

The Spark Cash Index

Release version: January 2011

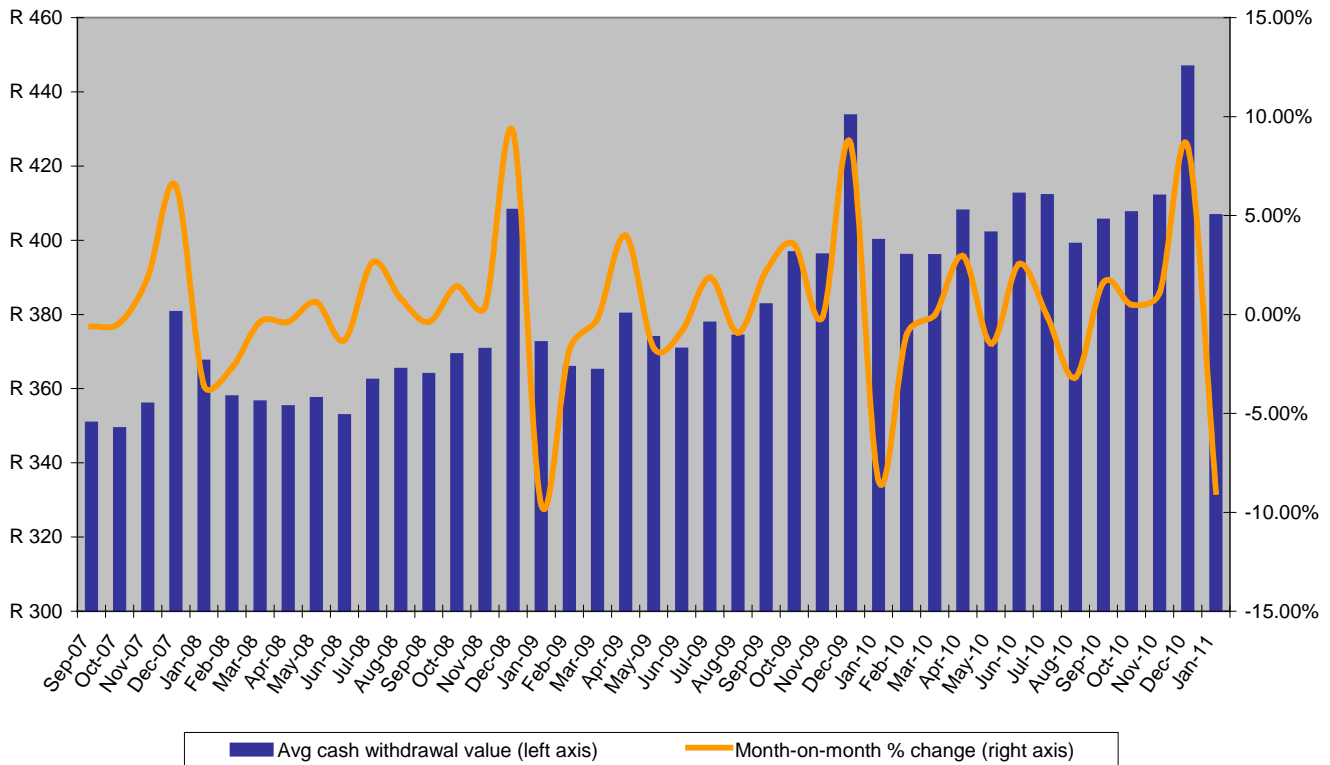
About Spark ATM Systems

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.

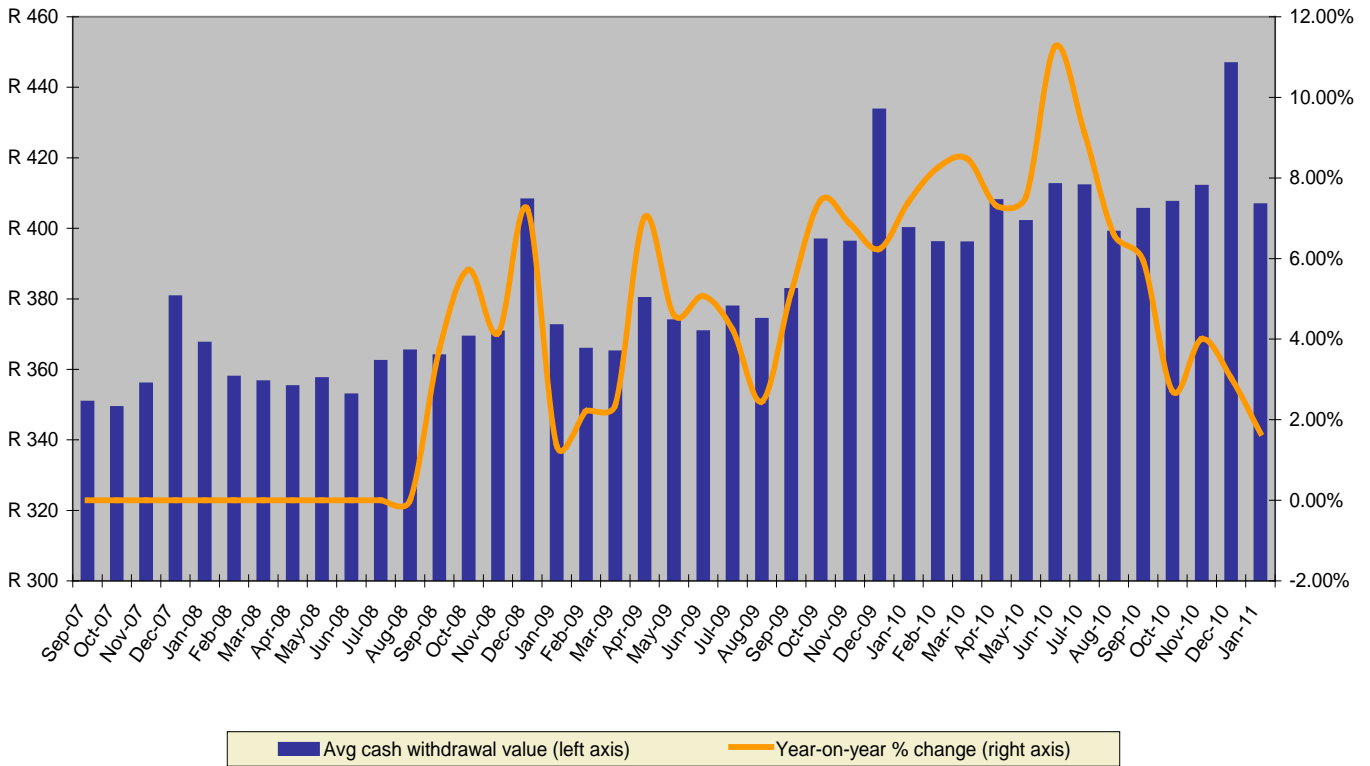
Introduction to the Spark Cash Index

The amount of cash withdrawn at ATMs is a real-time indicator of cash availability and consumer spending in the economy. From our records we have noticed that over time the average amount of cash withdrawn at our network of ATMs corresponds with general economic conditions in the country.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

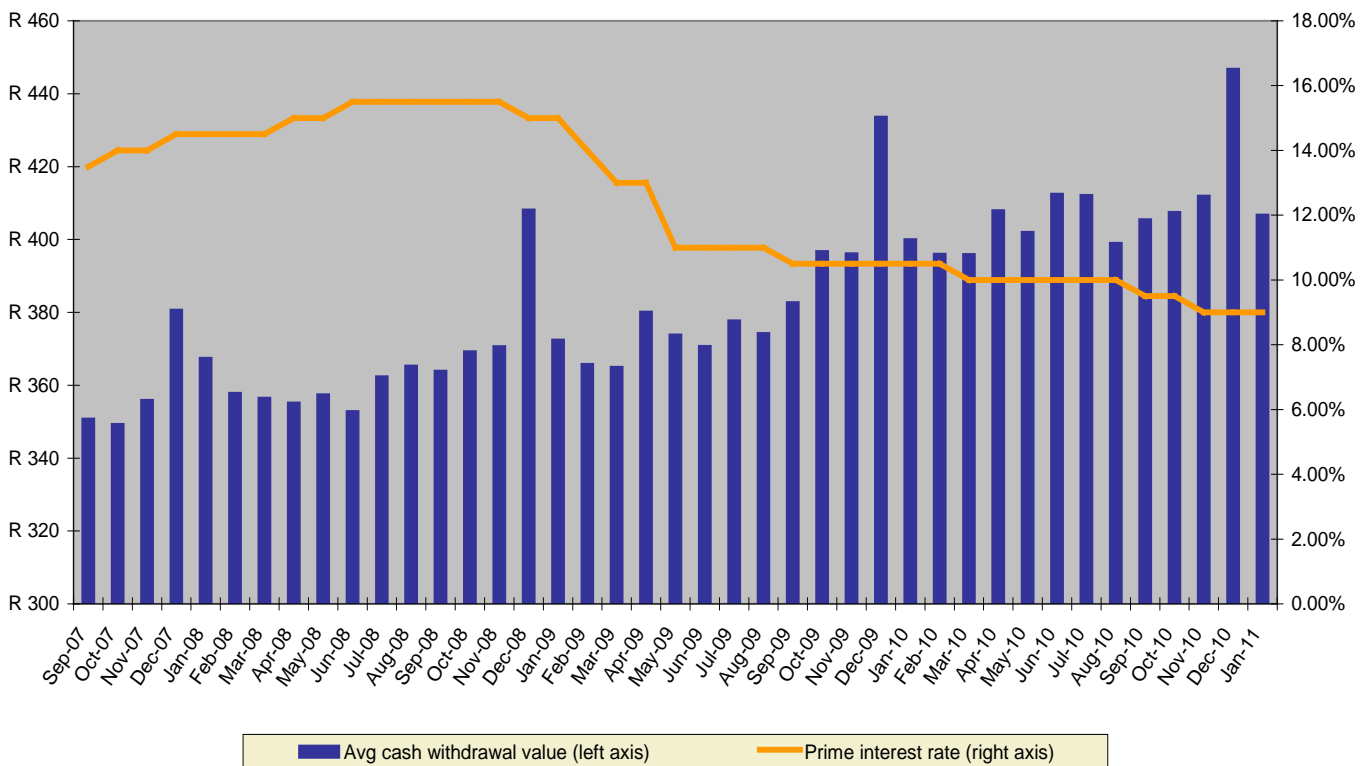
Graph A
Average cash withdrawal value



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	0.00%	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	-3.18%	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%

Commentary

This Christmas consumers took a breather from the austerity of the past couple of years and, fuelled by record low interest rates and a more positive economic outlook, gave retailers and the hospitality industry a welcome revenue boost. This was reflected in the record Spark Cash Index value of R447 recorded in December 2010, up from the previous record of R434 in December 2009.

January is however the month when consumers are forced to cut back after the Christmas excesses and this is reflected in the January Spark Cash Index.

The average cash withdrawal in January 2011 fell to R407 per transaction, a monthly decrease of 8.97% in comparison to December 2010's value of R447. This drop is expected as consumers historically use January to recover from their December festive season overspending.

ATM cash withdrawal values are an immediately available and very accurate indicator of consumer spending and sentiment in the economy, reflecting the average amount of actual cash that consumers withdraw on a monthly basis. The January decrease is consistent with the decrease in Stats SA's Retail Trade Sales figures and the Spark Cash Index is expected to return to positive monthly gains in April due to the Easter retail spending spree.

2010 was a unique year where we saw the unseasonal mid-year spike in average cash withdrawals driven by the FIFA World Cup fever that gripped our country. This year we expect average cash withdrawals to follow a more regular pattern and continue to be driven by general economic conditions primarily inflationary pressures, economic growth and prime interest rate activity.

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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