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The Spark Cash Index

Release version: June 2011

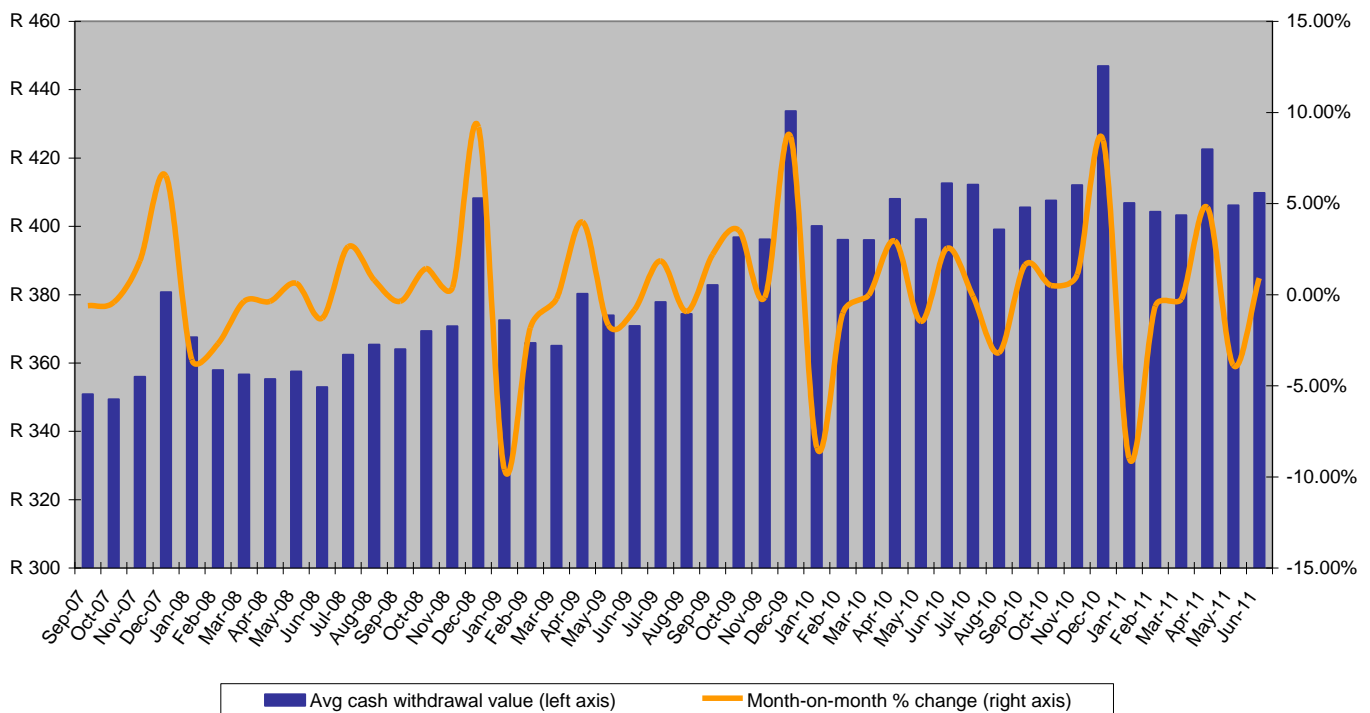
About Spark ATM Systems

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.

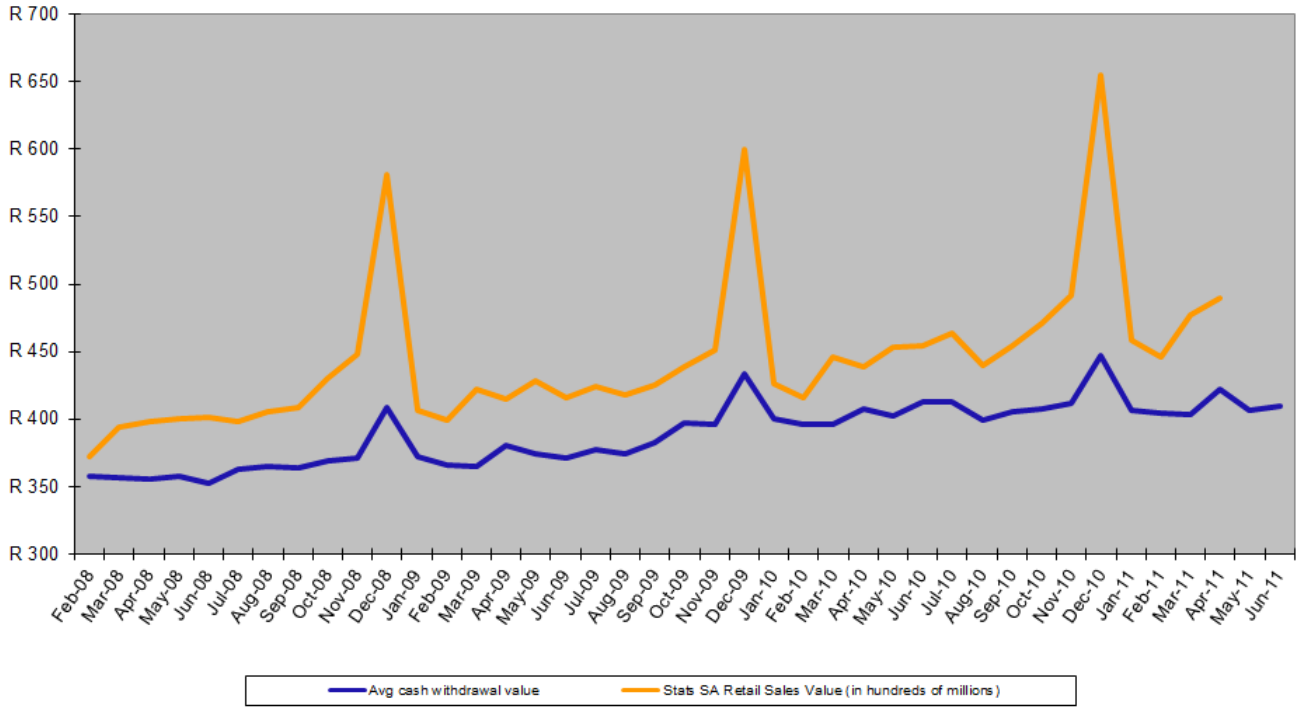
Introduction to the Spark Cash Index

The amount of cash withdrawn at ATMs is a real-time indicator of cash availability and consumer spending in the economy. From our records we have noticed that over time the average amount of cash withdrawn at our network of ATMs corresponds with general economic conditions in the country.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

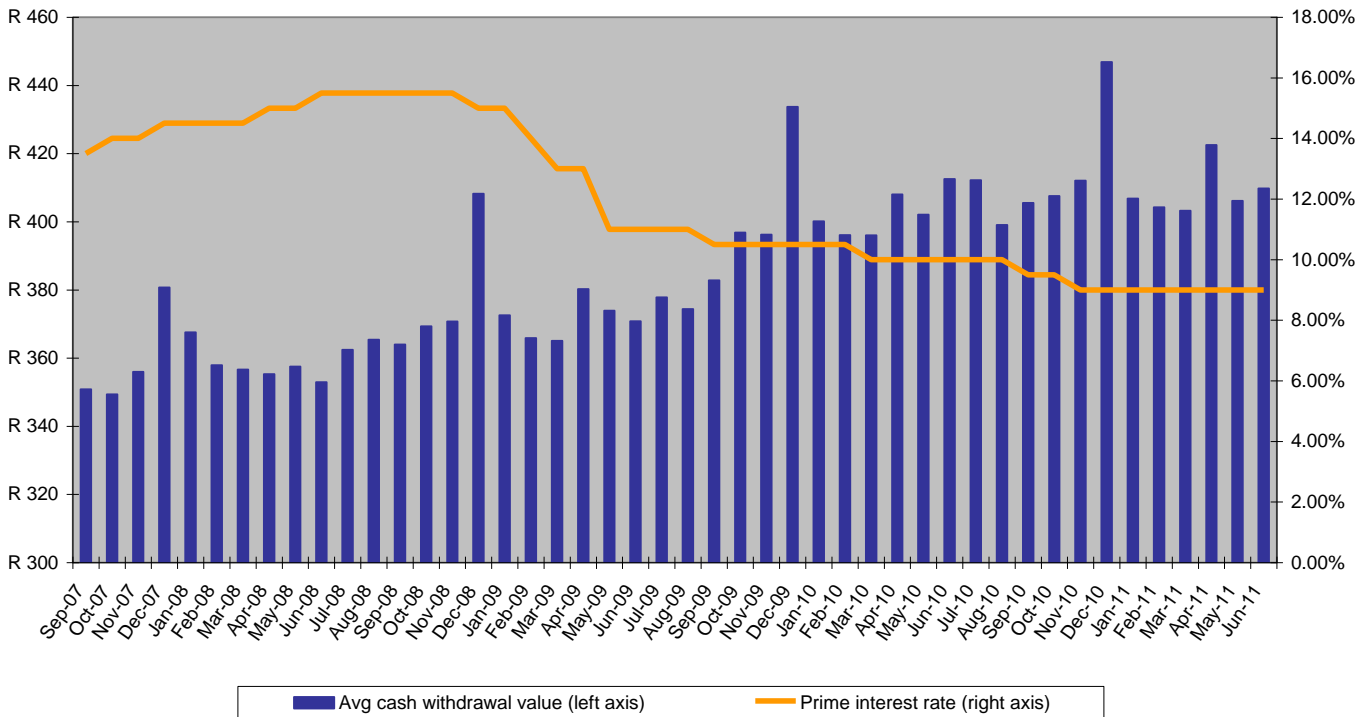
Graph A
Average cash withdrawal value



Graph B
Avg cash withdrawal value vs Stats SA Retail Sales Value



Graph C
Avg cash withdrawal value vs Prime interest rate



Data Table

Month	Avg Cash Withdrawal	Month on Month Change	Stats SA Retail Sales Value In R Million	Prime Interest Rate
Sep-07	R 351	-0.62%	37 041	13.50%
Oct-07	R 349	-0.43%	37 981	14.00%
Nov-07	R 356	1.86%	40 640	14.00%
Dec-07	R 381	6.49%	51 685	14.50%
Jan-08	R 368	-3.58%	36 141	14.50%
Feb-08	R 358	-2.69%	37 259	14.50%
Mar-08	R 357	-0.37%	39 395	14.50%
Apr-08	R 355	-0.38%	39 812	15.00%
May-08	R 357	0.62%	40 060	15.00%
Jun-08	R 353	-1.30%	40 161	15.50%
Jul-08	R 362	2.63%	39 843	15.50%
Aug-08	R 365	0.81%	40 503	15.50%
Sep-08	R 364	-0.37%	40 896	15.50%
Oct-08	R 369	1.43%	43 031	15.50%
Nov-08	R 371	0.38%	44 809	15.50%
Dec-08	R 408	9.19%	58 155	15.00%
Jan-09	R 373	-9.58%	40 611	15.00%
Feb-09	R 366	-1.83%	39 895	14.00%
Mar-09	R 365	-0.22%	42 165	13.00%
Apr-09	R 380	3.98%	41 443	13.00%
May-09	R 374	-1.68%	42 805	11.00%
Jun-09	R 371	-0.84%	41 626	11.00%
Jul-09	R 378	1.85%	42 416	11.00%
Aug-09	R 374	-0.92%	41 805	11.00%
Sep-09	R 383	2.21%	42 529	10.50%
Oct-09	R 397	3.53%	43 906	10.50%
Nov-09	R 396	-0.16%	45 152	10.50%
Dec-09	R 434	8.65%	59 999	10.50%
Jan-10	R 400	-8.40%	42 578	10.50%
Feb-10	R 396	-1.02%	41 574	10.50%
Mar-10	R 396	0.02%	44 614	10.00%
Apr-10	R 408	2.94%	43 824	10.00%
May-10	R 402	-1.47%	45 305	10.00%
Jun-10	R 413	2.54%	45 441	10.00%
July-10	R 412	-0.09%	46 356	10.00%
Aug-10	R 399	-3.18%	43 999	10.00%
Sept-10	R 406	1.62%	45 444	9.50%
Oct-10	R 408	0.50%	47 135	9.50%
Nov-10	R 412	1.10%	49 215	9.00%
Dec-10	R 447	8.45%	65 531	9.00%
Jan-11	R 407	-8.97%	45 818	9.00%
Feb-11	R 404	-0.63%	44 587	9.00%
Mar-11	R 403	-0.24%	47 759	9.00%
Apr-11	R 423	4.78%	49 015	9.00%
May-11	R 406	-3.88%		9.00%
June-11	R 410	0.90%		9.00%

Commentary

2011 Cash Withdrawal Values Show Positive Trend

Average cash withdrawal values across South Africa – as measured by the Spark Cash Index (SCI) – showed a slight increase from May to June of this year, following the big April holiday spike and subsequent expected sharp decrease in May.

The average cash withdrawal for June this year was R410, 0.90% up on May's value of R406. This slight increase is consistent with prior years and is a good indication of continuing consumer confidence. As expected, withdrawal values measured on a year-on-year basis are down by 0.67%. "Bearing in mind the inflated June 2010 value, which was caused by the FIFA Soccer World Cup festivities, the June 2011 SCI values are slightly down on last year's value. This however was expected and is a result of a strong prior year performance rather than current weakness", says Marc Sternberg, MD of Spark ATM Systems.

A new feature of the SCI that was launched last month is the comparison of the SCI's average cash withdrawal values against Stats SA's Retail Sales Figures. The correlation is extremely close and as the SCI is released some two months ahead of the Stats SA report, the SCI therefore provides useful forecasting information as to the future direction of the Retail Sales Figures. Sternberg explains, "The spike seen in both the SCI and the Retail Sales Figures in April reflects the extended Easter, Freedom Day and Workers Day spending that we experienced this year. When the May and June Retail Sales Figures are released, we expect to see a sharp drop in May and the figures to even out in June, as are reflected in the SCI results to date."

2010's inflated SCI figures for June and July were an anomaly caused by the FIFA Soccer World Cup festivities. Taking this into consideration, and if one looks at the trends in the SCI in previous years, which reflect the July school holiday mini-spike, we expect July 2011's average cash withdrawal figures to be slightly up on June's.

The Spark Cash Index is a useful 'real-time' gauge of consumer spending, utilising Spark ATM Systems' network of over 1,400 ATM points countrywide to reflect accurate, broad and timely cash utilisation data. Spark's ATMs are typically located in convenience stores, petroleum stations, specialist retail nodes and leisure & hospitality venues.

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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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