

iCash Payment Systems Limited

Results for the year ended 30 June 2011



iCash Payment Systems Limited

Disclaimer

The material that follows is a presentation of general background information about the Group's activities current at the date of the presentation, 5 September 2011. It is information given in summary form and does not purport to be complete. This information must be considered in conjunction with the Appendix 4E Preliminary Final Report. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate.

Underlying Profit

The Management Discussion and Analysis discloses the net profit after tax on both a "Statutory basis" and "Underlying basis". The Statutory basis is prepared in accordance with the Corporations Act 2001 and the Australian Accounting Standards, which comply with International Financial Reporting Standards (IFRS). The Underlying basis is used by management to present a clear view of the Group's underlying operating results, excluding a number of items that introduce volatility and/ or one off distortions of the Group's current period performance. These adjustment items excluded from statutory profit are also provided in the Notes to the Financial Statements in the Appendix 4E Preliminary Final Report.

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Overview

- **Top Line Growth**
- **Positive result in a difficult year**
- **Consolidation of ownership of NeoICP**
- **Disciplined approach to execution of strategy**
- **Korean opportunities continue to deliver**
- **Cash balances grow significantly**
- **Strategy to deliver beyond Australia and Korea**

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FY 2011 Financial Result

- Revenue up 66% to \$70.34 million
- EBITDA up 57% to \$10.28 million
- Underlying EBIT up 136% to \$10.46 million
- Cash balances up 53% to \$7.16 million
- Net Assets at \$38.02 million – no change
- NTA up 21% to \$15.86 million

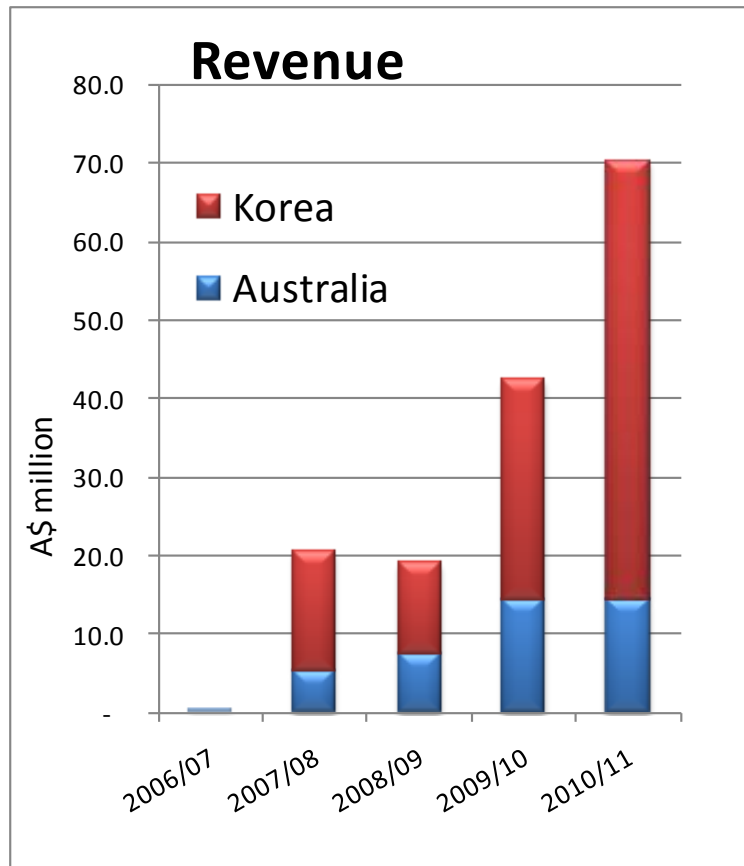
- Australian revenue flat, Korea grew significantly

\$ million	Australia	Korea	Total
2011	14.26	56.08	70.34
2010	14.40	28.03	42.43
YOY	-1%	100%	66%

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FY 2011 Financial Result



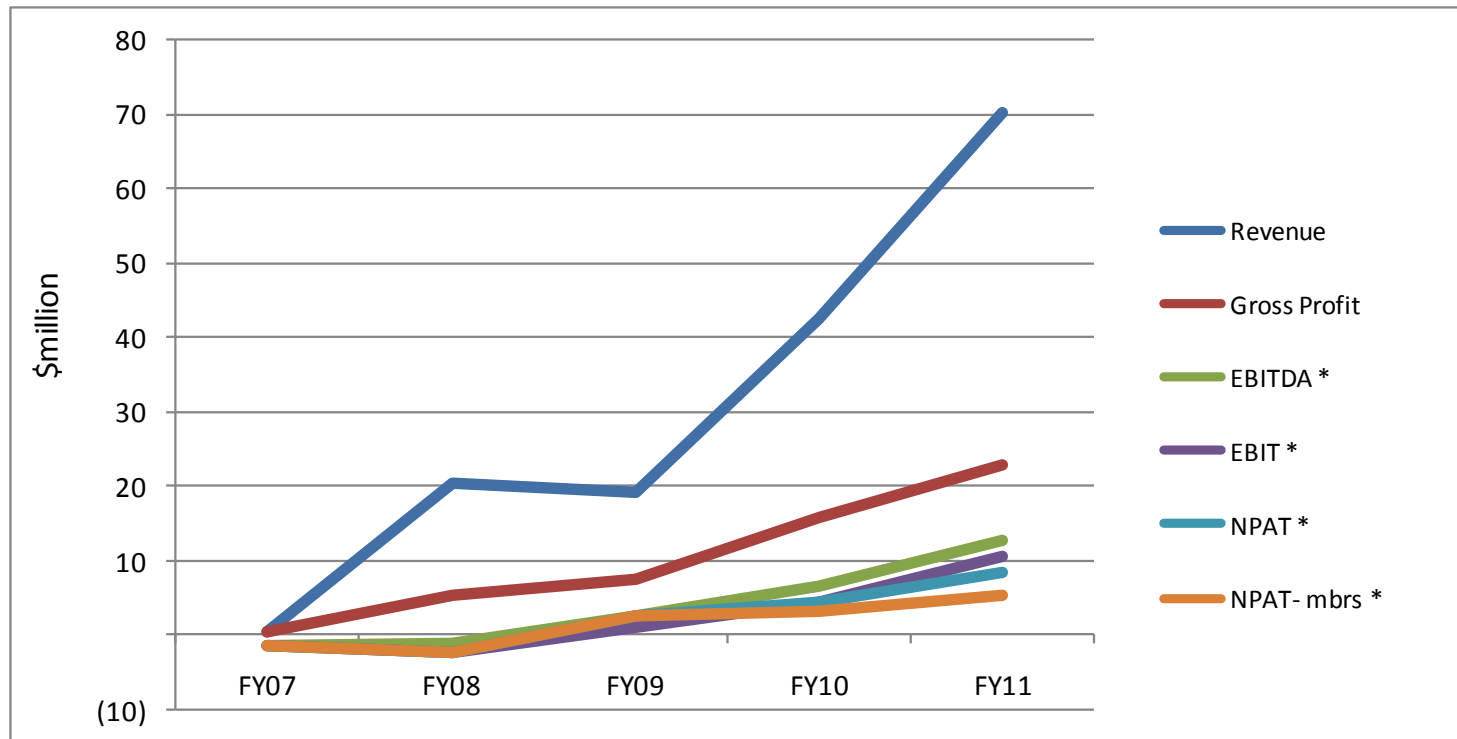
- Group revenue up 66% to \$70.34million
- Korean sales revenue increase by 100% to \$56.1 million
- Group EBITDA up 57% to \$10.28 million, underlying EBITDA \$12.75 million up 95%
- Cash balances up 53% to \$7.16 million
- Debt reduced to \$4.6 million from \$10.5 million
- Net Assets at \$38.02 million – no change
- NTA up 15% to \$15.86 million

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Consistently Strong Growth

“Underlying” Group Performance



* Excludes FY-11 \$8.26m of abnormal admin and impairment charges

Company Overview

iCash Group

- Vertically integrated independent supplier of “Banking Technology”
- Global product range – Cash Dispensing & recycling ATMs, coin handling devices, multi-function kiosks, and integrated settlement & back office automation systems
- R&D continues to ensure ongoing new product and innovative technologies

Korea

- R+D & manufacturing facilities in Seoul supporting customer specific solutions
- Dominant supplier to non-bank ATM market
- Deployment of additional 5,675 units in 2011 including 373 Back Office Systems

Australia

- Australian network under management increased to more than 1,600 up 15%
- Owned ATMs grew to 950 up 19%
- Transactions processed grew slightly over the year

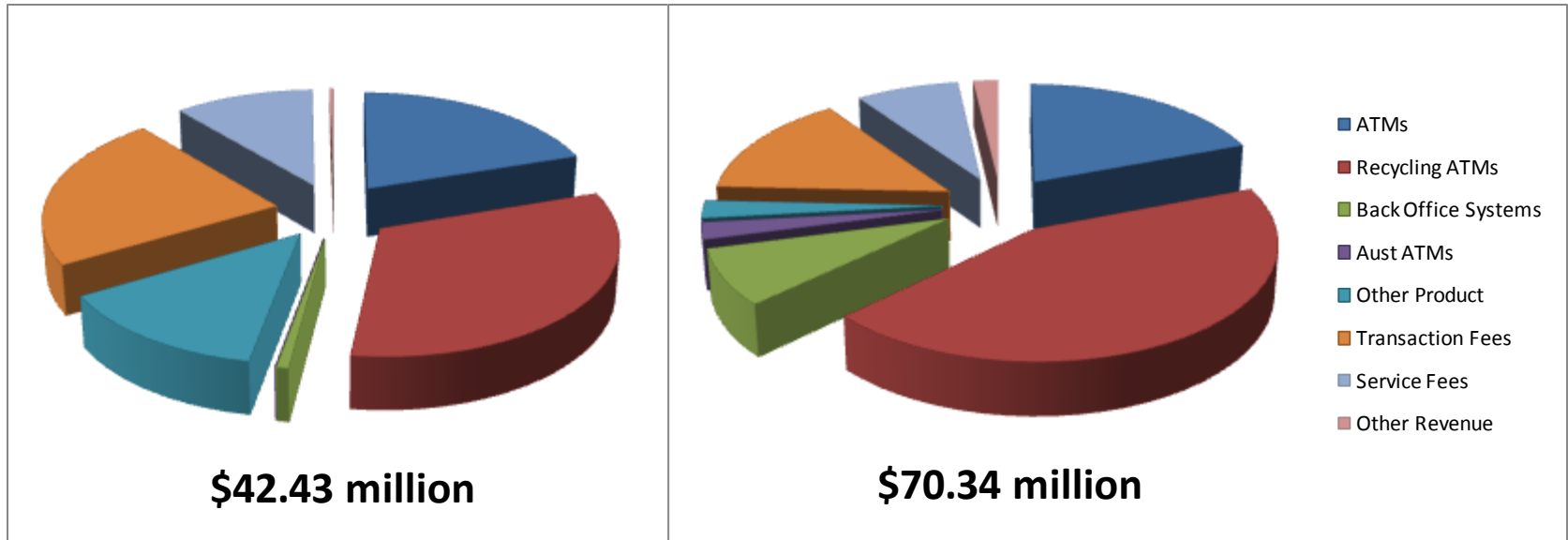
Other Markets

- Review of market strategy. Focus on high cash dependant markets.
- Leverage off existing relationships and their geographical growth
- Target high value Australian sites with enhanced product from Korea

Group Revenue – by Product

2010

2011












Company Overview






	A\$million	2010	2011	Change	YOY
Australia	Revenue	14.4	14.3	(0.1)	(1.0%)
<i>underlying</i>	EBITDA	4.8	2.9	(1.9)	(39.5%)
	EBIT	4.3	2.1	(2.1)	(50.1%)
	EBIT Margin	29.5%	14.9%		
Korea	Revenue	28.0	56.1	28.0	100.0%
<i>underlying</i>	EBITDA	3.7	11.5	7.9	213.3%
	EBIT	2.1	10.0	7.9	380.4%
	EBIT Margin	7.4%	17.9%		
Corporate	Revenue				
<i>underlying</i>	EBITDA	(1.9)	(1.7)	0.2	(11.7%)
	EBIT	(1.9)	(1.7)	0.2	(11.7%)
	EBIT Margin	0.0%	0.0%		
Group	Revenue	42.4	70.3	27.9	65.8%
<i>Underlying</i>	EBITDA	6.6	12.8	6.2	94.6%
	EBIT	4.4	10.5	6.0	136.2%
	EBIT Margin	10.4%	14.9%		

Eliminations are included in Korea

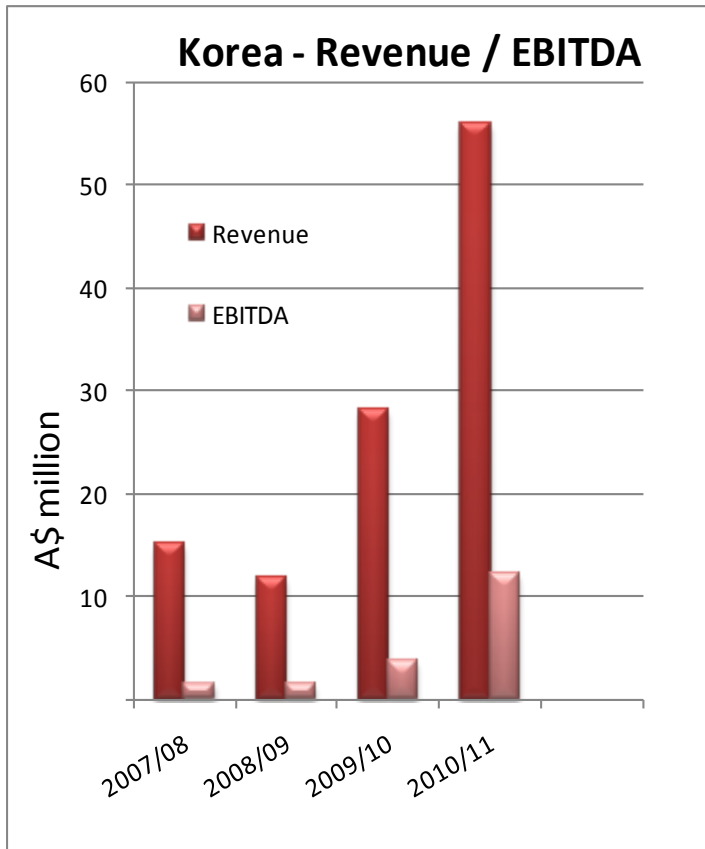
Company Results Overview

	\$M	2010	2011	Change
Revenue		42.4	70.3	27.9  66%
Gross Profit		15.9	22.8	6.9  44%
EBITDA		6.6	10.3	3.7  57%
D & A		(2.1)	(8.1)	(6.0)  281%
Tax Benefit (Expense)		0.1	(1.7)	(1.8) 
Reported NPAT		4.4	0.2	(4.2)  -95%
One-off Admin		0.0	2.5	
Impairment		0.0	5.8	
Underlying NPAT		4.4	8.5	4.1  94%
<i>ATMs Fleet - Aust</i>		1378	1623	245  18%
<i>Unit Sales - Korea</i>		2310	5675	3,365  146%

Company Results Overview

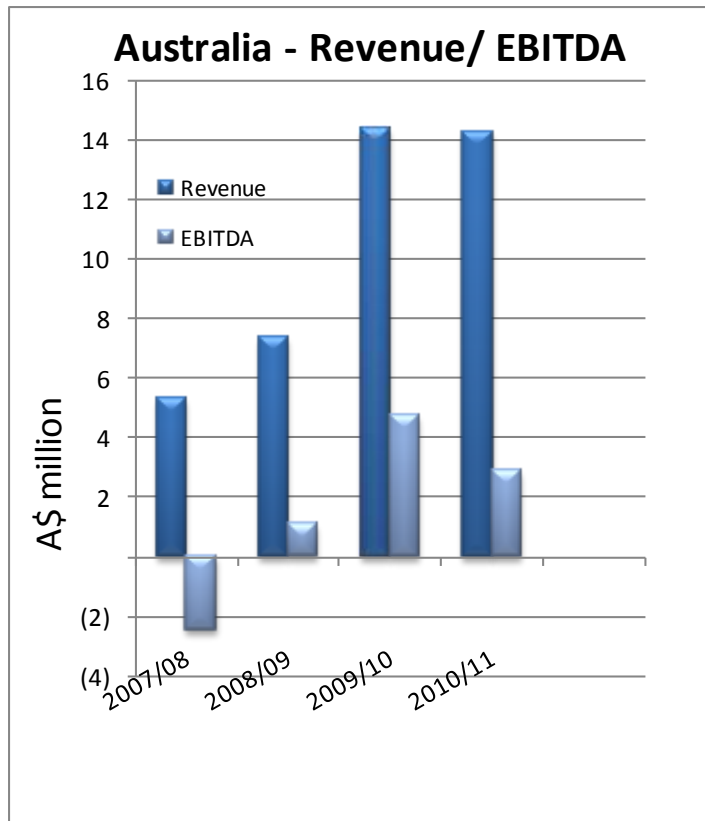
	\$M	2010	2011	Change
Cash		4.7	7.2	2.5  53%
Total Assets		58.2	53.5	(4.7)  -8%
Net Assets		38.0	38.0	0.0 0%
Net Tangible Assets		13.1	15.9	2.8  21%
Net Debt (Cash - Debt)		(5.79)	2.57	8.4  144%
Operating Cash Flow		0.4	11.5	11.1  2765%

Korea Review



- CAGR Revenue over 4 years of 55%+
- Continuing growth in major customers
- Sales of 2,000+ recycling ATMs up 180% from prior year
- Recurring revenue experiencing 25% growth

Australia Review



- Maintained revenue in challenging market conditions
- Continued to grow owned / deployed ATMs to 950 up 20% - managed ATMs now exceeds 1600 ATMs
- Preferred supplier arrangements ensure strong convenience store positioning

* FY-11 EBITDA adjusted for \$1.4m underlying charge

Underlying Performance

Underlying EBIT	\$'000s	Aust	Corp	Korea ⁽¹⁾	TOTAL
Reported EBIT		(\$1,474.1)	(\$5,696.0)	\$9,371.9	\$2,201.9
One-Off Costs					
One Company Acquisition Costs			\$899.7		\$899.7
GST Assessment		\$1,423.1			\$1,423.1
Non- recurring Corp Costs			\$152.2		\$152.2
INCLUDED IN ADMIN		\$1,423.1	\$1,051.9	\$0.0	\$2,475.0
Impairment					
Stock - end of life		\$152.7	\$218.1		\$370.8
Intangible – Development			\$584.2		\$584.2
Intangible – Other			\$487.9		\$487.9
ATM Impairment		\$2,018.8			\$2,018.8
BCT Loan Provision			\$1,669.6		\$1,669.6
Capitalised R+D Impaired				\$655.8	\$655.8
INCLUDED IN IMPAIRMENT		\$2,171.5	\$2,959.9	\$655.8	\$5,787.2
INCLUDED IN EBIT		\$3,594.7	\$4,011.7	\$655.8	\$8,262.2
Underlying EBIT		\$2,120.6	(\$1,684.2)	\$10,027.7	\$10,464.1

(1) eliminations are applied to Korea

EBIT includes these Non-Recurring Costs of \$8.26 million

Corporate & Adjustments Review

During Q4 2011 a review of the Group's Operations, focusing on Australia, was completed. This review highlighted a number of challenges within the market and the company:

- ❑ Competitive pressures and technology change were reducing the longevity of the installed assets to 5 years
- ❑ Entry into new markets including China were best achieved through technology partnerships or customer alignment
- ❑ Sunk costs needed to be reviewed for carrying value

ICP stepped up to the challenge

- ❑ The Balance sheet has been impaired in accord with the Directors review
- ❑ "One Company" has become a timely opportunity
- ❑ Korean "field proven" products are being reviewed and where appropriate will be introduced into Australia and other new markets

Meeting the challenges



New Products:

- ❑ RATM (recycling ATM) technology to be launched into new markets.
- ❑ New “super low cost” mass marketed ATM is being marketed in Asia
- ❑ iRAMS has been enhanced for infield diagnostics
- ❑ Back office, coin technology has been adapted for Australia

New Markets:

- ❑ High cash markets are ready for the NeoICP products
- ❑ Leverage key Korean customer relationships is key entry point to new Asia markets

Outlook and Opportunities

- 2012 has commenced particularly strongly with NeoICP entering the year with orders on hand of A\$30+million
- Technology developments have created new opportunities in Asia – including new network ATM
- Growth of key Korean customers into new markets has created leveraged opportunities in the wider Asia market
- Australia continues to grow deployed base of ATMs consistent with FY11
- Certification and piloting of proven Korean technologies is progressing in Australia and other markets
- Continuing leverage of preferred supply arrangements
- “One Company” transaction to deliver synergistic benefits

Investor Relations

	26 August 11	30 June 11	30 June 10
Shares outstanding	92.3 m	92.3 m	85.4 m
Shareholder #	2,146	2,182	2,168
Top 20 Shareholders	36.9 m	36.9 m	36.7 m
Top 20 percent	39.9%	39.9%	43.0%
Market Capitalisation	\$17.1 m	\$16.6 m	\$37.6 m

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End of Presentation

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