

ASX Release
17 August 2015

Stargroup signs Exclusive ATM Distribution Agreement with major Korean supplier

Highlights

- **Stargroup signs Exclusive 5 Year Distribution Agreement for ATMs and ATM-related products, parts and software**
- **New agreement results in price reduction of up to 30% for ATM machines**
- **Commitment to acquire minimum of 100 ATMs per year**

Sydney & Perth based ASX listed ATM technology, equipment and hardware supplier, **Stargroup Limited (ASX:STL)** is excited to announce that it has signed an exclusive 5 year Distribution Agreement in Australia for ATMs and ATM-related products, parts and software manufactured by NeolCP Korea, Inc via its wholly owned subsidiary, StarATM.

NeolCP which is also a major shareholder of Stargroup, is Korea's #1 independent ATM supplier with a greater than 50% market share of the independent ATM market and a greater than 80% market share of currency handling settlement systems.

NeolCP has developed world leading cash handling technology, products and proprietary settlement systems.

The company has deployed greater than 15,000 active devices in Korea and its technology is being used by leading Korean companies and financial institutions. These include wholesale stores, department stores and ATM ISO Companies.

Stargroup's Chief Executive Officer Todd Zani said "This deal is a major achievement for Stargroup and importantly it has reduced the purchase price of NeolCP ATM's by 30% over what we previously paid for them. In respect of our committed purchases, this represents a \$1,100,000 saving for Stargroup."

"It also vastly improves our ROI per unit deployed which significantly increases our capital efficiency."



"This deal cements our place in the market not only as a very competitive ATM machine operator but also as a serious wholesaler with highly attractive pricing."

"It also opens up a plethora of new site opportunities for us that previously may not have met our ROI expectations."

"The new distribution agreement further enhances our relationship with Korea's number one independent ATM machine supplier who also happen to be one of our major shareholders." Said Mr Zani.

StarATM has committed to acquiring a minimum of 100 ATMs per year during the five year term of the agreement and the company has already ordered its first container of 55 ATMs, including the recycler ATM which is included in the minimum purchase commitments contained within the agreement.

Mr Zani said "The recycler ATM allows customers to withdraw money in the usual fashion but it also provides for the banking of money which opens up a host of new opportunities for Stargroup.

For further information, please contact:

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Important note

This announcement contains forward-looking statements that are based on the Board's beliefs, assumptions and expectations and on information currently available to management. That information includes information provided to the Company by the management of NeolCP Korea, Inc., which has not been independently verified. All statements that address operating performance, events, or developments that the Company expects or anticipates will occur in the future are forward-looking statements, including without limitation the Company's expectations with respect to potential revenues, costs, profitability and financial performance. The Board believes that the forward-looking statements are reasonable as and when made.