

# iCash Payment Systems Limited

ABN 87 061 041 281



**ASX RELEASE**  
**March 8<sup>th</sup> 2010**

**Companies Announcement Office**  
**Australian Securities Exchange Limited**  
**Level 6**  
**20 Bridge St**  
**Sydney NSW 2000**

**Via e-lodgement**

**Finance News Network video interview with Executive Chairman James Manny**

The transcript follows or you can watch the interview by clicking the [interview link](#) here.

## **TRANSCRIPTION OF FINANCE NEWS NETWORK INTERVIEW WITH ICASH (ASX:ICP) EXECUTIVE DIRECTOR, JAMES MANNY**

**Emma Pearson:** Hello Emma Pearson reporting for the Finance News Network. Joining me today for the first time from ATM supplier iCash is Executive Director, James Manny. James welcome, can you start by introducing iCash - first off, where does the name iCash come from, is it a play on the iPhone iPod branding?

**James Manny:** Well it's flattering to be mentioned in the same breath as iPhone and iPod, those iconic brands, but the name iCash simply came out of our ASX stock code ICP, which was given to the company when it was known under a previous name. We wanted to keep familiar with our shareholders and we also wanted to draw the connection to being able to access one's own cash through our ATM network.

**Emma Pearson:** Okay so having cleared that up, what does iCash do?

**James Manny:** We are best known in Australia for being an ATM deployer but we are broader than that. We acquired an ATM manufacturer in Korea some three and a half years ago and in that time, we've turned that company around from being a fairly small almost cottage industry, to being a leader in its market in the non-bank retail sector.

We design and manufacture ATM's and cash dispensing products and we make components for other ATM manufacturers. We've established major footholds in China and the United States and we look forward to expanding strongly in the region as well.

**Emma Pearson:** And who's behind it?

**James Manny:** I think we've been lucky in being able to develop a true corporate culture, so it would be fair to say that genuinely our staff is behind iCash. But if I was to name two people, Mr. Kim Stewart in Australia and Mr. Jung Suk Kang in Korea, they've really been leading the change management and the delivery of strategy.

**Emma Pearson:** And James when did iCash list?

**James Manny:** The Company listed in 2001, but we became known as iCash Payment Systems Ltd. in 2007 when management refocused the Company in the ATM and payments business. But that's not to say we are a new company, we've had a long and very respected relationship both supplying and providing ATM solutions for more than ten years now.

**Emma Pearson:** So where is your share price and what's your market cap?

**James Manny:** The current share price of around 5 cents market capitalisation is approximately 45 million. Our immediate challenge is to ensure that the market recognises the value of all our assets and particularly the successes that we've achieved overseas, for example our Korean experience. We want to see that fully - we want to fully exploit that opportunity and see that delivered in terms of shareholder value.

**Emma Pearson:** And is iCash profitable?

**James Manny:** Yes. In December 2009 we reported a cash profit of 1.86 million and this compares to a full year profit for June 2009 of around 850,000 cash and after tax of 2.5 million. But the look-forward is very strong. Our investments both in terms of management and cash in our Korean investment is really coming home strong and we're really looking forward to very strong results for the full year - and beyond that the outlook is very solid as well. Our factory orders and factory utilisation have the business running at near optimum utilisation for the next two to three years.

Closer to home our business is trending very strongly, both in terms of ATM deployment, growth and transaction numbers and not just for iCash's own business, but also for the other business that we support. This is important for us because not only do we get one-off revenues, we also have recurring revenues without the usual charge to capital.

**Emma Pearson:** And James what's your immediate plans and will you need to raise additional funds?

**James Manny:** Our immediate plans are to ensure that stakeholders get the benefits of the strategies we already have in place. We've been very successful in Korea and our growth in Australia has been quite strong as well and we've delivered a platform that we can rely on in the immediate future. It's difficult to

say what our cash requirements will be, it's a very fluid market and it's too early to determine whether we'll look to go to the market to raise more funds.

**Emma Pearson:** Your website mentions a strategy of vertical integration to secure margins and new revenue streams outside areas where saturated markets and competitions have eroded profits, who are your main competitors?

**James Manny:** Well we prefer to recognise other ATM businesses as market participants. We all provide a very valuable service to the community in that we provide access to cash otherwise not provided for by their banks, and we do all this for less than a cup of takeaway coffee. But our business model is different, you know we design and manufacture the machines that we deploy and this gives us the ability to exploit opportunities, where other market participants haven't been able to enter.

This protects our margins from the traditional price based marketing model in our business, so we're not entering markets where competition has eroded the margins away for us. Examples of this would be our ability to deploy ATM's on cruise liners and our introduction of harm minimisation programmes for gaming venues.

**Emma Pearson:** So James what's your market share in the markets which you operate in?

**James Manny:** The Australian ATM market is split roughly fifty/fifty between bank owned and non-bank owned ATM's. Of the non-bank owned ATM's there are two major groups, each with around five and a half thousand machines. We have about a thousand machines deployed in our own name, but more than three hundred on behalf of other deployers and this is important for iCash. Not only do we get an upfront revenue stream, but we have recurring revenue streams as well without the normal charge to capital.

**Emma Pearson:** And how far advanced are you in terms of developing a suite of products to become vertically integrated?

**James Manny:** Well in terms of technology we're highly vertically integrated now. Our short term challenges are to ensure that the products that we've built for specific markets are deployed in other regions. An example of that is that we have very high margin machines that we're deploying in Korea with no known competitors. That's certainly got applications elsewhere and it's important for us to exploit those opportunities and deliver shareholder value.

**Emma Pearson:** Many investors know about the failed e-payments company Bill Express, does their demise represent an opportunity for iCash?

**James Manny:** I'm not really qualified to talk about any specific company. An e-payments business would certainly fit into our value-add, but management wants to stay focused and it's important for us to deliver the strategy that we already have there. That's not to say we wouldn't be opportunistic if the right circumstances came about and it fitted in with our business plans, but it's certainly not on our short term horizons.

**Emma Pearson:** James last question. Where do you see iCash twelve months from now?

**James Manny:** iCash has set itself several key milestones over the next twelve months. These include developing a relationship with a globally recognised and respected bank. We also look to replicate our success and achievements in building a strong profitable business in Korea elsewhere in the region, like China and New Zealand.

We want to provide better services to our customers and their patrons. And we want to enter markets where we haven't previously had a significant footprint, and we want to do this by introducing new product. But importantly, what we want to achieve over the next twelve months is to better communicate our message and see the value of our business better reflected in shareholder value.

**Emma Pearson:** James Manny thanks for introducing iCash.

**James Manny:** Thank you for having me.

**ENDS**