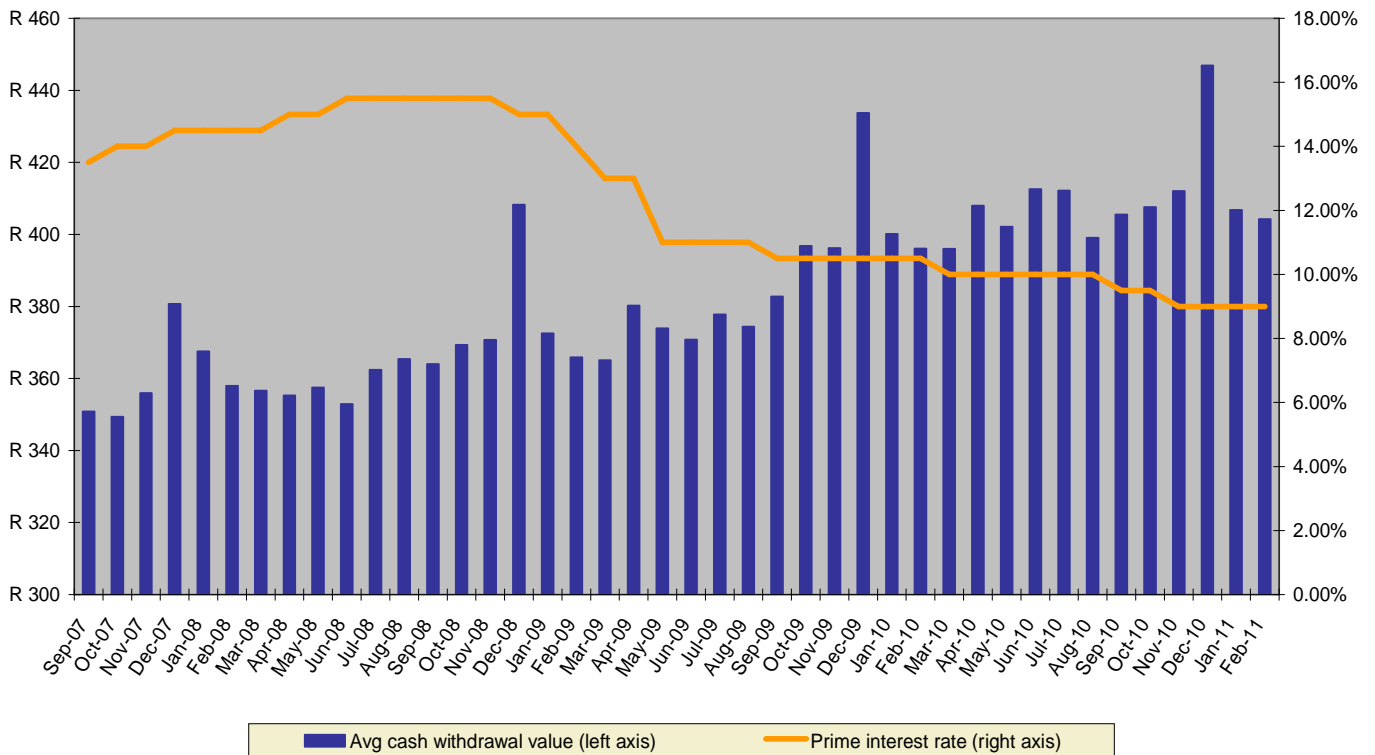
Graph A
Average cash withdrawal value



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	0.02%	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	-3.18%	6.61%	10.00%
Sept-10	R 406	1.62%	5.94%	9.50%
Oct-10	R 408	0.50%	2.71%	9.50%
Nov-10	R 412	1.10%	4.00%	9.00%
Dec-10	R 447	8.45%	3.03%	9.00%
Jan-11	R 407	-8.97%	1.67%	9.00%
Feb-11	R 404	-0.63%	2.06%	9.00%

Commentary

Cash withdrawals continue to drop with the February 2011 Spark Cash Index revealing an average cash withdrawal decline of 0,63% compared to January 2011.

While consumers provided retailers with a bumper Christmas, they became more cautious in the New Year and this pattern has flowed through into February.

The Spark Cash index recorded a R404 average cash withdrawal in February 2011. While this is down from January's amount of R407, it is an improvement of 2,06% on the R396 recorded in February last year.

Consumers are following a similar pattern to previous years, allowing prudence to take hold in the early part of the year and only increasing expenditure in time for Easter. However, the drop in February withdrawals is a lot less than we have seen in recent years, -1,83% in 2009 and -1,02% in 2010, and this could indicate a continued uptick in consumer confidence.

Retail numbers for last year support his view. Sales figures were up 5,2% in 2010 compared to 2009 and indicate that consumer spending is gaining momentum albeit from a low base.

Further, consumer confidence is likely to continue on an upward path throughout the year as South Africa's economy recovers, interest rates remain low, and employment opportunities improve.

At the same time, the slow movement in South African residential property prices puts a damper on any potential exuberance. According to the latest FNB's House Price Index growth slowed to a year-on-year 0,2% (a decline in real terms of 2,3%), down from a revised 1,3% rise in January.

The Spark Cash Index draws upon a significant sample of ATM transactions and - particularly in the light of consumers' general reluctance to access credit - the patterns of cash withdrawals provide a useful insight into consumer confidence.

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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