

Company Announcement
ASX Limited
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17 November 2010

BUSINESS UPDATE

The following is a business update for the information of shareholders.

The Managing Director and Chief Executive Officer of Customers Limited (Customers), Tim Wildash, today confirmed that the Company was performing well in the financial year to date, continuing to reinforce its strong competitive position whilst pursuing new initiatives and opportunities aimed at extending the Company's leading position within the ATM industry.

Transaction Volumes – Showing Resilience

As communicated in the Company's 2010 Annual Report, the Company experienced robust signs of transaction volume recovery in the early part of the 2010 financial period.

This recovery trend has continued in the four months of the period to date, with the volume of withdrawal transactions processed by the Company during the period 1 July 2010 to 30 October 2010, being within 1.5% of the comparable period in 2009.

Mr Wildash said that the positive movement in the Company's withdrawal volumes compared with the year on year change in overall foreign withdrawal transactions, as reported through to September 2010 by the Reserve Bank of Australia (RBA), demonstrated the resilience of the Company's network.

"Overall foreign withdrawal transactions as reported by the RBA have not seen this same rebound trend in volumes. This is attributable to the fact that bank ATMs account for a majority of foreign transactions and it is those ATMs which have seen the most significant change in use following the introduction of Direct Charging given they are more likely to have a fee-free ATM in a nearby high-street location," Mr Wildash said.

"Our performance in recent months underlines that volume softness experienced in early 2010 ostensibly resulted from weaker consumer sentiment across the Australian economy, cumulative interest rate rises and related media commentary, rather than any systematic change in the demand for third party ATM services," Mr Wildash added.

"We believe the 2010 period to date demonstrates the resilience of our network, the continued strength in demand for convenient access to cash and that bank foreign ATM transactions have been those most impacted as a result of the price transparency under the new Direct Charging regime," Mr Wildash concluded.



Company Tax Position

The Company has finalised its income tax advice in respect of the treatment of merchant contracts. This advice will reduce the tax payable by the Company in the 2011 financial period by approximately \$6 million.

Importantly, this adjustment will not affect Customers' ability to pay dividends. However, it will defer when the Company is able to commence payment of franked dividends and accordingly the inaugural dividend of eight cents per share payable 14 December 2010, will be unfranked. The quantum of any future dividends will continue to depend upon overall Company performance and consideration of competing avenues for use of the Company's capital.

Acquisitions

The Company is pleased to announce that it is expanding its Australian ATM fleet by 88 sites through the acquisition of two small independent ATM operators, namely *Yourcash ATM* and *Crown ATM*.

The acquisitions provide an opportunity for Customers to utilise its scale benefits to enhance the service delivery and profitability of these fleets.

In announcing the acquisitions, Mr Wildash said that whilst small in terms of terminal numbers, they further cement the Company's position as Australia's leading independent ATM deployer.

The two businesses will be fully integrated into our existing business by the end of November 2010, further enhancing our scale benefits," Mr Wildash said.

The acquisitions will be immediately EPS accretive whilst being debt funded through the Company's existing acquisition facility, which has capacity for additional opportunities as they arise.

The Company has assessed a number of other opportunities in the market and will continue to evaluate these as they arise. The Company evaluates opportunities according to operational and financial criteria and pursues only those acquisitions that are fairly priced and make strategic sense for the Company and which will, particularly when combined with our existing businesses, create value for shareholders.

Fleet Pricing

The Company has continued to migrate a portion of its fleet to revised Direct Charge levels.

The rollout has occurred in advance of the levels originally anticipated for the 2010 financial period, with revised pricing to have relevance across a material portion of the Company's fleet prior to the end of the 2010 calendar year.



The Company will continue to assess pricing requirements into 2011 and beyond in a manner which reflects macro influences and is sustainable for merchants, cardholders and Customers.

Nautilus Hyosung Partnership

The Company continues to invest in its partnership with leading global ATM manufacturer Nautilus Hyosung (Hyosung). Hyosung is an emerging world leader in banking and self service technology and is the fastest growing ATM manufacturer globally with installations at over 300,000 locations world wide.

For the first time in its short history, the partnership enables Customers to provide Australian financial institutions and corporate clients with cost-effective market-leading solutions, providing the foundation for a highly successful market entry into a major new segment for the Company.

Building upon the Company's new partnership with Citibank announced in July, response to date in relation to the innovative Customers/Hyosung proposition from a range of financial institutions and corporate clients has been extremely positive, with Customers/Hyosung participating in several large financial institution formal product reviews in recent months.

The Company is cognisant of the lengthy lead time involved in these decision making processes and the competitive nature in which they are contested; however it remains highly optimistic of long term success.

Regulatory Environment - \$2 ATM Fees

On Monday 15 November, the Green's introduced a Bill into the Australian Parliament which amongst other matters seeks to cap the ATM charges banks may levy on customers of other banks at a level sufficient only to recover the bank's costs in providing the service.

Whilst Customers understands that the Bill relates to ATM services provided by the banks, and not independent ATM providers, some investors may be unaware of this. The Company will continue to monitor progress of the Bill and notes that at the time of writing both major political parties appear unlikely to support the Bill.

2010 Annual General Meeting – Formal Matter of Business Item 6

Shareholders are invited to attend the Company's 2010 AGM which is to be held at the RACV City Club, Level 2, Bourke Rooms 2 and 3, 501 Bourke Street, Melbourne, Victoria at 11am, Tuesday 23 November 2010.

Due to requests for additional information relating to *Item 6 – Issue of Securities to Mr Timothy John Wildash*, which is to be considered as part of the formal matters of business, the Company is pleased to provide the following:



Aside from the requirement that Mr Wildash continue as an employee until 30 June 2013, vesting will occur based on the business achieving the following EPS targets for the year ended 30 June 2013:

EPS Target	% of Award (Performance Rights)
Earnings 33.5 cents per share	100%
Earnings 28.3 cents per share	75%
Earnings 23.2 cents per share	50%

- ENDS -

For further information, please contact:

Rohan Martin, Manager of Corporate Affairs and Marketing
Customers Limited
Ph: 03 9090 4745
Email: rmartin@customersatm.com.au

About Customers Limited

Customers is listed on the Australian Securities Exchange (ASX: CUS) and operates Australia's largest fleet of ATMs, which are contracted to merchants. The Company's fleet includes bank branding, such as Bendigo Bank, Citibank and Arab Bank of Australia, as well as its own brands. Customers prides itself on achieving industry leading network uptime, providing advanced hardware from leading global manufactures and ensuring best practice in service provision. The Company is quality certified to ISO 9001: 2008. Please visit the Company's website at www.customersatm.com.au for more information.