

EXECUTIVE SUMMARY

Latest statistics released by the Spark Cash Index (SCI)*, which measures the average value of cash withdrawals across more than 2 000 Spark ATMs throughout South Africa, reveal that consumers significantly reduced their spending during January 2013, following record increased cash withdrawal activity in December 2012. The SCI recorded a month-on-month drop of 9.18% in average cash withdrawal figures for January 2013, to R440.53.

According to Marc Sternberg, MD of Spark ATM Systems, the steep drop in the withdrawal values during January is a recurring trend, and is in keeping with recorded SCI ATM withdrawal patterns over the past five years. "Historically, following a surge in spending over the festive season, January is the month when consumers often adopt a more conservative spending approach, especially with mandatory expenses on the horizon such as school fees and related costs.

"In addition, there is also the fact that many workers get paid early in December and are often faced with a 'long' month before they get paid again in January, during which they have to curb their spending activity."

The SCI also revealed a significant year-on-year growth of 5.43% for January 2013, which according to Ronel Oberholzer, Principal Economist at IHS Global Insights, can be seen as a positive sign. "Comparing to last year's levels (2.65% year-on-year growth recorded in January 2012), consumers are currently in a better situation. However, I suspect that we will soon see a slowing in the rate of increase."

AVERAGE CASH WITHDRAWAL VALUE

AVERAGE CASH WITHDRAWN JANUARY 2013

R440.53

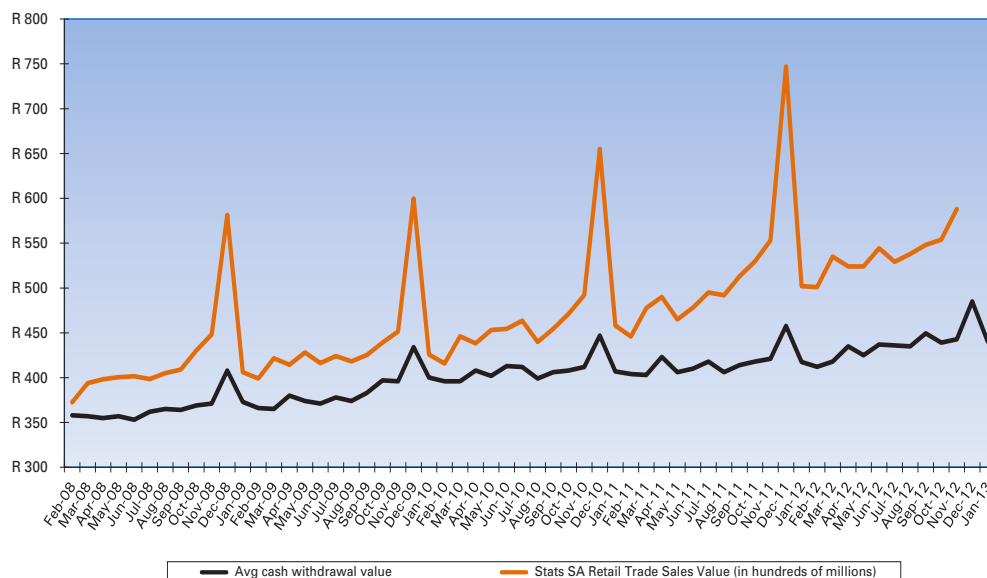
MONTH-ON-MONTH CHANGE DEC 2012 VS JAN 2013

↓ -9.18

YEAR-ON-YEAR CHANGE JAN 2012 VS JAN 2013

↑ 5.43%

AVERAGE CASH WITHDRAWAL VALUE VS STATS SA RETAIL TRADE SALES VALUE

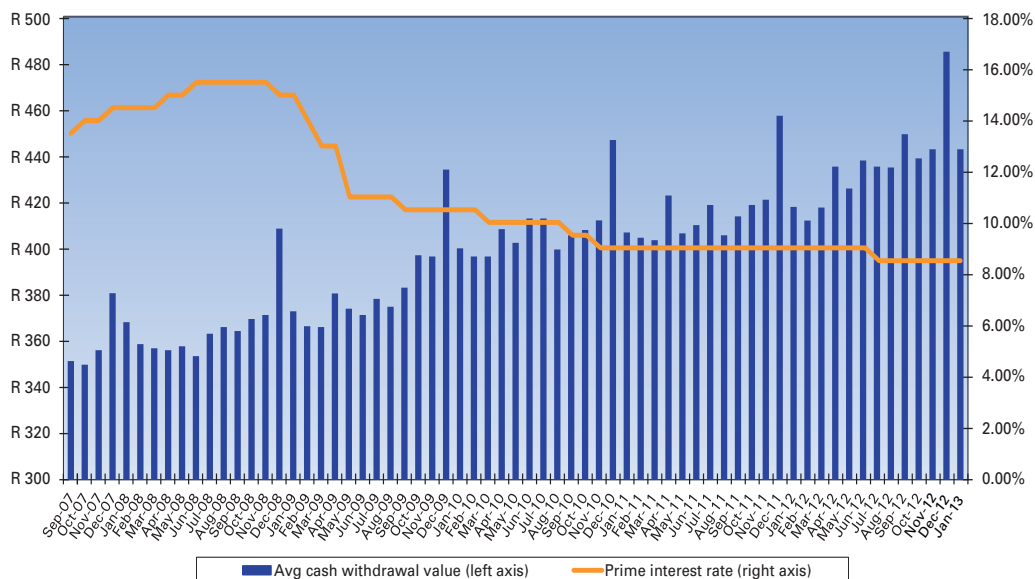


Sternberg says that although consumers will remain cautious, the current stable interest rate environment will foster consumer spending and local retailers should still enjoy a positive trading environment in 2013.

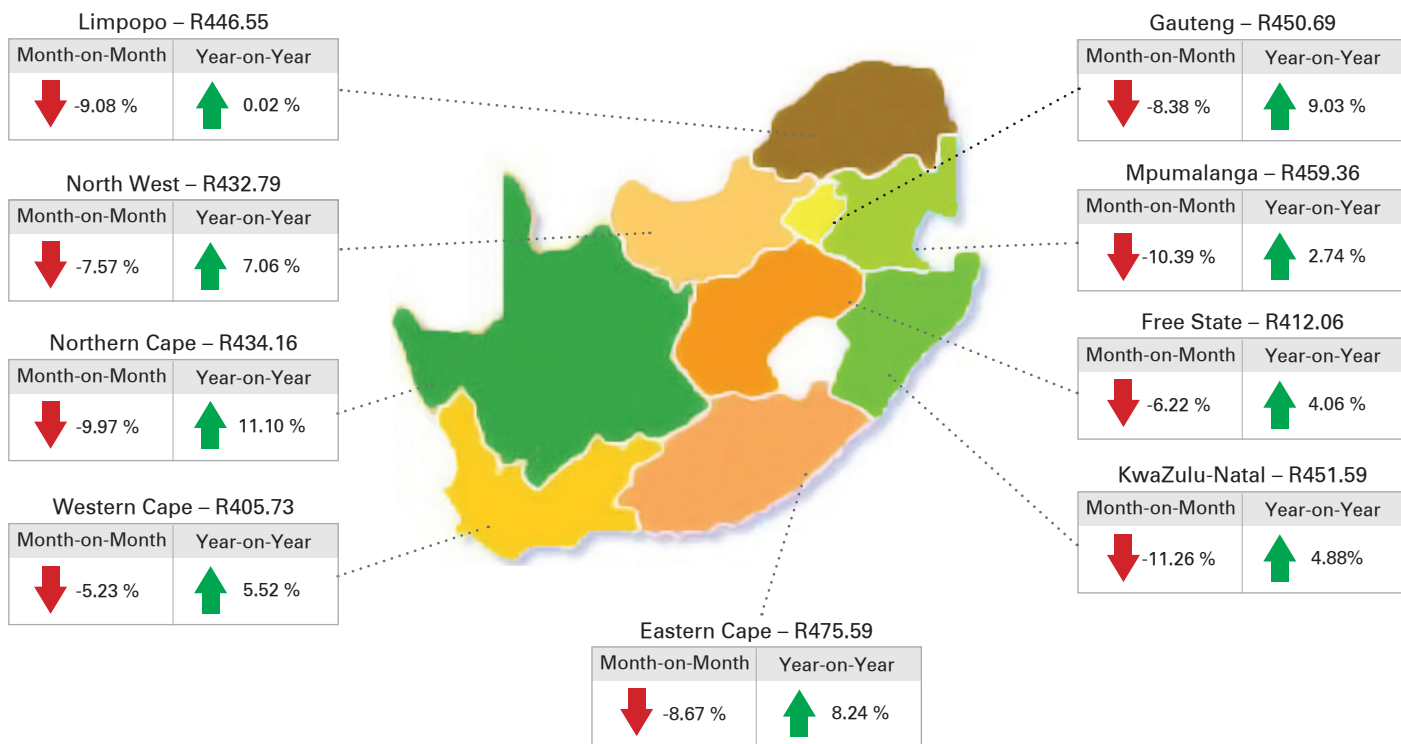
This forecast is backed up by PwC's recent South African retail and consumer products outlook 2012-2016 report which reveals that both food and non-food retail sales are expected to grow steadily through 2012 - 2016, and sales by value will grow by an average of 7.85% in nominal terms. "General food sales, which accounted for 54% of retail sales in 2011, are forecast to edge up to R576.7bn in 2012, from R542.3bn in 2011. Going forward, the report forecasts that food sales will accelerate again from 2013, rising to R787.6bn by 2016."

According to Sternberg, average monthly cash withdrawal figures will regain positive momentum in late March 2013. "This is due to the Easter holiday period occurring earlier this year, which is historically synonymous with increased retail activity nationwide."

AVERAGE CASH WITHDRAWAL VS PRIME INTEREST RATE



AVERAGE CASH WITHDRAWAL BY REGION



*Month-on-Month = December 2012 vs. January 2013. Year-on-Year = January 2012 vs. January 2013

The Eastern Cape recorded the highest provincial average cash withdrawal value (R475.59) for January 2013, followed by Mpumalanga (R459.36) and KwaZulu-Natal (R451.59) provinces.

"The Eastern Cape traditionally experiences an influx of people from all over the country, visiting family members over the festive season. Many often stay well into January and this is reflected in the increase in cash withdrawal activity during this period," says Sternberg.

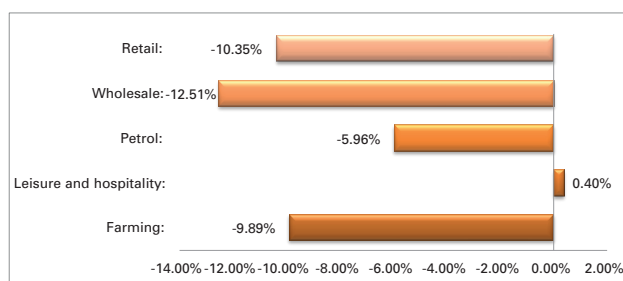
REGIONAL AVERAGE CASH WITHDRAWAL DATA TABLE

Month	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Limpopo	Mpumalanga	Northern Cape	North West	Western Cape	National
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 430.00	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

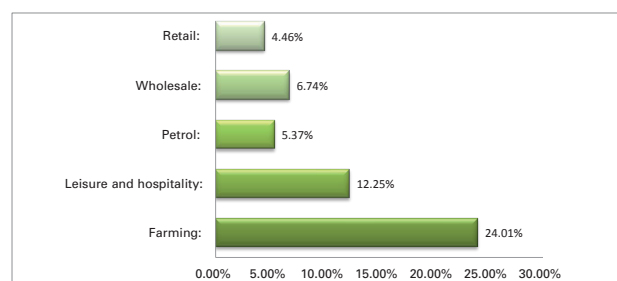
AVERAGE CASH WITHDRAWAL BY SITE CATEGORY

Retail	Wholesale	Petrol	Leisure & hospitality	Farming
R 427.44	R 445.77	R 448.11	R 429.40	R 410.91

MONTH-ON-MONTH CHANGE DECEMBER 2012 – JANUARY 2013



YEAR-ON-YEAR CHANGE JANUARY 2012 – JANUARY 2013



Petrol sites recorded the highest average cash withdrawal value (R448.11) during January 2013, followed by wholesale (R445.77) and leisure (R429.40).

"December to February is historically one of South Africa's busiest tourism periods, with many locals and international visitors travelling throughout the country. The ATM withdrawal value at petrol sites during January is reflective of this trend," 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
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
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

DATA TABLE

Below is the data table including all relevant statistics from January 2010 to January 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 Trade Sales Value
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%	2.78%	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%	Not yet released
Jan-13	R 440.53	-9.18%	5.43%	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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