

30 August, 2013

MARKET UPDATE

Ezeatm Limited (EZA:ASX) provides a summary of earnings for the financial year ending 30 June 2013 together with an operational update and earnings forecast for the 2014 financial year.

FINANCIAL RESULTS

	30 June 2013	Restated 30 June 2012
Revenue	\$17,681,701	\$8,401,775
EBITDA	\$904,207	(\$8,837,296)
NPAT	(\$1,455,713)	(\$11,967,867)

The current year results reflect the following:

- Revenue increase due to a full year from ICash sites acquired in January 2012 and the roll out of additional sites in the Ezeatm network during the year.
- The EBITDA result has been adversely impacted by \$1,337,767 in one off costs. \$903,646 worth of assets were written off since Ezeatm's recent market update on 11 June 2013. Bailment site losses were \$347,583 which is an increase of \$91,583 on previously disclosed figure. Restructure and termination costs were \$86,538.
- As at 30 June 2013 the Company had breached its interest times cover bank covenants due to one off write offs noted above. The company has advised its bankers and expects to receive confirmation that the bank will take no action in relation to this breach.
- The prior year results have been restated to account for the amortization of intangibles, adjustment of property, plant and equipment, goodwill and intangible impairment and stock obsolescence.

EBITDA FORECAST

The board of EZEATM LIMITED (EZA:ASX) is pleased to advise that following a restructuring of the business and implementation of new cost cutting measures (refer to ASX announcement dated 11 June, 2013), the company now forecasts EBITDA for the financial year ending 2014 of **\$3.1m an increase of \$2.2M from 30 June 2013**. The increase in the cash earnings forecast is attributable to significant cost savings which are summarized below:

Wages, salaries agency agreements -	\$870,000
Accounting fees -	\$253,000
Corporate travel -	\$176,000
Advertising and Marketing -	\$165,000
Bank fees (Transactional) -	\$70,000
Entertainment -	\$20,000
TOTAL -	\$1,554,000

The board has identified further areas for potential cost savings, however these additional savings have not been included in the above forecast. The board will update the market on these initiatives in the coming months.

OPERATIONAL UPDATE

Effective from 1 June, 2013 the company adopted a comprehensive assessment for ATM site selection. This involves strict site by site profitability analysis designed to improve the overall return on investment.

The company has just begun an entire network improvement program. ATMs not meeting minimum revenue and contractual requirements will be assessed for renegotiation or relocation. This program is expected to take 4-6 months to complete and the board believes that this has the potential to significantly increase cash earnings.

Until recently, Ezeatm Ltd was not committed to offering an EFTPOS/POS solution to assist gaming venues affected by the forthcoming federal gaming reform legislation. Given the company's exposure to the gaming industry, the board is currently considering various product options as a matter of priority.

Ezeatm management recently met with Muzz Buzz to discuss the Joint Venture agreement for drive through ATMs. The first location (Bentley Plaza) has been approved by local council and Ezeatm is now preparing for installation subject to receipt of final building approvals. However the company would like to acknowledge that there are still some technical challenges that need to be resolved, given that the concept is still very new to Australia. In light of the success of drive through ATMs in the United States, Ezeatm is excited about the roll out to the Australian market. The board would like to thank Muzz Buzz for their professionalism shown to date and we look forward to progressing the Joint Venture.

The action against the previous CEO Mr Todd Zani is progressing. The company will update the market on developments as they come to hand.

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