



YOURLOCALATM

FREQUENTLY ASKED QUESTIONS



OPPORTUNITY OVERVIEW

1

WHY SHOULD I CONSIDER THIS INVESTMENT?

The Automatic Teller Machine (**ATM**) industry in Australia is substantial. According to the latest RBA statistics, on an annual basis, the ATMs operating in Australia generate over 826.8 million transactions each year (an average monthly average of 68.9 million) having a total value of \$148.8 billion (a monthly average of \$12.4 billion). See; www.rba.gov.au/statistics/tables/xls/c04hist.xls

You can obtain a very attractive income stream from the ownership of an ATM. Under the terms of our contract with you, you are assured of a minimum return of over 18% per annum on the purchase price of an entry level ATM. This compares well with the rates of return on other forms of investment.

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IS IT LEGAL?

Yes it is legal. After a long period of consultation, the Reserve Bank of Australia (**RBA**) endorsed an industry proposal to reform the ATM system in Australia. This led to the RBA introducing an "Access Regime" for the ATM system, which took effect on 3 March 2009. One of the important features of this Access Regime is that ATM owners have the freedom to charge cardholders directly for the use of an ATM, with any charge being disclosed to the cardholder prior to the withdrawal being made.

Please refer to the RBA website www.rba.gov.au for further information.

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WHO IS THIS INVESTMENT SUITABLE FOR?

- Individuals who want a safe investment producing high rate of return.
- Small businesses that are looking for another income stream.
- Medium and large businesses that are looking to diversify their investment portfolio.

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IS THERE A SHORTAGE OF ATMS?

As Australia is constantly expanding there will always be a need for more ATMs. In the last 14 years, the monthly withdrawals from ATMs grew from 29 million per month to 78 million, an increase of almost 170%. Currently, there are 30,000 ATM's in Australia while in the USA there are over 820,000 ATMs.

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WHY DON'T THE BANKS EXTEND THEIR EXISTING ATM NETWORKS THEMSELVES? WHY ARE THEY ALLOWING THIS COMPETITION?

The Banks don't have sole control of the ATM industry. The RBA's introduction of the "Access Regime" has opened up the market to private ownership and this has introduced competition into the system.

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HOW DO I INVEST?

You invest by purchasing an ATM and entering into a contract with us. There are several machines available with prices (including freight, installation and set up costs) ranging from A\$15,400 to A\$22,000 (including GST) per machine depending on the model that best suits the location of the machine.

To secure your ATM, you will only be required to pay a deposit equal to 20% of the value of the ATM. The remainder of the cost must be paid when the ATM is installed.



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HOW DO I EARN INCOME ON MY INVESTMENT? WHAT IS MY ACTUAL RETURN?

Each time a cardholder uses your ATM they will be charged a transaction fee (currently set at \$2.00). Each month, you will receive 30 cents for each transaction on your ATM or \$235 per month, whichever is the greater.

We will pay you a minimum monthly payment (of \$235) whether or not there are any transactions on your ATM. Why are we prepared to pay this minimum monthly payment?

If, in any calendar month, the total number of transactions conducted on your ATM (**Actual Transaction Level**) is less than 171 transactions (**Minimum Transaction Level**), the Site Owner must pay to us \$2.00 for that number of transactions by which the Minimum Transaction Level exceeds the Actual Transaction Level (the **Shortfall Number**).

For example, if an ATM only produces 150 transactions in a calendar month (for a revenue of \$300) then the site owner must pay to us \$2.00 for the Shortfall Number of transactions ($20 \times \$2.00 = \40). As the operator, we therefore have assurance that each ATM will produce revenue of at least \$340 per month.

On an annual basis, the minimum amount you will receive per atm is \$2,820. Based on an ATM purchase and set up cost of \$15,400 (including GST), you will receive an annual return of over 18% on the amount of your investment.

The amount of \$235 equates to 784 transactions at 30 cents per transaction. If, in any month, more than 784 transactions are conducted on your ATM then you will receive 30 cents per transaction. So, for example, if :

- (a) 1,000 transactions are conducted on your ATM in a calendar month, you will receive \$300; and
- (b) 2,000 transactions are conducted on your ATM in a calendar month, you will receive \$600.

Each monthly payment will be made to your nominated account no later than 25 days of the end of each calendar month.

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COULD THE AMOUNT OF \$2 PER TRANSACTION BE REDUCED?

The pricing under the ATM Agreement assumes that the revenue per transaction is \$2 (**Standard Transaction Fee**).

If a market event occurs (including a change in law), which has the effect that there is a reduction in the Standard Transaction Fee that can be charged to ATM users, we have reserved the right to renegotiate the pricing structure.

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IS THIS A TAX EFFECTIVE INVESTMENT?

You should take your own advice in relation to the tax effectiveness of the investment.

However, we understand that most investors will be entitled to write down the value of the ATM over a 5-year period and thereby obtain a tax deduction on the amount of depreciation over that 5-year period.

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WHAT IS THE PAYBACK PERIOD?

The monthly plan ensures a minimum return of over 18% per annum. This ensures a capital payback period of approximately 5.5 years based on a purchase price of \$15,400 including GST.

This payback period should be less than 5.5 years if the number of transactions is greater than the minimum monthly amount of \$235 per month.

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HOW DO I GET PAID?

The moneys payable to you will be sent direct to your nominated account. Any charges imposed by the bank on deposits are for the investor's account.

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WHO COVERS THE OUTGOINGS SUCH AS INSURANCE?

We hold public liability cover for 20 million.

We insure the ATM for physical loss arising from fire, perils, malicious damage, burglary and theft.

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ARE THERE ANY FURTHER BUYING AND RUNNING COSTS FOR THIS INVESTMENT?

No, all running costs are paid by us.

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CAN I CHOOSE THE LOCATION IF I FIND MY OWN LOCATION?

Yes, if you have a confirmed site you would like to place it.



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TIME LAG - WHAT IF THERE IS A DELAY IN SOURCING AND/OR COMMISSIONING THE ATM SITE? Will YOU STILL RECEIVE YOUR "MINIMUM" FEE FROM THE DATE OF INVESTMENT?

A 20% deposit secures an ATM for you until a suitable location is found. Once a site is found, you must pay the balance of the cost before we will install the ATM.

Once the machine is installed, your machine will start to earn you income. Your first payment will be made no later than 25 days of the end of the calendar month in which the ATM is installed.

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HOW EASY WILL IT BE TO SELL THE ATM AND AT WHAT PRICE, BECAUSE THE PRICE OF THE EQUIPMENT WILL HAVE DEPRECIATED, AT WHAT PRICE?

The value of your ATM will depreciate over time.

If you want to sell your ATM, the value of your machine will depend on the market value of your machine at that time. We will have a first right of refusal to purchase your ATM from you if you decide to sell the machine.

If we do not exercise that right, we will use our best endeavours to arrange the purchase of your machine by another investor or one of our competitors. You may also sell the machine to an investor introduced by you.

Your machine will have a estimated life of over 20 years but we cannot forecast what the market will be like for used ATMs in the future.

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HOW MANY TRANSACTIONS WILL BE PUT THROUGH EACH ATM EACH MONTH?

An ATM located at a casino may produce 15,000 transactions per month which equates to \$54,000 per year. An ATM placed in a pub might produce 2,600 transactions per month, giving a return of \$9,360 per year. However, an ATM located in small stores may not produce many transactions. To cover this risk, we will pay you a minimum monthly amount of A\$235 per month.

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WHO PAYS FOR THE DIAL UP AND ACCESS COSTS?

There are no dial up costs. Our machines use wireless technology supplied by a company called Symstream Technology Group Ltd. We pay the access fees to the ATM system and any switching fees.

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WHAT ARE THE RISKS ASSOCIATED WITH THIS INVESTMENT?

In terms of the amount of your return, the principal risk is that your ATM will produce less than 784 transactions per month. If it does not, you will only receive \$235 per month.

The other risks to you of this investment include the following:

1. Our insolvency. If we become insolvent, while you retain ownership of your machine, we may not be able to continue to supply access to the ATM system. You may be able to make arrangements for access with another service provider.
2. Damage to your ATM. If your machine is damaged, while insurance will cover you for the damage to the machine, it will not cover you for any loss of income while the machine is not operational.
3. Damage to the site. If the site owner closes or suspends business, becomes insolvent or his or her premises are damaged, we will have to move the ATM to a new location. It may take us time to find a new location for your ATM and during that period you will not be earning income on the ATM while you will not have access to the ATM system.

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WHO IS "YOUR LOCAL ATM"? WHO ARE THE PROMOTERS OF THIS INVESTMENT?

The business name "Your Local ATM" is owned by Give is Gain Pty Ltd ACN 143 991 833 as trustee of the Your Local ATM Unit Trust (**Give is Gain**). If you decide to proceed with this investment, you will enter into a contract with Give is Gain (see ATM Agreement).

The Managing Director Joshua Foti has been in the banking industry for over 5 years and has been an ATM custodian with the Commonwealth Bank and the Bank of Queensland. Joshua ran a succesful ATM company www.atmatms.com.au

Martin Purcell has 20 years experience working in the marketing industry, 7 years as the owner of Elixir Marketing Group. He recently sold the Elixir Marketing Group in order to pursue other opportunities, including his investment in this ATM business.



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HOW MANY MACHINES CAN I BUY?

There is no limit to the number of machines you can purchase. The more machines you purchase, the more chance you will have of obtaining a super site.

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CAN I SEE IT?

We will advise you of the location and serial number of your machine. We will provide you with a generic photograph of your machine so that you can recognise it if you visit the location of your ATM.

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WHAT HAPPENS IF THE ATM IS DAMAGED OR BREAKS DOWN?

The machine is maintained under a maintenance agreement we have entered into with iCash Australia Pty Ltd ACN 096 446 548 (**iCash**). This agreement covers all breakdowns, damage and repairs. Please refer to the ATM Agreement.

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HOW LONG WILL THE ATM LAST? HOW LONG WILL I KEEP RECEIVING A RETURN? IS THERE A MINIMUM NUMBER OF YEARS?

ATMs generally last more than 10 years before updates in software are required.

The casing of the machines is generally still usable if the software changes and many of the initial machines installed in Australia are still operating 20 years after their installation date.

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WHAT DOES THE ATM LOOK LIKE? WHAT IS THE LIFECYCLE OF THE ATM?

We will provide brochures and specifications. Please visit our website www.yourlocalatm.com.au for more details.

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ARE THESE BRANDED ATM'S (EG MAJOR BANKS) OR PRIVATE ATM'S?

These are private ATMs, branded through Give is Gain with the trading name "Your Local ATM".

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WHO SELECTS THE ATM PRODUCT (CASHPOD / NCR)? IS THAT YOU OR US?

Our sales force selects the appropriate ATM for each location (ie a stand alone machine or a through-the-wall ATM).

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HOW MANY NOTE DENOMINATIONS CAN THE ATMS THAT YOU'RE REFERRING TO DISPENSE?

They mostly distribute \$20 and \$50 dollar notes.

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WHY DO YOU HAVE THE CATCH PHRASE "GIVING BACK TO THE COMMUNITY"?

Your Local ATM business has been founded on a simple promise - a promise to make a real difference. Every time a customer uses a Your Local ATM, we donate 10% of the profits to one of our approved charitable organisations and/or the local community.

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AREN'T THE BEST LOCATIONS FOR ATMS ALREADY TAKEN IN AUSTRALIA?

There are many new locations springing up every single day around Australia. The RBA shows growth rates of 11% per annum, and we expect site opportunities will continue to arise.

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WHO FINDS THE SITES TO PLACE THE MACHINES?

We have a dedicated national sales force.

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PLEASE OUTLINE WHAT MY RETURN IS IF I'M A FOREIGN INVESTOR?

For a standard ATM, you will pay the amount of A\$15,400 and make the same 18% on the AUD amount. Any bank charges must be paid by you.

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WHO HAS TO COME UP WITH THE FLOAT MONEY INSIDE THE ATM?

This depends on location of the ATM. An electronic notification is sent back to base when the machine reaches 25% capacity. The machine is then serviced by us or the site owner.

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WHAT ARE ADVANTAGES OF BUYING NOW? WILL I GET A BETTER LOCATION?

We expect that the better locations will go first.

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DO YOU ALREADY HAVE ATMS IN SERVICE?

Yes. Your Local ATM is a start up business and has purchased two ATMs. However, Your Local ATM has been negotiating contracts with the Comfort Inn Hotels (part of the Choice Hotel Group) to supply ATMs to their hotels and Westfield Shopping Centres.

We will shortly be purchasing three mobile ATMs and two drive through ATMs.

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WHAT IS THE TIME FRAME FROM DEPOSIT PAID TO INSTALLATION OF THE MACHINE?

We expect the time frame from deposit to installation in the early days to be 3-4 weeks but this could stretch to 3-4 months as demand increases.



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IS THE RETURN STILL 18% ON THE LARGER MACHINES?

We have in mind that the minimum number of transactions will be increased so as to produce at least an 18% return.

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DO INVESTORS GET TO SEE WHICH OF THEIR MACHINES ARE THE BEST PERFORMERS AND CAN THEY OBTAIN PROOF OF HOW MANY HITS EACH MACHINE RECEIVES?

Yes, each month you will receive a statement from iCash of the number of transactions of each machine per month.

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SHOULD I BUY THE ENTRY LEVEL ATM OR THE MORE EXPENSIVE MODEL?

The higher value machines are more technically advanced and hold more cash. These machines usually attract a higher return. In any event, the return will not be less than 18% per annum.

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WHAT IS THE LIFE OF THE CONTRACT?

The contract has an initial term of 5 years. At the end of that term, we will offer you to extend the contract term for another 5 years. The minimum payment will apply to the extended period.

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WHAT ARE THE SITE CONTRACT TERMS? HOW LONG/ WHAT CONDITIONS?

The site contracts will be a minimum of 5 years.

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IS THERE A SATURATION LEVEL WHERE DEMAND HAS BEEN MET WITH DIMINISHING RETURNS?

Australia is currently behind USA and far behind Canada in regards to ATMs per head. There is no "ceiling" on the number of viable ATMs in developed economies including Australia. See; http://www.apca.com.au/PM/2010_Quarter3/6.html

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IF THE CHARGE IS \$2 PER TRANSACTION AND 30 CENTS IS PAID TO THE OWNER, WHAT IS PAID TO THE SITE OWNER TO LOAD THE MACHINE ETC?

The cost varies slightly from site to site. The cost breakup is approximately as follows:

- Up to 80 cents is paid to the site owner for the site (where the ATM is located).
- 18 cents is paid to our switch for provision of access to the switch and providing of statements to you.
- 30 cents is paid to the investor.
- The balance amount, after payment for all costs and expenses (including, maintenance, access to the ATM system, insurance and so on) is retained by .

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CAN I SEE THE SALES PACK GIVEN TO SITE OWNERS?

Please call 1300 915 665 and ask for one of our consultants for an obligation free sales pack to be sent to your office or home.

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WHAT ARE THE TERMS & CONDITIONS OF THE OFFER?

Accompanying this document is an agreement (**ATM Agreement**) setting out the terms and conditions of the contract that you will enter into with us.

FURTHER INFORMATION

Your Local ATM Australia

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