

ASX RELEASE
29 August 2011

APPENDIX 4E

Preliminary Final Report 30 June 2011 & OUTLOOK STATEMENT

ICP experiences strong growth

- Revenue up 66% to \$70.3 million
- EBITDA up 56% to \$10.3 million
- Cash flow from operating activities up \$11.1 million
- Group Cash Balances up 53% to \$7.2 million
- Debt reduced by \$5.9 million to \$4.6 million
- Korean growth underpins strong position to leverage into Asia
- Unit Sales in Korea exceed 5,600 including 350+ back office systems
- ATMs under management in Australia exceeds 1,600, including 950 ICP owned

Sydney, Australia 29 August 2011: iCash Payments Systems Limited (ASX Code: ICP) today announced its results for the year, releasing its Appendix 4E and Preliminary Final Report Year end 30 June 2011.

Revenue continued to grow strongly driven out of the Korean operations. Reported EBITDA of \$10.3 million was up 56% and included \$2.5 million of non-recurring costs. Notably cash released from operating activities paid down borrowings.

Net profit attributable to members of the parent declined, principally due to a business review commissioned by the Directors which resulted in a material reduction in the carrying value of several long term assets.

The successful growth is reflective of the strategic decision taken several years ago to geographically invest in the 'Banking Technology Business' beyond Australia and this has been a crucial factor in ICP's growth. The Australian operations are of reducing influence in the performance of the Group and the Korean business continues to grow strongly. 2011 has been a year of consolidation in Korea. NeolCP has retained its position as the leader in the non-bank ATM, back office and associated banking systems markets in Korea. It is from this position of strength that the business will leverage into new markets in 2012.

ICP Executive Chairman, Mr James Manny commenting on the Australian performance said, "The continuing soft economic indicators in Australia in the retail sector have resulted in flat performance of the deployed network. Growth in Australia is entirely due to the 'selective deployment' of additional ATMs in a fractured and highly competitive market. Our future performance in Australia will be the result of the introduction of significant new technology as proven in Korea."

Mr Manny re-iterated his long held conviction that the growth for ICP was 'Asia centric' in banking technology products, and "this is well proven with the continuing growth of the Korean business and the cash that Korean operations generated in 2011."

In the final weeks of 2011 a detailed business review undertaken by the Board highlighted that the carrying value, and the period of amortisation, of the deployed ATM's was no longer reflective of the business environment. Additionally, the realignment of the business to focus on new markets has resulted in the Board taking several non-recurring charges over assets associated with previous market entries - particularly into China.

Group Performance Highlights

Revenue at \$70.3 million was up \$27.9 million, representing 66% growth on 2010 revenue of \$42.4 million. The CAGR for revenue over the last 3 years is effectively 50%+. As noted, Group EBITDA was strong, even after it was impacted by a number of 'one-off' charges including: GST assessment of \$1.4 million, costs of \$0.9 million associated with the implementation of the proposed increase in the investment in NeoICP and \$0.2 million of non-recurring corporate charges.

Profit before financing items (EBIT) at \$2.2 million was 50% of the prior year's \$4.4 million and this outcome was the result of charges brought to account as determined by the Directors as part of the review of the business (refer Australian operations). Underlying EBIT was \$10.5 million after allowing for the non-recurring/restructuring costs (see following page).

The overall results are a positive outcome in a growing business.

Korean Operations

The Korean subsidiary, NeoICP, grew revenue by 77.0% and continues to be the driver of the strong revenue growth for the Group.

NeoICP has secured material arrangements with 3 of the 4 largest supermarket and convenience Groups: Lotte, E-Mart and Family Mart. NeoICP ATMs and back office systems installed in Korea in the last 3 years number approximately 8,800 and orders are in place for delivery of another 2,600 Cash Dispensing ATMs, Recycling ATMs and Back Office Systems.

The level of orders on hand and the exciting new opportunities being pursued in Korea should ensure that this performance will be maintained. Additionally, the Board has reviewed supply opportunities in new markets and where possible will seek to partner with our major Korean customers as they expand into these new markets.

Australian Operations

As a result of the anticipated increase in the investment in NeoICP and the resultant changes to the nature of the business, the Board has taken the opportunity to review all facets of the business. Particular focus was on the Australian domiciled operations and this business has been impacted by asset reviews and the resultant impairment and charges implemented by the Board. Additionally, the GST determination has resulted in iCash being assessed for additional GST of \$1.4 million.

The current business model of deploying ATMs to sites and 'sharing the revenue' with the site is particularly mature and growth is challenging. Retail spending continues to be under pressure with the increasing focus on savings. The ATM market continues to undergo further regulatory change, in some instances requiring hardware change. It is in this environment ICP sees its strength in maintaining 950+ profitable sites and focussing on deploying new products in the Australian market.

To participate in the technological change, ICP, in conjunction with its R+D resources in NeoICP have developed new technologies. With this increased suite of product, ICP believes it can not only protect its Australian position but enhance its value proposition. This level of change has encouraged the Board to review the investment made in the past years and the lifecycle of these assets. The Board is of the opinion that the increasing speed of change warrants the assets to be carried for 5 years as against the continuing market trend of 6 to 10 years.

Corporate Costs

In recent years ICP has held a determined view that there are benefits to be gained from ICP having outright ownership of its subsidiary, NeoICP. In June 2011 an announcement was issued that highlighted all parties resolve to achieve this goal as soon as practical. Shortly, announcements will be issued advising the shareholders on this matter in detail. One immediate benefit of finalising this matter will be the reduction of non-recurring costs including costs associated with the finalisation of the proposed transaction.

Non – Recurring / Restructuring Costs

During the final weeks of 2011 a detailed review of the Australian business was finalised. Not only did the impact of GST changes affect ICP (as it potentially may affect other ATM deployers) but the economic conditions and the changing product market were reviewed by the Board. The result was the following charges:

	\$'000s
One-off costs included in Admin- Australia	2,475
Asset impairment charge - Australia	5,131
Asset impairment charge – Korea	656
TOTAL	8,262

Acquisition of NeoICP

On June 1 the Board announced they had entered into a binding agreement to purchase a further 41.04% of NeoICP giving it ownership of 88.15% of the issued shares with the target of 100% over the following 12 months. This matter is the subject of a detailed report to be released to the shareholders in the course of the next several weeks.

Outlook

ICP commenced the 2012 financial year with orders on hand in Korea exceeding \$30 million. The Korean opportunities will continue to grow through the relationships with the current Korean customers both locally and through their geographical growth.

Australia with 950+ ATMs in the fleet and a further 670+ ATMs under management will require capital investment to grow the number of ATMs deployed. New NeoICP products are currently being approved for the Australian market and they are anticipated as providing a 'growth opportunity'.

Cautionary Note: *This release may contain forward looking statements that are based upon management's expectations in regards to future events. These statements are subject to risk and uncertainty that may be outside of the control of iCash Payments Systems Limited and may cause actual results to differ from the release iCash Payment Systems Limited takes no responsibility to make changes to these statements to reflect change of events or circumstances after the release .*

About iCash Payment Systems Limited

ICP is a vertically integrated ATM payments business and has designed, manufactured and sold more than 15,000 installations in Asia Pacific since 2001. Our global product range includes ATMs - dispensing and recycling, multi-function kiosks, automated cash sorting devices, complete public transport ATM solutions, switching and software solutions, and integrated settlement and back office automation systems.

Our global head office in Sydney support the ownership of an Australia-wide ATM network of 950+ ATMs and a further 670+ under management. The Company' South Korean operations are home to iCash research and development facilities and manufacturing operations.

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