

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 Automated Teller Machines (ATMs) throughout South Africa, showed a decrease in ATM withdrawal activity for July 2013, pulling back from a holiday high in June 2013.

The SCI revealed a month-on-month decrease of 2.79% in average cash withdrawal figures for July 2013 to R462.70 from R475.98 in June.

According to Ryan Tzamtzis, Operations Manager of Spark ATM Systems, this is the second biggest month-on-month decrease in 2013. "The decrease in July's month-to-month data once again highlights how consumer spending normalises after each holiday period, when withdrawal values tend to peak. The SCI data for July is a clear reversal on June's increase, which was up 2.47%."

AVERAGE CASH WITHDRAWAL VALUE

AVERAGE CASH WITHDRAWN
JULY 2013

R462.70

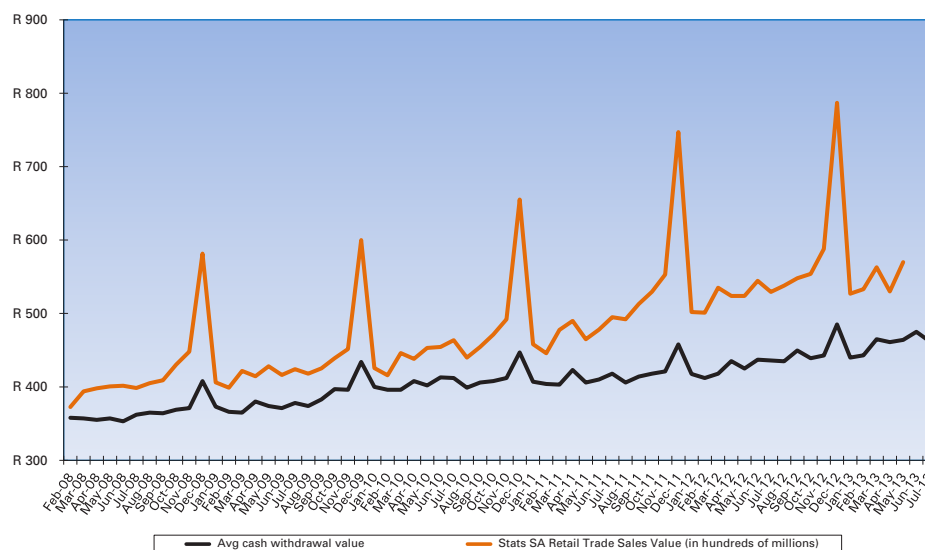
MONTH-ON-MONTH CHANGE
JUNE 2013 VS JULY 2013

↓ -2.79%

YEAR-ON-YEAR CHANGE
JULY 2012 VS JULY 2013

↑ 6.24%

AVERAGE CASH WITHDRAWAL VALUE VS STATS SA RETAIL TRADE SALES VALUE



All provincial and locations withdrawal values, except for leisure sites, recorded a decrease in activity.

According to Ronel Oberholzer, Principal Economist at IHS Global Insights, while July's figures are indicative of a correction after the holiday increase, the decrease was further influenced by the July fuel price increase, which has forced consumers to cut back considerably. "The 84 cents per litre jump in the petrol price in July is one of the highest ever and has made consumers more cautious when it comes to spending."

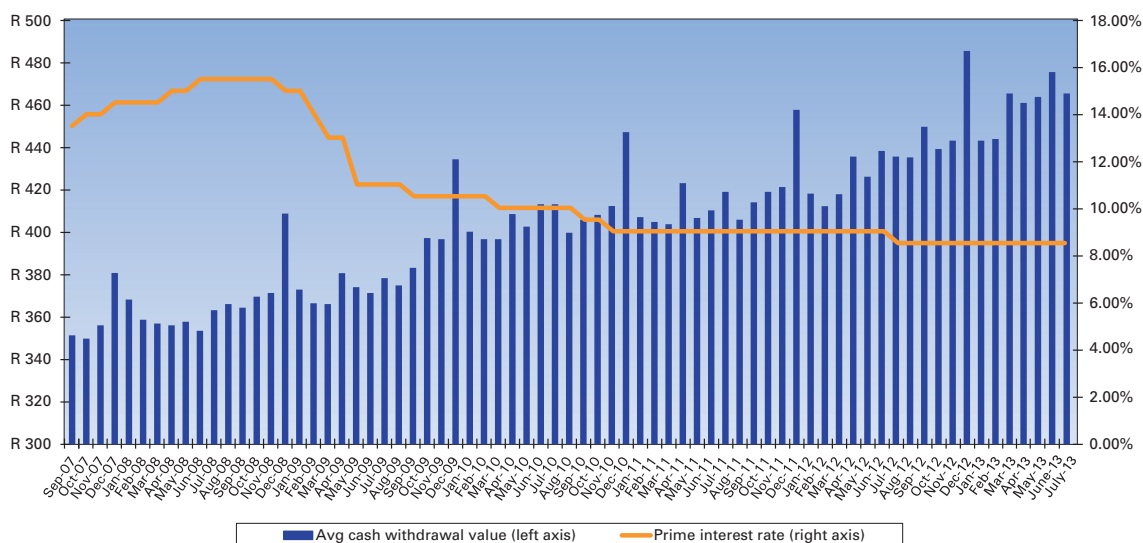
"The effect of the rising petrol price is also seen in the fact that petroleum sites recorded the second highest average cash withdrawal as more cash is needed to fill petrol tanks," adds Tzamtzis.

Oberholzer adds that there are further concerns for consumers. "The weaker rand is still to show up in the price of consumer goods, fuel prices are increasing, while unemployment is at the highest level since data was collected. We will also see new municipal rates based on higher valued houses take effect in August, impacting negatively on disposable income."

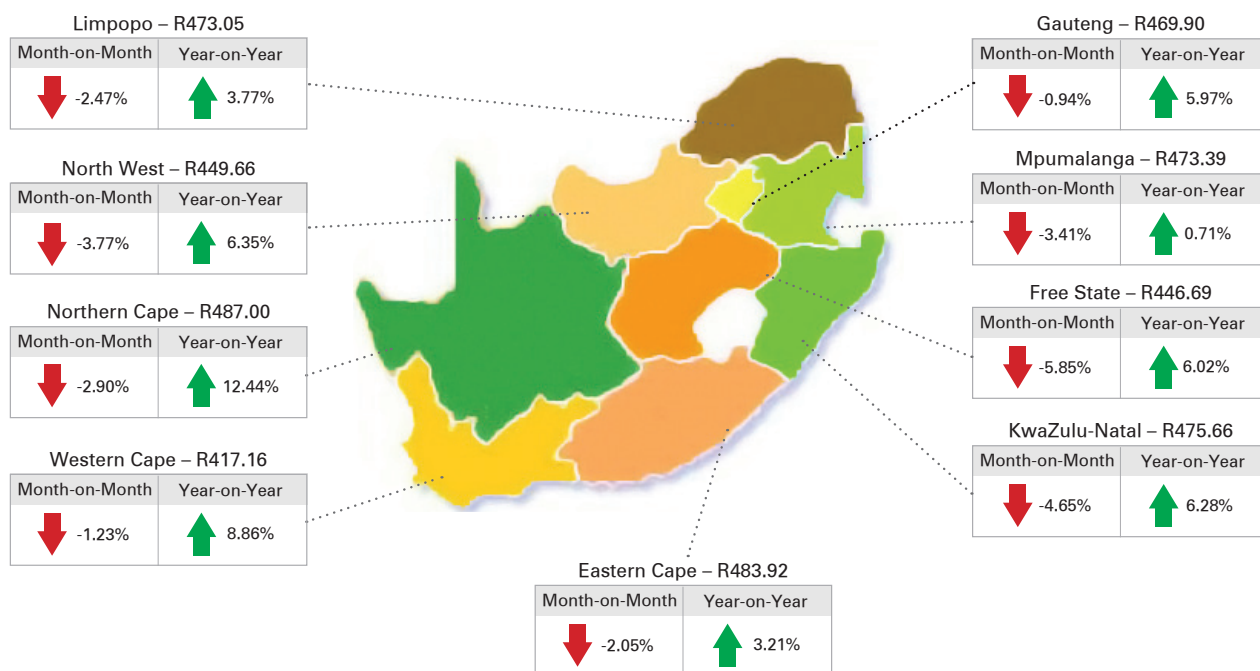
Oberholzer says that latest FNB [JSE:FSR] and BER Consumer Confidence Index (CCI), which rebounded after a second quarter from a nine-year low, may be misleading as it was measured before fuel price increases in July 2013. "As a result, we should not necessarily expect to see a significant increase in the average cash withdrawal values going forward."

Tzamtzis adds that new fuel price increases in August will put an added strain on consumer spending habits, which is likely to reflect flat withdrawal values across all site locations.

AVERAGE CASH WITHDRAWAL VS PRIME INTEREST RATE



AVERAGE CASH WITHDRAWAL BY REGION



*Month-on-Month = June 2013 vs. July 2013. Year-on-Year = July 2012 vs. July 2013

For the second month in a row the Northern Cape Province recorded the highest average cash withdrawal value of R487.00 in July 2013. The province also recorded the highest year-on-year increase of 12.44%, while recording a month-on-month decrease of 2.9%. The Eastern Cape recorded the second highest average cash withdrawal value of R483.92.

The Free State saw the biggest decrease month-on-month (5.85%) after it experienced the highest increase in June (5.72%). Oberholzer says that this is likely normalising from the increase in June.

Similarly KZN reported the second biggest month-on-month decrease of 4.65%, but still recorded the third highest average cash withdrawal value (R475.66). "Besides the end of the holiday season running into July, KZN has always had a slightly higher average withdrawal rate due to remittance income. In other words, people send a lot of money from the cities to their families living in KZN, who make cash withdrawals from an ATM," says Oberholzer.

Tzamtzis adds that this is a positive boost for Spark ATM Systems, as a central driver of the business is to provide rural areas with access to ATM cash withdrawal facilities.

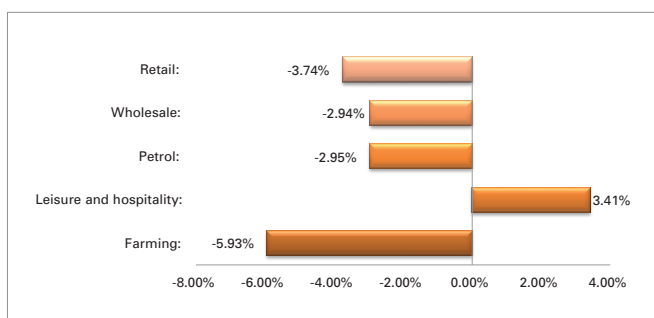
REGIONAL AVERAGE CASH WITHDRAWAL DATA TABLE

Month	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Limpopo	Mpumalanga	Northern Cape	North West	Western Cape	National
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
Feb-13	R 467.44	R 429.57	R 456.93	R 458.60	R 457.25	R 459.89	R 435.09	R 434.77	R 406.32	R 443.56
Mar-13	R 487.94	R 457.77	R 453.40	R 484.50	R 484.44	R 488.44	R 470.51	R 458.40	R 424.16	R 465.04
Apr-13	R 495.24	R 452.35	R 455.72	R 475.90	R 479.13	R 481.14	R 474.17	R 455.10	R 418.37	R 461.65
May-13	R 482.56	R 448.75	R 467.96	R 485.33	R 477.88	R 484.19	R 478.11	R 447.04	R 419.96	R 464.52
Jun-13	R 494.04	R 474.44	R 474.35	R 498.87	R 485.05	R 490.10	R 501.55	R 467.28	R 422.37	R 475.98
Jul-13	R 483.92	R 446.69	R 469.90	R 475.66	R 473.05	R 473.39	R 487.00	R 449.66	R 417.16	R 462.70

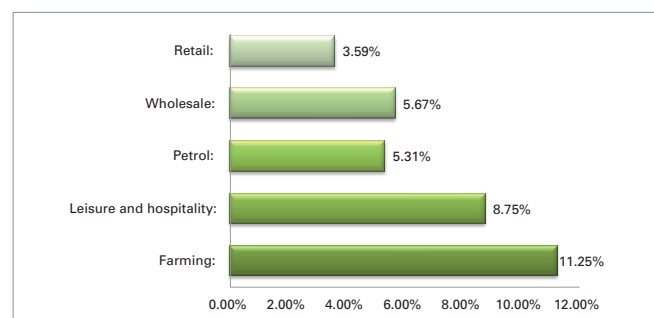
AVERAGE CASH WITHDRAWAL BY SITE CATEGORY

Retail	Wholesale	Petrol	Leisure & hospitality	Farming
R 442.29	R 477.25	R 463.18	R 428.24	R 447.15

MONTH-ON-MONTH CHANGE JUNE 2013 – JULY 2013



YEAR-ON-YEAR CHANGE JULY 2012 – JULY 2013



Of all the site locations, only leisure sites recorded a month-on-month increase (3.41%) for July 2013, although cash withdrawal values at these locations remain the lowest (R428.24). The month-to-month increase at leisure locations is attributed to the end of the school holiday season entertainment costs.

Wholesale locations recorded the highest cash withdrawal value (R477.25) for July 2013 for the sixth month in a row. Buying in bulk as a cheaper option for consumers and aggressive advertising are regarded as the reasons for the continued high average withdrawal values at these locations.

Petrol sites recorded the second highest average cash withdrawal value (R463.18), while farming locations recorded the third highest withdrawal value of R447.15 for July 2013. However, farming locations recorded the biggest month-to-month decrease of 5.93% as a result of the slowdown in agriculture activity post-harvest season. Retail locations recorded the second biggest month-on-month decrease of 3.74%.

****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
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
Feb-13	R 432.20	R 451.79	R 445.31	R 423.82	R 375.51
Mar-13	R 455.12	R 479.75	R 468.75	R 415.39	R 415.92
Apr-13	R 444.14	R 472.23	R 472.04	R 424.43	R 409.77
May-13	R 447.18	R 476.57	R 470.87	R 418.63	R 439.68
Jun-13	R 459.47	R 491.71	R 477.28	R 414.11	R 475.34
Jul-13	R 442.29	R 477.25	R 463.18	R 428.24	R 447.15

DATA TABLE

Below is the data table including all relevant statistics from July 2010 to July 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 TradeSales Value
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%	R 787
Jan-13	R 440.53	-9.18%	5.43%	R 527
Feb-13	R 443.56	0.69%	7.71%	R 533
Mar-13	R 465.64	4.84%	11.28%	R 563
Apr-13	R 461.65	-0.73%	6.01%	R 530
May-13	R 464.52	0.62%	9.06%	R 570
Jun-13	R 475.98	2.47%	8.74%	Not yet released
Jul-13	R 462.70	-2.79%	6.24%	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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