

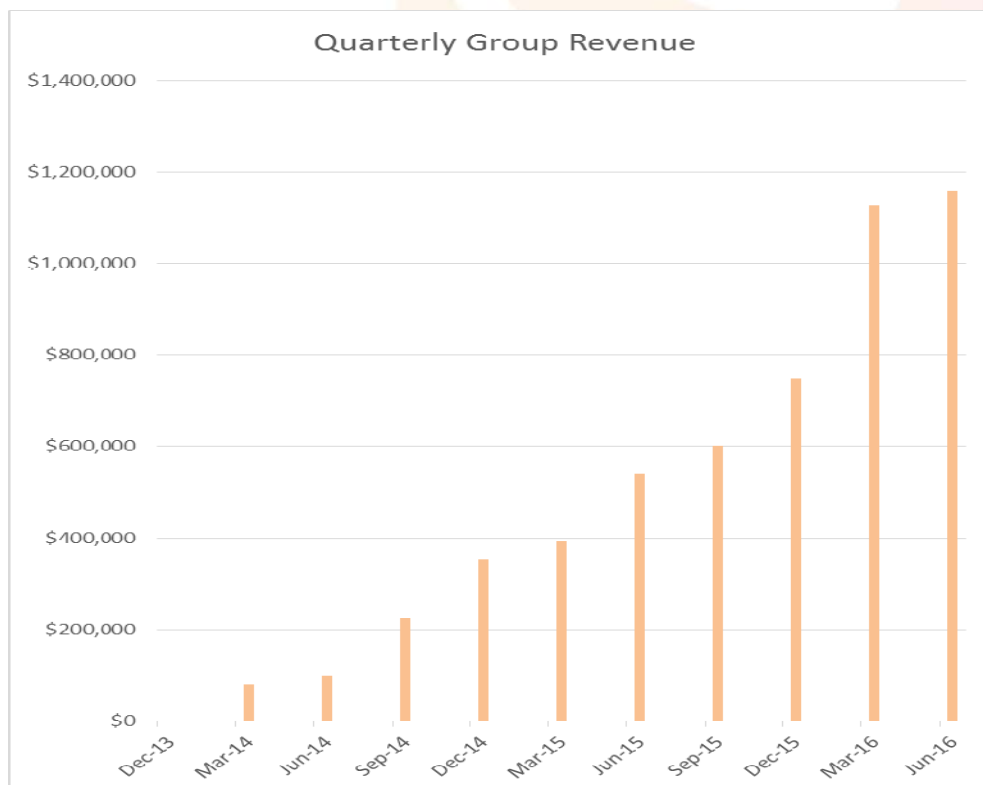
## INVESTOR UPDATE

### *Stargroup achieves 10<sup>th</sup> record quarter*

#### HIGHLIGHTS

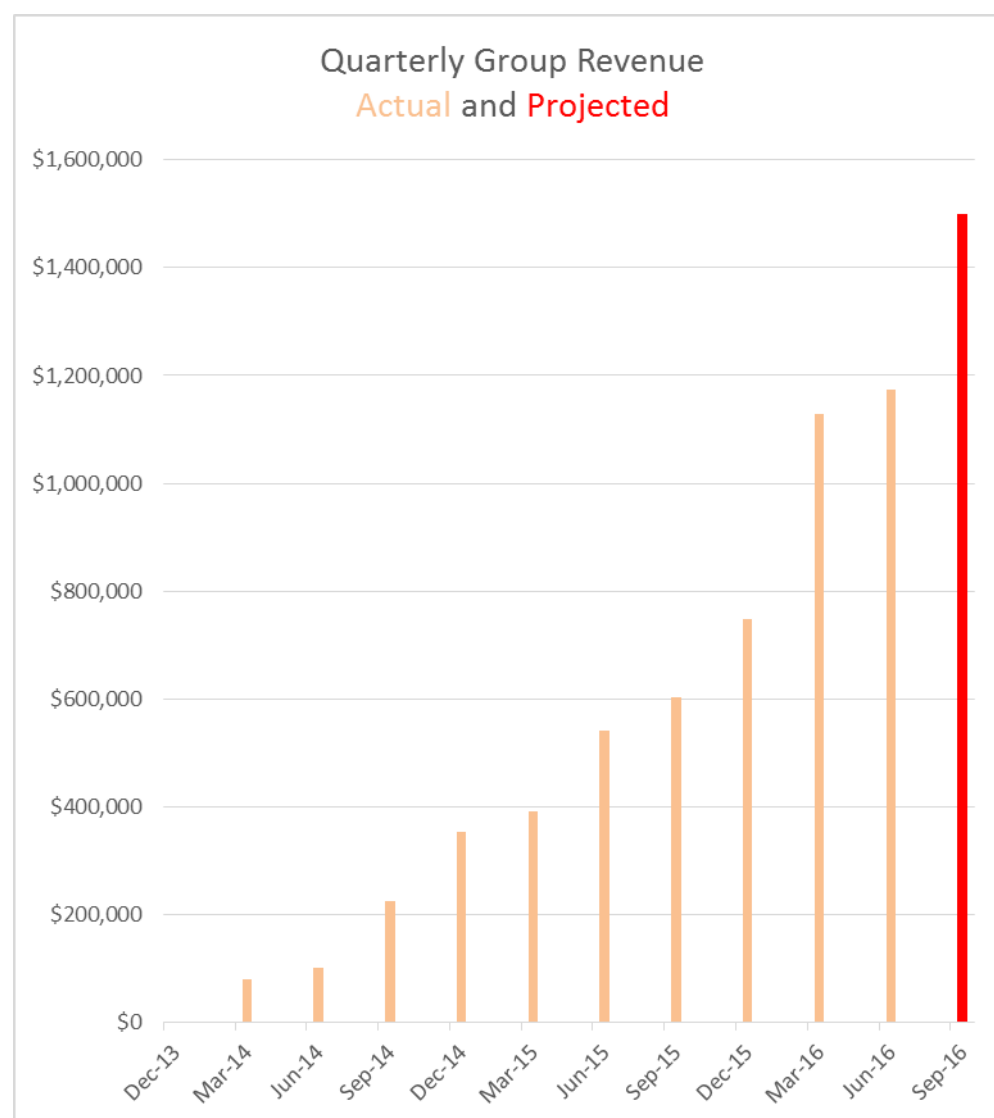
- 433% increase in StarPOS terminals on back of record sales month in June
- 242% increase in annual revenue in FY16
- 216 % annual increase in no of ATMs at year end
- 31% increase in the average number of active ATMs compared to prior quarter
- 8% increase on ATM transactions compared to prior quarter
- 4% increase in gross ATM revenue compared to prior quarter

Stargroup Limited (**ASX : STL**) ("Stargroup or the Company") is pleased to announce that its ATM network has delivered another record quarter of revenue, the 10<sup>th</sup> in a row.



Mr Todd Zani, Stargroup's CEO and Executive Chairman said *"The transactions on our ATM network were up 4% on the previous quarter and this was a solid result whilst only including one month's revenue results from the recently acquired CashMyATM network which we took over on 1 June."*

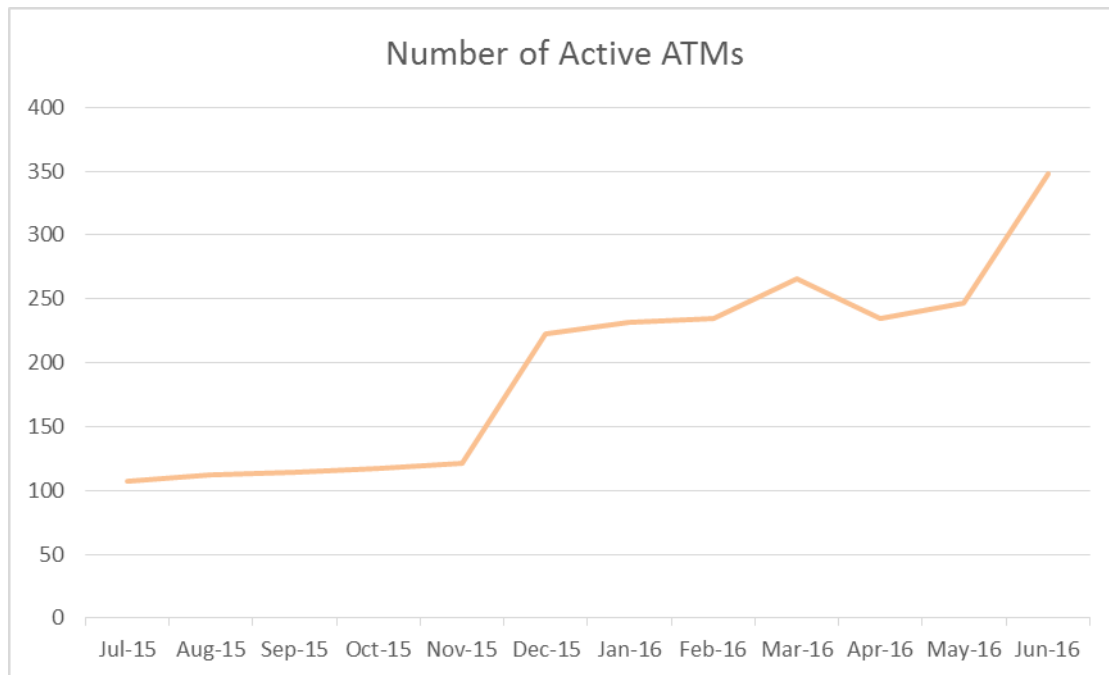
*Projected revenues will significantly improve in the next quarter as our sales funnel and scheduled installation of ATMs and EFTPOS devices over the next 60 days on already contracted sales are at record levels. As a result, we are conservatively estimating that our next quarter will see at least a 30% increase in revenues, as highlighted below.*



*More importantly, 1 July has marked the first month in what we know will be our first year of underlying profitability in the 2017 financial year and one in which we have earmarked to make our maiden dividend payment.*

*We have successfully migrated all of the CashMyATM network acquired in June and we are continuing to take market share from the independent service operators in the Australian ATM market", said Mr Zani,*

Stargroup is also pleased to advise that post the CashMyATM acquisition it has increased the number of ATMs on its network by 31% in the last quarter and more importantly the annual increase in the number of ATMs on the network is 216%.



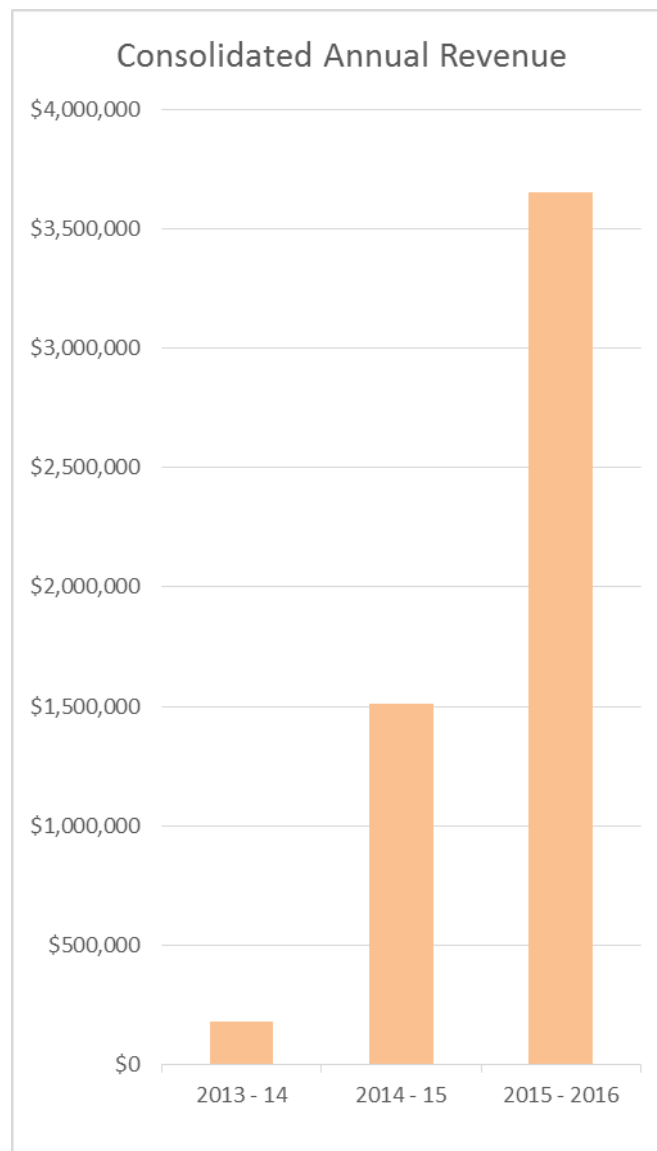
Stargroup's average monthly transactions per ATM continues to be arguably the industry best with the average for the last quarter being 614 transactions a month per machine.

*"We are still easily paying back our capital from each ATM within 15 months from purchase and given our recent further increase in scale we are looking to review some of our key supply contracts in the business to further reduce our costs of goods sold and maximize our profits", said Mr Zani.*

Stargroup is also pleased to advise it was successful in signing a large EFTPOS customer in late June for the supply of EFTPOS services to a national financial services business which will see the number of active EFTPOS terminals on the StarPOS network increase by 433%, post deployment of these devices in July.

*"We will see the major benefits of that 3 year contract we have signed and its income flows over the next few months as these machines are scheduled for installation in July and are being rolled out next week. The EFTPOS market is a highly competitive market and now that we have a strong ATM network generating solid cash flows we can focus on this vertical", said Mr Zani*

*"The ATM network has grown considerably in the last 12 months and we have taken 2% of the ISO market in that time. Our annual revenues were up 242% and it is now time to concentrate on some of our blue sky opportunities. This includes the bank, back office and casino settlement solutions and bank automation products, including our ATM recycler."*



*"I recently visited NeolCP in Korea and was excited to see some of the advanced technologies they are rolling out across Asia. Since having previously visited in 2012, NeolCP have constructed a new state of the art manufacturing plant and I saw some exciting developments whilst there. In particular, I was impressed with the ATM which was developed for Shinhan Bank by NeolCP which dispenses gold ingots. Given the current world position, I expect there might be some demand for this device", said Mr Zani.*

## **FURTHER INFORMATION**

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#### ***About Stargroup***

Financial technology company Stargroup Limited is the only ASX listed company deploying ATM machines in Australia and importantly, the only listed ATM company having a direct ownership interest in the manufacturer of its ATM technologies, namely NeolCP, a south Korean private company.

Stargroup Limited merged with iCash Payment Systems Limited (ASX:ICP) on 7 August 2015 and as part of the acquisition became the exclusive distributor of the cashPod ATM range including the recycler ATM, back office and payment technologies in Australia for the next 5 years.

Stargroup Limited, via its wholly owned subsidiary, StarPOS, is also an EFTPOS and payWave technologies provider via its leveraged wholesale Visa and Mastercard agreement and the launch of StarPOS occurred on 1 October 2015.

#### ***About NeolCP***

Stargroup Limited owns 11.28% of NeolCP Korea Inc, a South Korean private company that provides integrated and innovative self-service solutions to the banking and retail market.

NeolCP has brought together a combination of innovation, expertise and quality service to become a global leader in the ATM manufacturing industry and a technology leader in cash management and cash handling solutions.

As at 31 December 2015, NeolCP had \$18.3 million in net assets and there is a three year dividend policy in place between NeolCP and Stargroup Limited.