



iCash Payment Systems

Results for the six month period ended 31 December 2010



Disclaimer

This presentation was prepared by iCash Payment Systems Limited (ABN 87 061 041 281). Information contained in this presentation is current as 28 February 2011. This presentation is provided for information purposes only and has been prepared without taking account of any particular reader's financial situation, objectives or needs. Nothing contained in this presentation constitutes investment, legal, tax or other advice. Accordingly, readers should, before acting on any information in this presentation, consider its appropriateness, having regard to their objectives, financial situation and needs, and seek the assistance of their financial or other licensed professional adviser before making any investment decision. This presentation does not constitute an offer, invitation, solicitation or recommendation with respect to the subscription for, purchase or sale of any security, nor does it form the basis of any contract or commitment.

Except as required by law, no representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information, opinions and conclusions, or as to the reasonableness of any assumption, contained in this presentation. By reading this presentation and to the extent permitted by law, the reader releases the Company and its subsidiaries, and any of their respective directors, officers, employees, representatives or advisers from any liability (including, without limitation, in respect of direct, indirect or consequential loss or damage or loss or damage arising by negligence) arising in relation to any reader relying on anything contained in or omitted from this presentation.

The forward looking statements included in this presentation involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, the Company. In particular, they speak only as of the date of these materials, they assume the success of iCash's business strategies, and they are subject to significant regulatory, business, competitive and economic uncertainties and risks. Actual future events may vary materially from forward looking statements and the assumptions on which those statements are based. Given these uncertainties, readers are cautioned not to place reliance on such forward looking statements.



Group Financial Summary

- ❑ Revenues up \$23.9m or 166% to \$38.4m
- ❑ 79% of Group revenues derived from Asia
- ❑ EBITDA growth of 151% to \$7.7m
- ❑ EBIT growth of 168% to \$6.0m
- ❑ NPAT (consolidated) up 117% to \$4.4m
- ❑ NPAT (underlying) up 40% to \$2.6m or 77% of earnings guidance to the half year
- ❑ NPAT (att. to members) up 2% to \$1.9m
- ❑ 63% of underlying NPAT derived from Asia
- ❑ Cash balances of \$5.4m
- ❑ Net debt from reduced from \$5.8m to \$0.4m
- ❑ Cashflow from operating activities of \$6.4m

Profit and Loss

- Revenues up \$23.9m or 166% to \$38.4m
 - Korea up \$22.3m or 281% to \$30.3m
 - Australia up \$1.6m or 25% to \$8.1m

- EBIT up \$2.0m or 168% to \$6.0m
 - Korea up \$4.5m or 769% to \$5.0m
 - Australia down \$0.7m or 41% to \$1.0m

- Significant rise in sales and manufacturing output from our Korean subsidiary

- No dividend paid whilst in current growth phase. Planned payout ratio of 30%+ after two consecutive solid years of NPAT

(\$m)	Dec-09	Jun-10	Dec-10	% Change
Revenue	14.4	28.0	38.4	166%
EBITDA	3.1	3.5	7.7	151%
EBIT	2.2	2.2	6.0	168%
NPAT (consolidated) ⁽¹⁾	2.0	2.0	4.4	117%
NPAT (underlying) ⁽²⁾	1.9	1.8	2.6	40%
NPAT (att. to members) ⁽³⁾	1.9	1.8	1.9	2%
EPS ⁽²⁾	2.5	2.1	3.0	20%
EBITDA Margin	21%	12%	20%	
EBIT Margin	16%	8%	16%	
Net Margin	13%	6%	7%	

⁽¹⁾ Assumes 100% ownership of NeolCP
⁽²⁾ Excludes \$0.7m of non-recurring corporate costs (net of tax)
⁽³⁾ Profit attributable to owners of the parent

Balance Sheet

- Cash balances of \$5.4m
- Reduction in inventories of \$4.1m reflecting improved purchasing and manufacturing processes
- Reduction in net debt from \$5.8m to \$0.4m
- NTA of \$0.22

BALANCE SHEET	Dec-09	Jun-10	Dec-10
Cash	6.3	4.7	5.4
Receivables (current)	6.4	9.4	12.1
Inventories	4.9	9.4	5.3
Other Current Assets	0.7	0.6	0.4
Receivables (non-current)	2.4	2.8	3.6
Property, Plant & Equipment	4.3	5.8	6.6
Goodwill and Intangibles	17.6	23.1	25.6
Other Non Current Assets	4.0	2.5	2.1
Total Assets	46.5	58.2	61.1
Trade Liabilities	4.6	8.6	8.8
Interest Bearing Liabs	0.3	0.4	0.1
Other Liabs	8.3	11.1	6.5
Total Liabilities	13.2	20.2	15.4
Shareholder's Funds	33.3	38.1	45.6
RATIOS			
Total Assets	46.5	58.2	61.1
Net Assets	33.3	38.1	45.6
Intangible Assets	17.6	23.1	25.6
Net Tangible Assets	28.9	35.1	35.5
NTA per Share	\$0.19	\$0.18	\$0.22
Net Debt	1.1	5.8	0.4
Net Debt / Shareholders Funds	3%	15%	1%

Cashflow

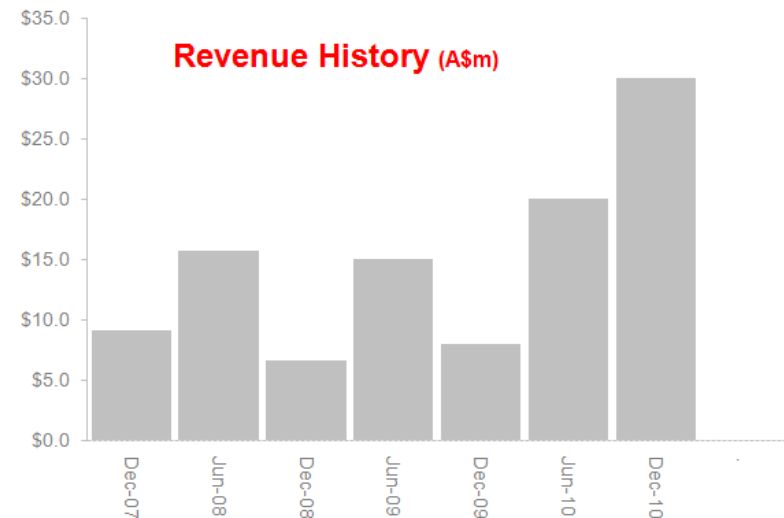
- Strong operating cash flow of \$6.4m was influenced by a strong profit result, and improved inventory and receivables management
- Investing activities were influenced by the purchase of PP&E, tooling and other capex costs, and the acquisition of deployer groups and ATM sites
- Financing activities were influenced by the repayment of borrowings
- Continued strong cash generation anticipated during the current period.

(\$m)	Dec-09	Jun-10	Dec-10
Net cash from operating activities	(2.0)	0.4	6.5
Net cash from investing activities	(0.4)	(7.3)	(2.0)
Net cash from financing activities	6.1	8.9	(3.6)
Net increase/(decrease) in cash held	3.7	2.0	0.9
Cash at the beginning of the financial year	2.6	6.3	4.7
Cash held at the end of the financial year	6.3	4.7	5.4

Korean Operations

- Follow up \$63m cash recycling machine order to Lotte Group to be delivered in two years, with 7 year technical service and maintenance agreement
- Follow up 2,500 ATM order to Family Bank to be delivered before Jun-12. Ongoing ATM sales also made to NICE Bank, a consortium of 22 Korean banks and financial institutions.
- Sales of Back Office Machine made to Lotte Group, Family Mart, E Mart, GS Mart and Hyundai Department stores. These customers represent the largest supermarket, department store and convenience store chains in Korea.
- \$2.4m or 8% of revenue was recurring in nature representing service and maintenance agreements of up to seven years held with our customers.
- Continued R&D of Back Office Machine will broaden customer base to small and medium sized retailers in future periods.

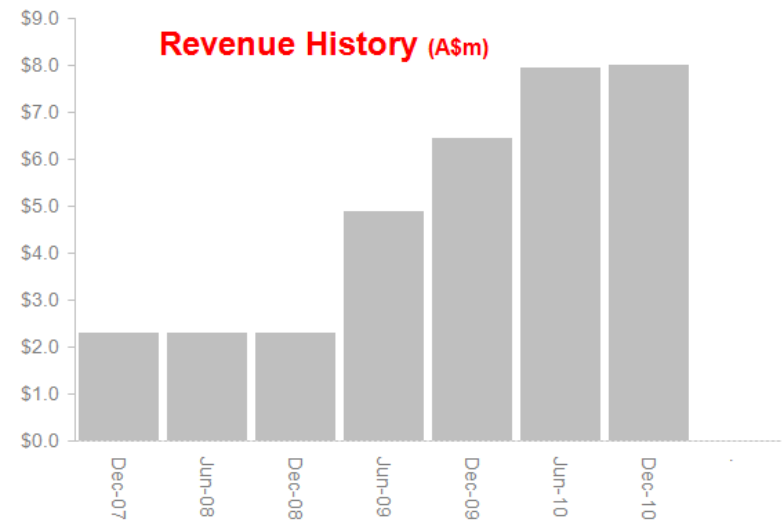
(\$m)	Dec-09	Jun-10	Dec-10	% Change
Sales	8.0	20.1	30.3	281%
EBIT	0.6	1.5	5.0	769%
EBIT Margin	7.3%	7.5%	16.7%	128%



Australian Operations

- ❑ Margins impacted by price competition from new entrants, a softening of the retail sector, and costs associated with upgrading our fleet with iRAMS remote ATM monitoring software
- ❑ The recent implementation of revised pricing structures across the fleet will contribute to margin recovery in the current half year and beyond
- ❑ Transaction volumes processed was 2.8m, a decline of 3% when compared to the pcp
- ❑ Business characterised by predictable recurring revenue stream, 5 year contracts, and a 90% re-sign rate

(\$m)	Dec-09	Jun-10	Dec-10	% Change
Sales	6.5	7.9	8.1	25%
EBIT	1.7	0.7	1.0	-41%
EBIT Margin	26%	9%	12%	-53%



Investor Contact Information

Tony Teng

Company Secretary

Phone : 9432 9008

Email : tony.teng@icashpayments.com.au

Level 17, 115 Pitt Street,

Sydney NSW 2000

End of presentation
Thank you for your attention.