

ASX Release  
2 February 2016

## INVESTOR UPDATE

### *NeolCP Half Yearly 2016 Results*

#### HIGHLIGHTS

- NeolCP records an EBITDA of AUD\$1,933,234 for half year 31 December 2015.
- NeolCP reports net assets at 31 December 2015 of AUD\$28,579,999.
- Stargroup to re-value its 19.25% interest in NeolCP given book value as at 30 June 2015 was just \$938,368.
- Stargroup expects a dividend in the 2015-16 and 2016-17 years as a result of the current dividend policy in place by NeolCP

#### BACKGROUND

The Board of Stargroup Limited (**ASX: STL**) is pleased to announce that NeolCP Korea Inc. (**NeolCP**), a private South Korean Company that Stargroup owns 19.25% of the issued capital of, have released their half yearly results in South Korea.

The NeolCP half yearly results show an EBITDA of \$1,933,234 which blitzed the full year EBITDA result from 2015 of \$1,666,404.

Further, the book value of NeolCP's assets were reported at \$28,579,999 and at 30 June 2015, Stargroup had conservatively valued its 19.25% investment in its books at just \$938,368.

There is an agreed three year dividend policy in place as between NeolCP and Stargroup whereby in each of the 2014-15, 2015-16 and 2016-17 financial years, subject to NeolCP earning an NPAT of at least AUD\$500,000, NeolCP will declare and pay a dividend of 30 per cent of NPAT.

Mr Todd Zani, Stargroup's CEO and Executive Chairman said "*Stargroup is pleased with the continued improvement in the NeolCP results. The half year results have out-performed the prior full year results and clearly our investment is currently undervalued in our own books and we will be making an upward revaluation of this investment. There is an agreed dividend policy in place as between NeolCP and Stargroup and we believe that it is reasonable to*

*expect a future dividend payment from this investment, in line with the policy that is in place.*

*NeolCP are making significant inroads into the distribution of its products throughout the Asia Pacific region including the recent distribution of its casino settlement machines, cash redemption terminals and back office technologies in Macau.*

*They have also made good progress with their cash redemption terminals in China, Sri Lanka, Malaysia, Cambodia, Turkey and also South Africa.*

*The reciprocal shareholdings between Stargroup and NeolCP sets us apart in the ATM market place. Our joint ownership of each other means that we have an edge over our competitors and we consider that an ongoing dividend stream from our investment in NeolCP is the icing on the cake."*

#### **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 NeolCP, 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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