

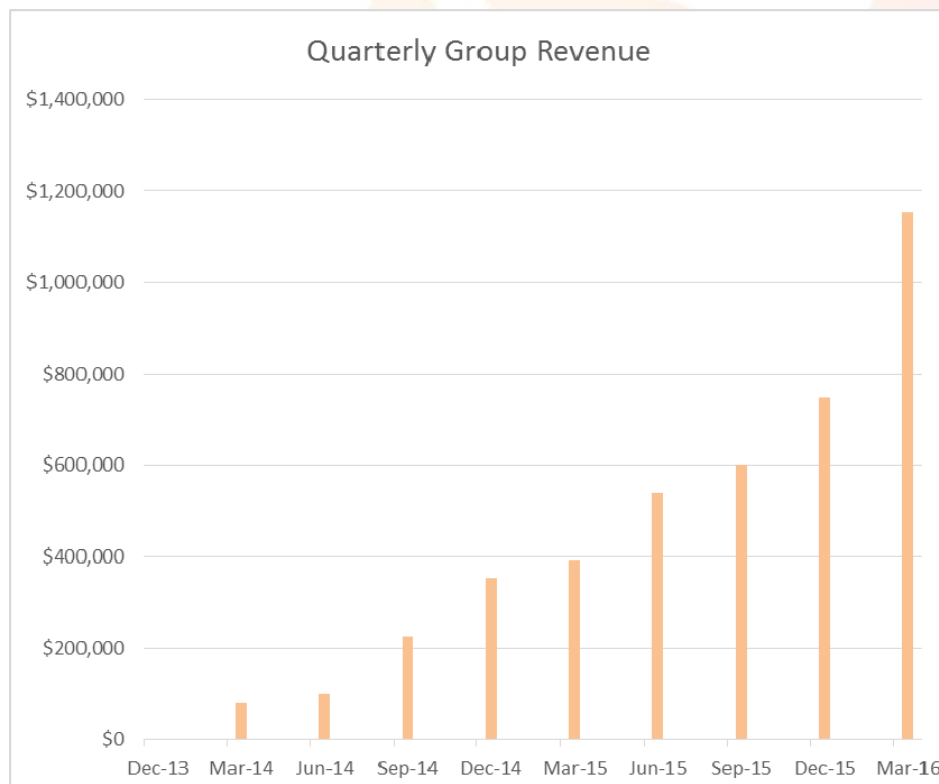
## INVESTOR UPDATE

*Stargroup lifts ATM revenue by 65% to achieve 9<sup>th</sup> record quarter*

### HIGHLIGHTS

- 65% increase in gross ATM revenue compared to prior quarter
- 57% increase in the average number of active ATMs compared to prior quarter
- 53% increase in gross revenue for the Group compared to prior quarter
- 51% increase on ATM transactions compared to prior quarter
- Average monthly transactions still among "industry best"
- StarPOS now generating revenue

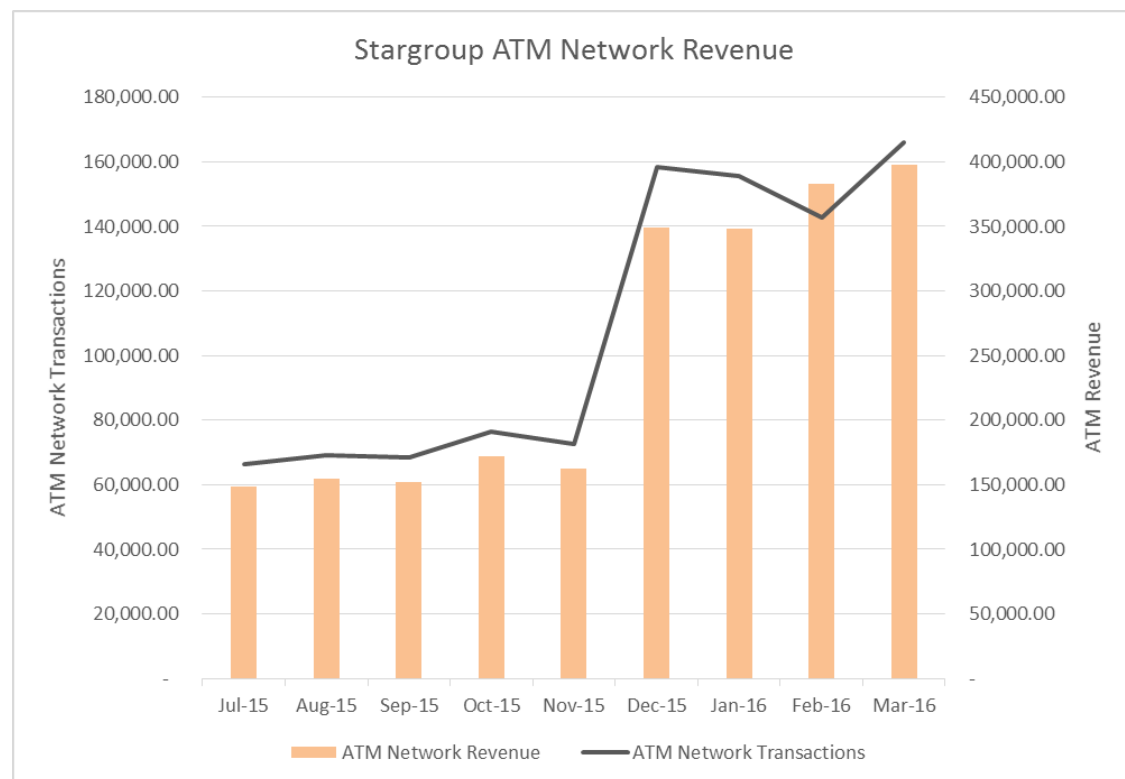
Stargroup Limited (**ASX : STL**) ("Stargroup or the Company") is pleased to announce that its ATM network has delivered another record quarter of revenue, the 9<sup>th</sup> in a row.



Mr Todd Zani, Stargroup's CEO and Executive Chairman said *"The transactions on our ATM network were up 51% on the previous quarter and this is the second quarter that we have delivered greater than a 50% growth."*

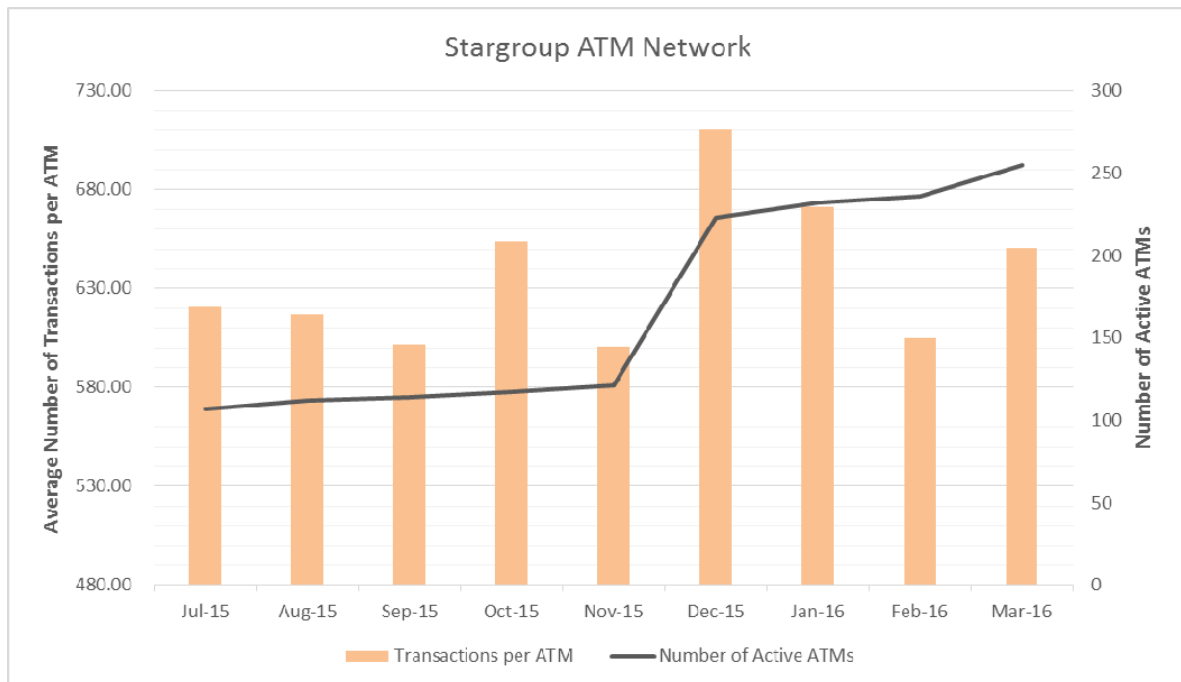
*"Our total revenue in the last quarter was 85% of the revenue achieved in the entire first half year result and this is testament to our disciplined principle of only placing our ATM machines in high quality sites that our experience tells us will yield acceptable capital returns."*

*We have successfully migrated all of the Cash Plus ATMs acquired in December and we are now starting to take market share from the independent service operators in the Australian ATM market. Our sales pipeline is looking very good for the next quarter also",* said Mr Zani,



Stargroup's average monthly transactions per ATM continues to be arguably the industry best with the average for the last quarter being 648 transactions a month per machine. At this rate we expect to pay back the capital from each ATM within 15 months from purchase.

Mr Zani said *"We continue to focus on the 'transactions per machine' metric as this is the best guide as to how well we are investing our shareholders capital. All of our KPI trend lines are on the up".*



## What's Next for Stargroup?

Stargroup finalized the integration of the ATMs acquired from Cash Plus on 1 December 2015 on 31 March 2016. This included the migration of a number of these machines from the switch used by Cash Plus to our switching partner.

The increased scale of our ATM operations has enabled Stargroup to revisit key supply contracts which resulted in a reduced cost of goods sold by 53% and reduced the payback period on the ATMs from 18 months to 15 months.

Stargroup is working closely with both Claim Co and Anthem Software to finalize the IP development for the mass rollout of our EFTPOS/payWave offering to their 50,000 clients and the broader Australian market and the overall outlook for our 2016 results is expected to be very positive.

Mr Zani said *"We are continuing to build a very solid ATM network and the release of the recycler ATM and our EFTPOS IP in the next quarter will allow us to continue to deliver consistent growth as part of the long term plans outlined to our shareholders at our AGM."*

*"This includes:*

- *Further organic growth in quality only ATM sites via disciplined site selection;*
- *Targeting smaller unlisted ATM deployers for value accretive mergers and acquisitions;*

- *Entering the EFTPOS space by leveraging our excellent wholesale rates;*
- *Rolling out new technology products such as our Recycler ATM that allows users to both withdraw and deposit money; and*
- *Further sales of NeolCP ATMs and software in Australia. "*

*Our overarching strategy is now starting to come together with the ATM division providing the base load income for the business with solid growth and the EFTPOS and financial payments division providing the blue sky opportunity", 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.

