

ASX Release
11 January 2016

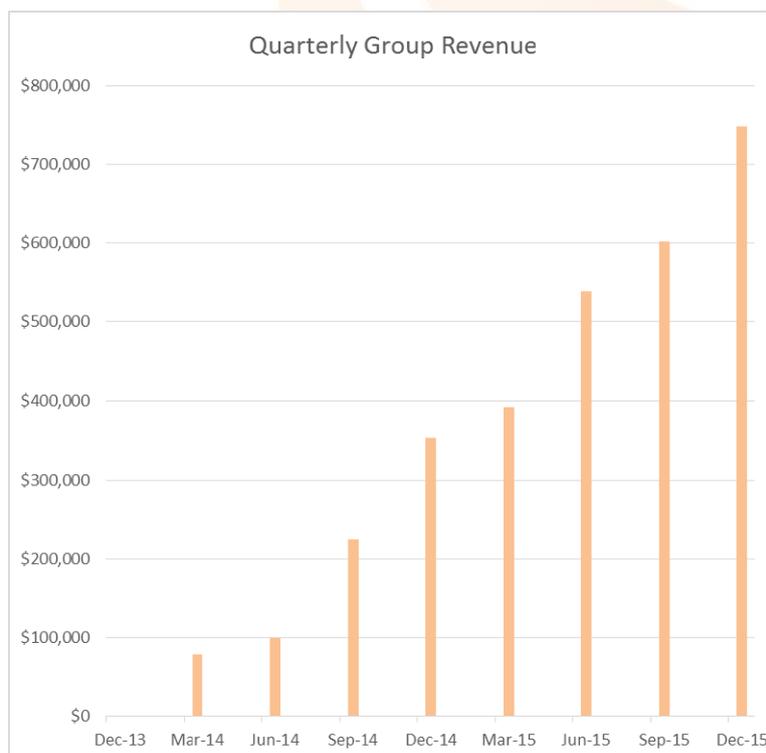
INVESTOR UPDATE

Stargroup lifts ATM revenue by 50% to achieve 8th record quarter

HIGHLIGHTS

- 51% increase on ATM transactions compared to prior quarter
- 50% increase in gross ATM revenue compared to prior quarter
- 38% increase in the number of active ATMs compared to prior quarter
- 24% increase in gross revenue for the Group compared to prior quarter
- Average monthly transactions among "industry best"
- Further significant improvement in ATM revenue is expected in Q1 2016 with completed integration of expanded network in January

Stargroup Limited (**ASX : STL**) ("Stargroup or the Company") is pleased to announce that its ATM network has delivered another record quarter of revenue, the 8th in a row.

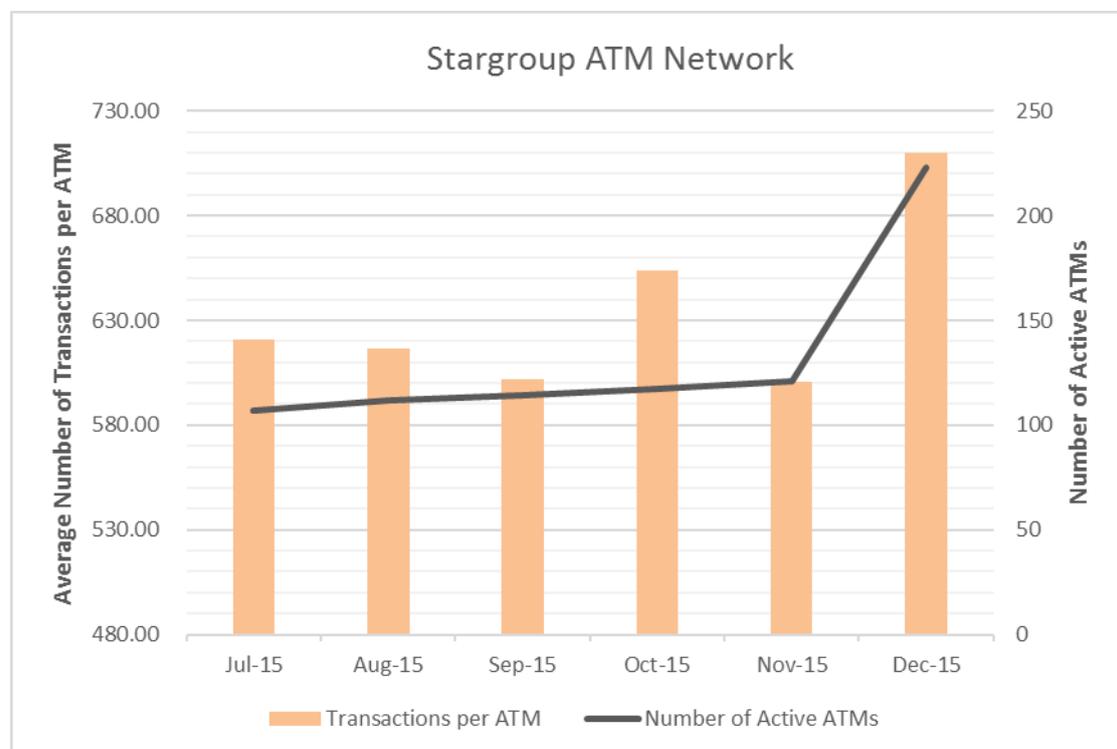


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Mr Todd Zani, Stargroup's CEO and Executive Chairman said *"The transactions on our ATM network were up 51% on the previous quarter and revenue was up 50% on the previous quarter."*

*"Whilst this quarter's results only included one month's worth of integration of the Cash Plus Australia Pty Ltd (**Cash Plus**) acquisition in December, they have also been positively impacted by the ramp up of our existing ATM network as customers become familiar with our locations."*

"It is also a reflection of our overriding principle to only place our ATM machines in high quality sites that our experience tells us will yield acceptable capital returns".



Stargroup's average monthly transactions per ATM continues to be arguably the industry best with the average for December, the first month post the integration of the Cash Plus ATM network, being a very significant 710 transactions a month per machine.

The company's quarterly average of 667 transactions a month per machine was also a 9% increase on the previous quarterly average of 613 transactions per machine.

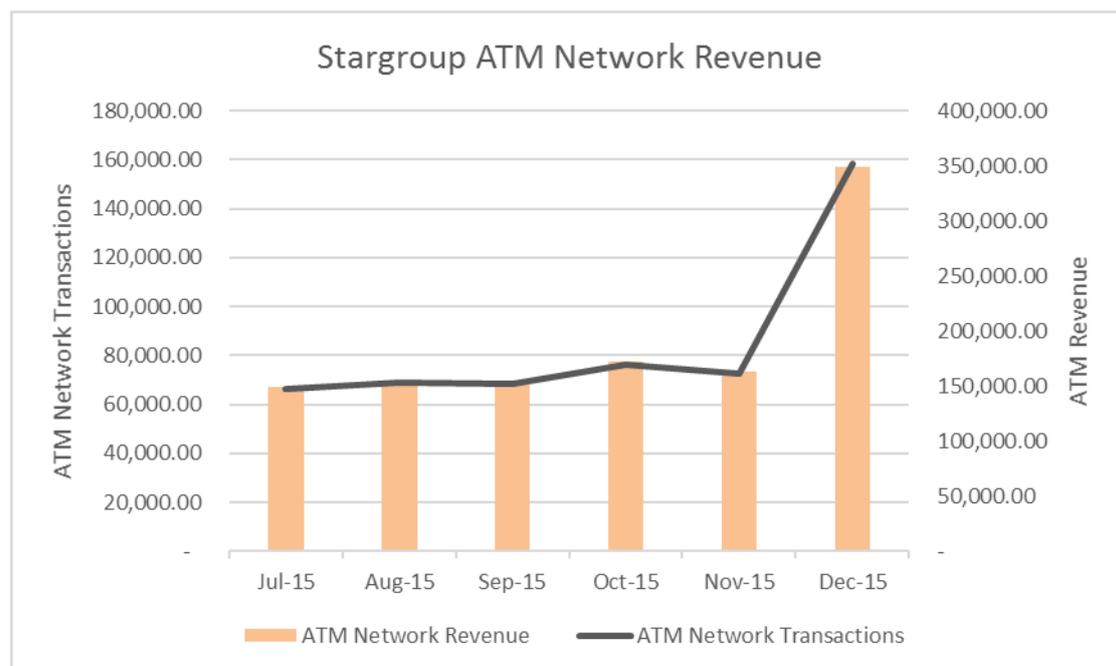
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Mr Zani said *"To put these numbers in perspective, the prior quarterly result was already a 20% premium to the average transactions per machine reported by industry leader DC Payments (TSX : DCI) in that quarter."*

"We are very focused on the 'transactions per machine' metric as this is the best guide as to how well we are investing our shareholders capital".

"Our goal is to pay back the capital for each ATM machine within 18 months and we are certainly on track to achieve this goal".

"This quarterly result has only incorporated one month's results of the recently acquired ATMs from Cash Plus and therefore we will also see a significant improvement in our results in the next quarter, which we expect to be our 9th record quarter in a row!" said Mr Zani.



What's Next for Stargroup?

Stargroup has been working diligently to finalise the integration of the ATMs acquired from Cash Plus on 1 December 2015 by the end of January 2016. This includes the migration of a number of these machines from the switch used by Cash Plus to our switching partner.

The increased scale of our ATM operations has enabled Stargroup to revisit key supply contracts and we anticipate further cost savings to the business to flow from the increase in scale in 2016 as part of those re-negotiations.

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Stargroup is working closely with both Claim Co and Anthem Software to finalize the IP development for the mass rollout of our EFTPOS/payWave offering to their 50,000 clients and the broader Australian market and the overall outlook for our 2016 results is expected to be very positive.

Mr Zani said *"I am very proud of what we have achieved in a relatively short amount of time and I look forward to continuing to deliver consistent growth based on the plan outlined to our shareholders at our AGM."*

"This includes:

- Further organic growth in quality only ATM sites via disciplined site selection;*
- Targeting smaller unlisted ATM deployers for value accretive mergers and acquisitions;*
- Entering the EFTPOS space by leveraging our excellent wholesale rates;*
- Rolling out new technology products such as our Recycler ATM that allows users to both withdraw and deposit money; and*
- Further sales of NeoICP ATMs and software in Australia. "*

FURTHER INFORMATION

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About Stargroup

Stargroup Limited is the only ASX listed company deploying ATM machines in Australia and importantly, the only listed ATM company having a direct ownership interest in the manufacturer of its ATM technologies, namely NeoICP, a south Korean private company.



Stargroup Limited merged with iCash Payment Systems Limited (ASX:ICP) on 7 August 2015 and as part of the acquisition became the exclusive distributor of the cashPod ATM range including the recycler ATM, back office and payment technologies in Australia for the next 5 years.

Stargroup Limited, via its wholly owned subsidiary, StarPOS, is also an EFTPOS and payWave technologies provider via its leveraged wholesale Visa and Mastercard agreement and the launch of StarPOS occurred on 1 October 2015.

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