

**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, recorded a positive month-on-month growth of 3.34% in average cash withdrawal figures for September 2012, from R434.93 to R449.47, indicating that local consumers are starting to feel the positive effects of the interest rate cut which took place in July 2012.

Marc Sternberg, MD of Spark ATM Systems, says not only has September 2012 recorded the first positive month-on-month growth since June 2012, but this month's average cash withdrawal size is the third largest for the entire series, which began in January 2007, and the largest ever for a non-December month. "The withdrawal statistics this month are very positive and point to an increase in consumer spending and confidence."

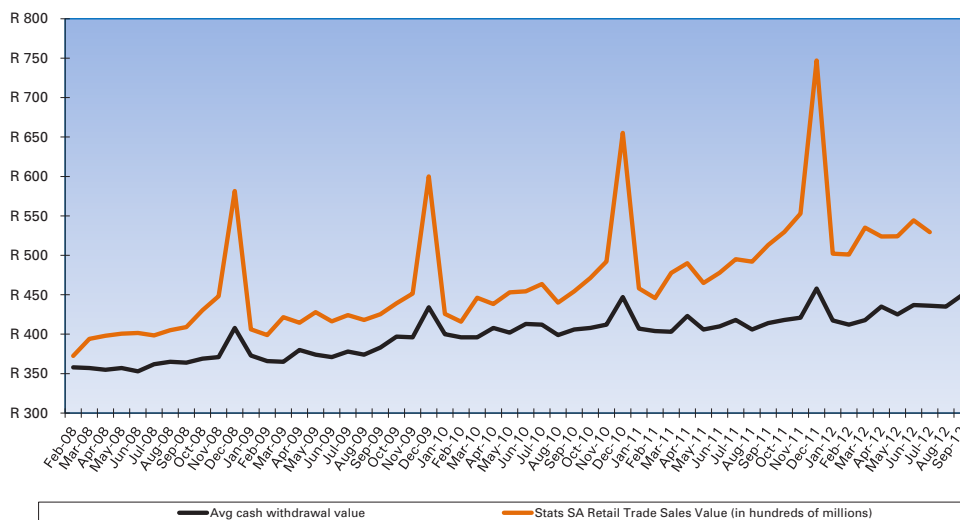
Sternberg says the long weekend which took place in September, paired with the July interest rate cut, meant that consumers had more money in their pockets and more spare time on their hands, which could have contributed to the boost in cash withdrawal activity.

Furthermore, a positive year-on-year growth of 8.60% was noted, the third highest year-on-year growth since the World Cup June 2010 statistics.

**AVERAGE CASH WITHDRAWAL VALUE**

<p><b>AVERAGE CASH WITHDRAWN</b> SEPTEMBER 2012</p>	<p><b>MONTH-ON-MONTH CHANGE</b> AUG 2012 VS SEP 2012</p>	<p><b>YEAR-ON-YEAR CHANGE</b> SEP 2011 VS SEP 2012</p>
<p>R449.47</p>	<p>↑ 3.34 %</p>	<p>↑ 8.60 %</p>

**AVERAGE CASH WITHDRAWAL VALUE VS STATS SA RETAIL TRADE SALES VALUE**



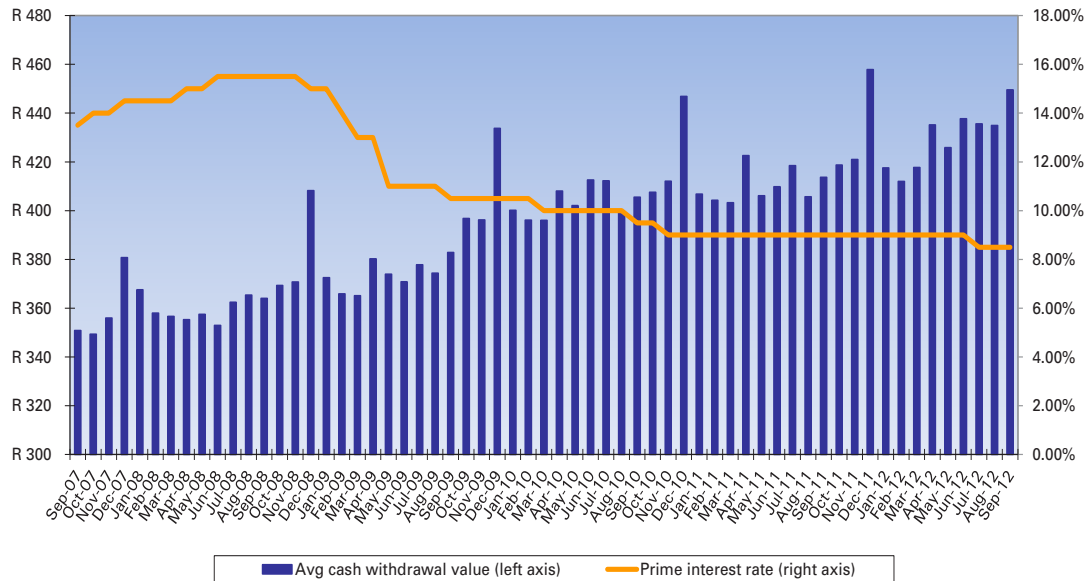
Thea Fourie, Senior Economist at IHS Global Insights, says a significant shift in consumer sentiment, helped by the July interest rate cut, could have led to this increase in cash withdrawals in September 2012. She adds that technical reasons also likely contributed to the large annual jump. "Given the relatively low 2.07% growth in August last year, we would expect the annual increase this year to be large."

She says that should this positive growth continue, it will most likely be as a result of the latest wage adjustments awarded to the mining sector spilling over to a wider segment of the economy.

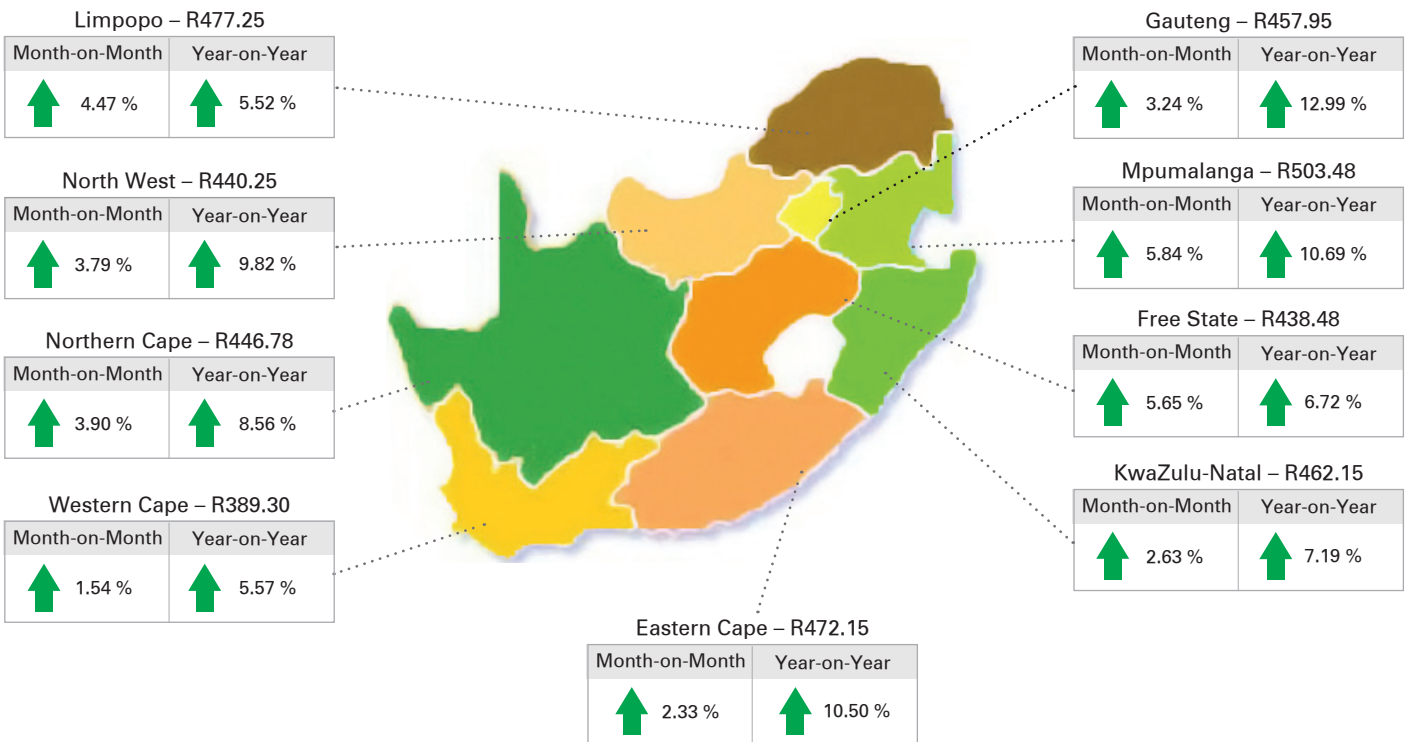
However, she cautions that negative economic factors could also start pushing up withdrawal values. "The anticipated rise in food inflation paired with the recent petrol price increases could mean that consumers will need to draw more cash to pay for daily necessities."

The effects of the petrol price hikes already appear to be having an impact on withdrawal values. Sternberg points to the 3.05% month-on-month increase in cash withdrawals at petrol station sites in September and 3.44% month-on-month growth noted at retail sites - the highest month-on-month increase in withdrawal activity at petrol and retail sites recorded since the April 2012 holiday period.

## AVERAGE CASH WITHDRAWAL VS PRIME INTEREST RATE



## AVERAGE CASH WITHDRAWAL BY REGION



\*Month-on-Month = August 2012 vs. September 2012. Year-on-Year = September 2011 vs. September 2012

For the ninth consecutive month, the Mpumalanga province recorded the highest provincial average cash withdrawal value of R503.48 for September 2012, followed by Limpopo (R477.25) and the Eastern Cape (R472.15) provinces.

“The regional results mirror the latest results from Statistics South Africa’s Quarterly Labour Force Survey which revealed that the Mpumalanga province observed the highest gains in employment quarter-on-quarter of 40 000, followed by the Limpopo (22 000) and Eastern Cape (19 000) provinces respectively. This shows a direct correlation between employment growth and cash withdrawal activity - as a province employs more people, the number of people withdrawing cash grows,” says Sternberg.

“It is also positive to note that month-on-month and year-on-year growth was recorded across all provinces for the first time since April 2011, revealing that the interest rate cut has had a positive impact across the country,” says Sternberg.

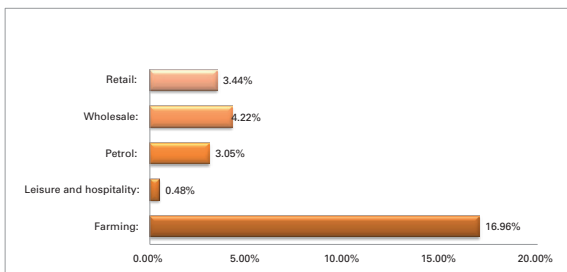
## REGIONAL AVERAGE CASH WITHDRAWAL DATA TABLE

Month	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Limpopo	Mpumalanga	Northern Cape	North West	Western Cape	National
Sep-11	R 427.27	R 410.86	R 405.29	R 431.15	R 452.31	R 454.84	R 411.57	R 400.87	R 368.77	R 413.88
Oct-11	R 433.10	R 407.62	R 413.18	R 432.92	R 455.42	R 455.89	R 422.18	R 406.07	R 374.12	R 418.79
Nov-11	R 432.96	R 409.42	R 421.46	R 433.06	R 451.74	R 444.55	R 422.27	R 411.30	R 382.75	R 420.84
Dec-11	R 472.39	R 434.25	R 448.69	R 481.06	R 493.90	R 484.95	R 443.46	R 436.98	R 406.27	R 457.67
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

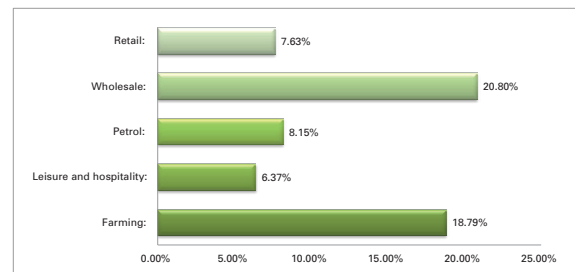
## AVERAGE CASH WITHDRAWAL BY SITE CATEGORY

Retail	Wholesale	Petrol	Leisure & hospitality	Farming
R 445.66	R 468.46	R 448.54	R 395.41	R 401.90

### MONTH-ON-MONTH CHANGE AUGUST 2012 – SEPTEMBER 2012



### YEAR-ON-YEAR CHANGE SEPTEMBER 2011 – SEPTEMBER 2012



For the seventh month in a row, wholesale locations revealed the largest average cash withdrawal figure of R468.46, with petrol sites recording the second highest value of R448.54 followed by Retail\*\* sites with a value of R445.66.

Wholesale locations also recorded the highest year-on-year growth of 20.80% and the second highest month-on-month growth of 4.22% for the month of September 2012. "The overall growth in withdrawal activity noted at wholesale locations indicates that consumers are definitely trying to make the most of the recent interest rate cut by purchasing items in bulk," 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
Sep-11	R 414.07	R 387.80	R 414.72	R 371.72	R 338.34
Oct-11	R 414.36	R 395.14	R 416.27	R 378.81	R 395.29
Nov-11	R 415.59	R 390.13	R 412.88	R 388.48	R 400.00
Dec-11	R 456.58	R 430.19	R 453.98	R 387.03	R 395.40
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

## DATA TABLE

Below is the data table including all relevant statistics from September 2009 to September 2012. 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
Sep-09	R 382.78	2.21%	5.20%	R 425
Oct-09	R 396.57	3.6%	7.06%	R 439
Nov-09	R 396.28	-0.07%	7.19%	R 452
Dec-09	R 433.38	9.36%	6.22%	R 600
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%	Not yet released
Sep-12	R 449.47	3.34%	8.60%	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](http://www.sparkatm.co.za) for more information.

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