

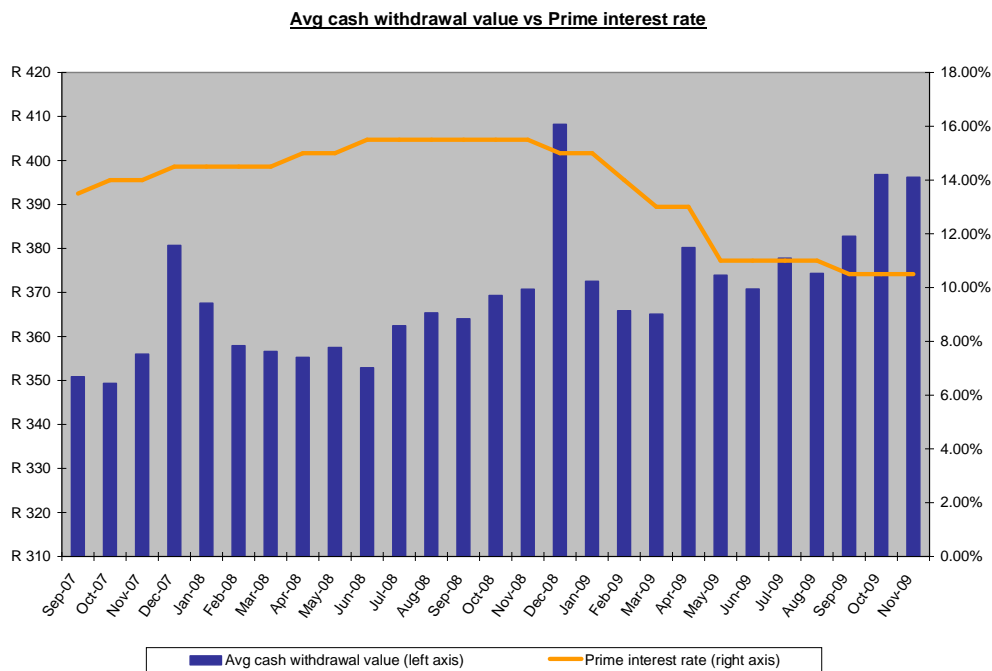
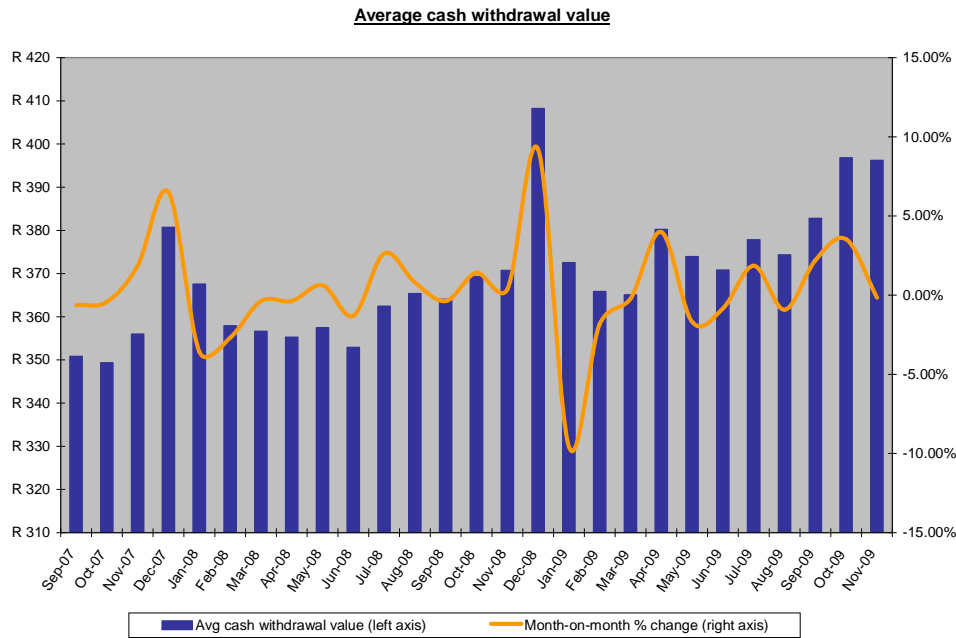
The Spark Cash Index

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The amount of cash withdrawn at ATMs is a real-time indicator of cash availability and spend in the economy. From our records we have noticed that over time the average amount of cash withdrawn at our network of ATMs corresponds with general economic conditions in the country and that consumers respond very quickly to changing conditions, particularly variations in the prime interest rate.



Data Table

Month	Avg Cash Withdrawal	Month on Month Change
Sep-07	R 351	-0.62%
Oct-07	R 349	-0.43%
Nov-07	R 356	1.86%
Dec-07	R 381	6.49%
Jan-08	R 368	-3.58%
Feb-08	R 358	-2.69%
Mar-08	R 357	-0.37%
Apr-08	R 355	-0.38%
May-08	R 357	0.62%
Jun-08	R 353	-1.30%
Jul-08	R 362	2.63%
Aug-08	R 365	0.81%
Sep-08	R 364	-0.37%
Oct-08	R 369	1.43%
Nov-08	R 371	0.38%
Dec-08	R 408	9.19%
Jan-09	R 373	-9.58%
Feb-09	R 366	-1.83%
Mar-09	R 365	-0.22%
Apr-09	R 380	3.98%
May-09	R 374	-1.68%
Jun-09	R 371	-0.84%
Jul-09	R 378	1.85%
Aug-09	R 374	-0.92%
Sep-09	R 383	2.21%
Oct-09	R 397	3.53%
Nov-09	R 396	-0.16%

Commentary

During the economic tightening cycle of H1 2008 characterised by increasing interest rates, we noted that consumers tended to withdraw the same amount of cash, or marginally less, at our ATMs. However, over the course of 2009 as interest rates were reduced by a cumulative 5 percentage points, we observed that consumers were increasing the value of their withdrawals. Higher levels of inflation over this period also meant that consumers had to spend more to purchase the same basket of goods.

Three out of the last five months have shown strong month to month gains with September (2.21%) and October (3.53%) both firmly in the positive territory. This data is supported by recent positive gains in the South African Reserve Bank's leading and coincident business cycle indicators, as well as September and October showing positive gains in Absa Bank's House Price Index. Reductions in prime lending rates have led to an increase in disposable levels of cash for consumers. The bond repayments on a R650,000 home are now over R2,000 cheaper than in December 2008, meaning that there is more disposal income in households.

Q3 2009 GDP figures released recently by the SARB were positive at 0.9%, which is mirrored in the overall increase in cash withdrawals over these three months. Subsequently, September to October months showed a large increase of 3.53%, which growth was maintained in November with almost flat growth from October to November of 0.16%. This is the second largest month on month increase this year (first being the seasonal Easter-driven April 2009 increase) and is a much larger increase than previous year's Sept to Oct increase.

We can conclude from this that consumers may be resuming their higher spending habits and in that manner, leading the much needed consumer-driven move out of the recent recession.

Explanatory Notes

The value for the Spark Cash Index value is obtained using the following formula:

Total cash dispensed for the month divided by total cash withdrawals achieved for the month across 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 the effects of inflation.

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