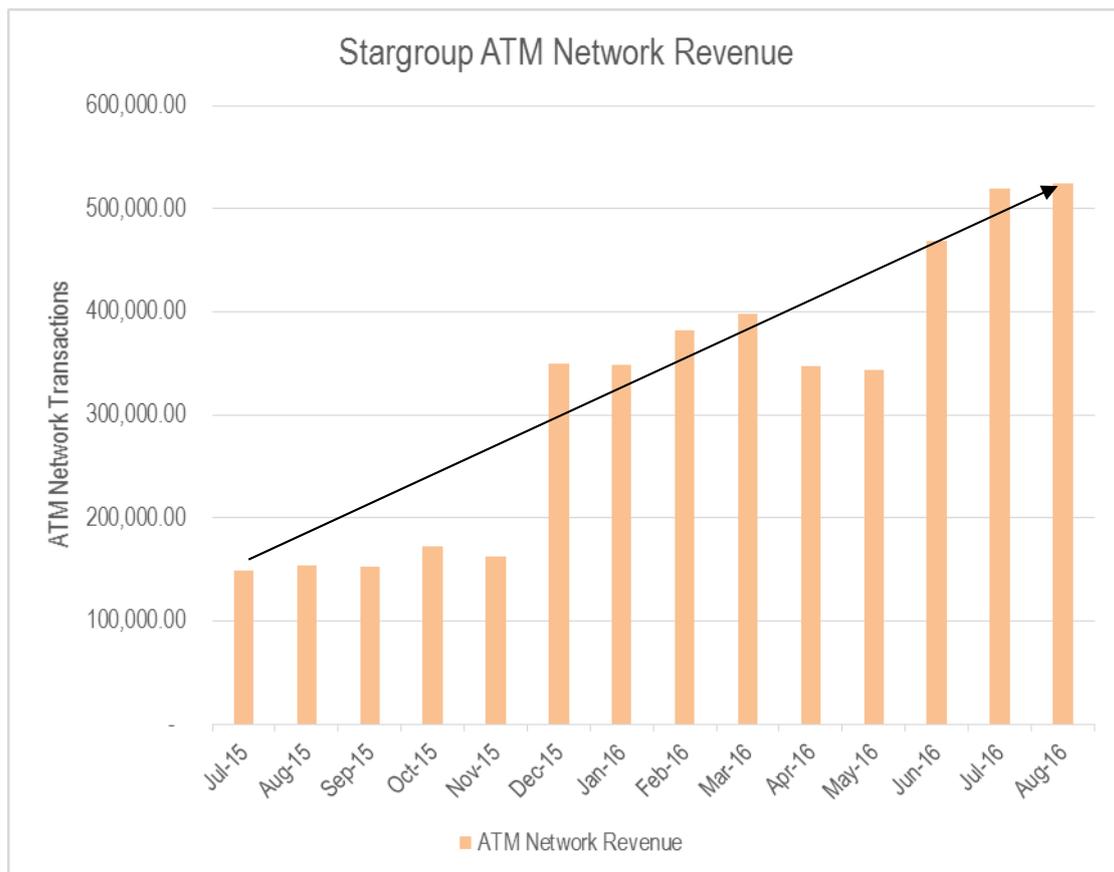


Another Record Revenue Month and Industry-Best Statistics suggest that 11th record quarter well on track

HIGHLIGHTS

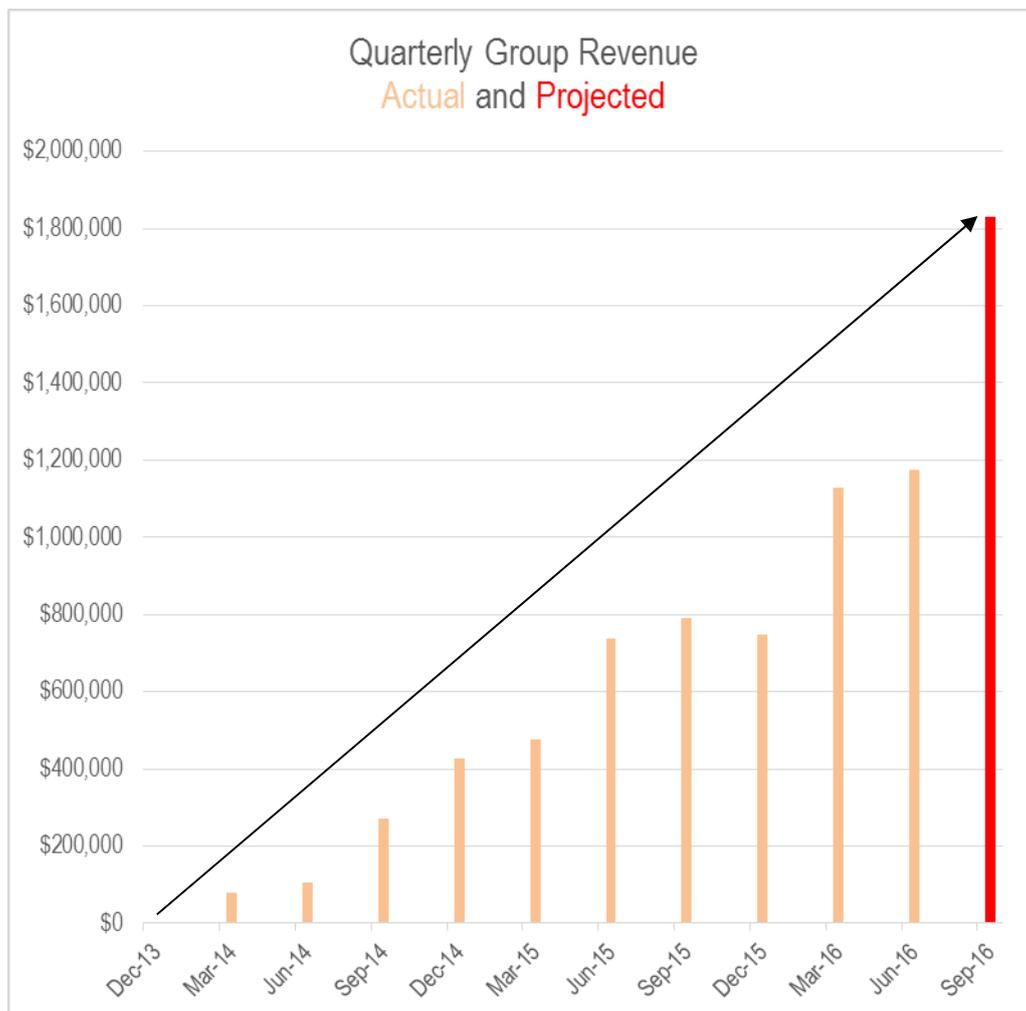
- 242% increase in actual annual revenues in FY2016
- 149% improvement in 2016 YTD revenue compared to 2015 YTD revenue
- 51% increase in quarterly revenue to date compared to last quarter
- 2% increase in the number of ATMs in Australia in last quarter

Stargroup Limited (ASX : STL) ("Stargroup or the Company") is pleased to announce that once again its Automatic Teller Machine ("ATM") Network has delivered a record month of revenue in August. The Company now is well on its way to delivering another record quarter of revenue, the 11th in a row.



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Mr Todd Zani, Stargroup's CEO and Executive Chairman said *"The ATM network revenue was up again on the prior month's record revenue and more importantly, our projected revenues are clearly showing that we are on track for another record quarter of revenue which will be our 11th record of quarterly growth, as can be highlighted below."*



The number of active ATMs on STL's network at the end of August was 356, a 2% increase on the prior month. July was a record sales month for our ATM division and most of those sales were installed in August but ATMs are also scheduled for installation in September, ensuring we should eclipse our prior quarterly result.

We have also just taken delivery of another container of ATMs from NeolCP Korea to keep up with the installation of our own sales pipeline and to meet the increasing demand for ATM hardware sales to other deployers which are also at an all-time high."

"We continue to pay back our capital from each ATM, 15 months from purchase. Given our recent further increase in scale we are in a strong position to review some of our key supply contracts in the business to further reduce our costs of goods sold, and improve our profitability," said Mr Zani.

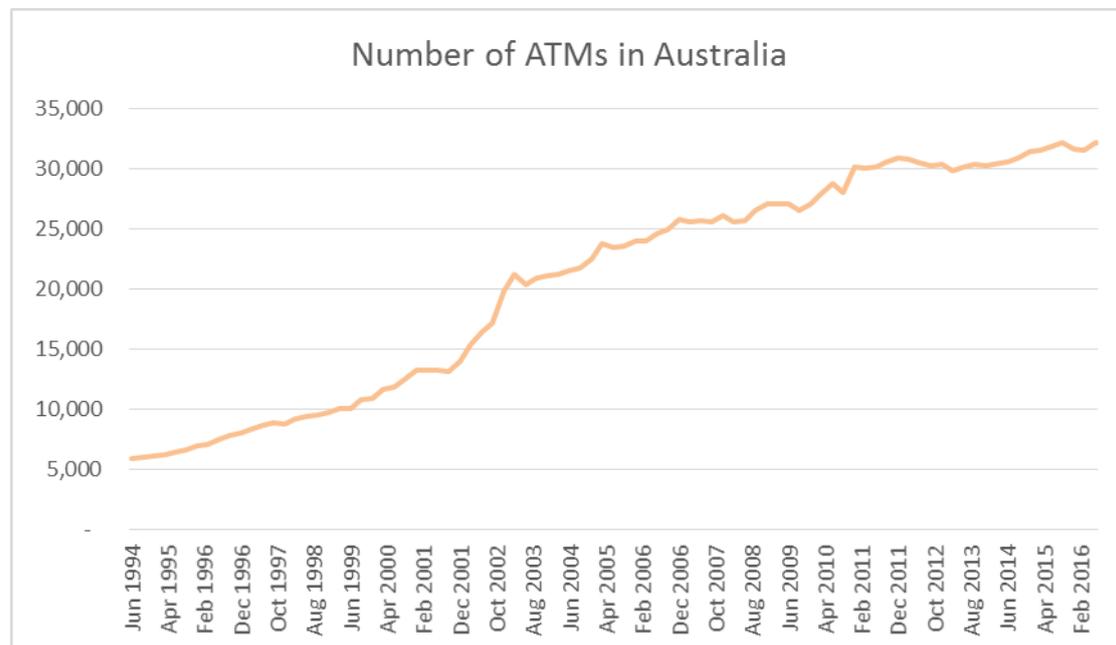
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Stargroup is also pleased to advise that it is already fielding a high level of enquiries from payment industry participants that are eager to gain access to the source code and EFTPOS technologies that STL's subsidiary, StarApps has agreed to distribute in Australia and New Zealand. This will also allow Stargroup to finalize its core development with Anthem Software for a 16,500 business network and commence the major deployment of EFTPOS hardware to those customers.

"We will see significant benefits to the business as a result of having access to the source code within an EFTPOS terminal and further developing this for the Australian and New Zealand markets. There are numerous other markets that become available to us as a result of gaining access to the source code and working with technology partners.

The Board of Stargroup is excited at the level of enquiries being made post the announcement last week as at present the major banks have traditionally kept this code to themselves or limited its access to others. This will free us up to further talks with the likes of Apple, Samsung and any other payment technology company trying to break into the Australian market whilst avoiding the need to partner with the majors. It's an exciting time.", said Mr Zani

A recent report released by the Australian Payments Clearing Association shows that the number of ATMs in Australia has increased by 2% in the last quarter. The total number of ATMs in circulation is now 32,156.



"ATM numbers are continuing to increase and this statistic further highlights the opportunity available to Stargroup given that there were 351 branch closures by the major banks in the last twelve months yet the number of ATMs in circulation are continuing to grow and out transactions are growing. The statistics clearly show that ISO's are becoming more heavily relied upon by the public to withdraw cash and with further branch closures that trend is only going to continue to increase.", said Mr Zani.

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FURTHER INFORMATION

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About Stargroup

Financial technology company 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 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 on 7 August 2015.

Stargroup Limited, via its wholly owned subsidiaries, StarPOS and StarApps, is also an EFTPOS and payWave technologies provider and developer of the source code in its terminals via its 5 year distribution agreement with West International AB, a Swedish NASDAQ listed company, to distribute next generation EFTPOS payment terminals and solutions in Australian and New Zealand.

Important Note

This announcement contains “forward looking statements” that are based on the Board’s beliefs, assumptions and expectations and on information currently available to management. That information includes information provided to the Company by the management of NeolCP Korea Inc., which has not been independently verified. All statements that address operating performance, events or developments that the Company expects or anticipates will occur in the future are forward-looking statements, including without limitation the Company’s expectations with respect to potential revenues, costs, profitability and financial performance. The Board believes that the forward-looking statements are reasonable as and when made.

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