



ATMIA and Tremont Capital Group Conduct Business Impact Study of Interchange Changes on Independent ATM Deployer Community in the United States

Press Release: For Immediate Distribution

November 1, 2011

The ATM Industry Association (ATMIA) and Tremont Capital Group, one of the nation's leading consulting firms specializing in the ATM industry, have announced the completion of a proprietary business impact study assessing anticipated revenue losses for Independent ATM Deployers (IADs) following Visa/Plus's reduction in interchange effective in April 2012; the new system includes a three-level interchange structure.

The proprietary analysis, carried out by Tremont Capital Group CEO Sam M. Ditzion, a widely respected industry consultant, was compiled using information from various transaction processors that collectively account for the majority of the nation's IAD ATMs. Tremont Capital Group developed a quantitative and qualitative picture of the scale of likely impacts of the changes implemented by Visa/Plus.

Tremont Capital Group determined that the nation's IADs, which have built up a significant majority of the off-premise ATM market, conduct an estimated 153.5 million Visa/Plus domestic cash withdrawal transactions per year. On average, an IAD in the United States currently routes an estimated 21% of its total transactions through Visa/Plus. The study found that the new interchange changes could result in a reduction of up to 43% in the net interchange rate that the average IAD ATM for domestic cash withdrawal transactions that are routed through Visa/Plus. Other deployers, such as some financial institutions, could experience more severe declines, up to 56%.

Tremont Capital Group projected that, in one somewhat conservative scenario, the domestic IAD ATM industry could experience an interchange income reduction of up to approximately \$7.8 million annually on cash withdrawal transactions; in a more aggressive scenario, the domestic IAD ATM industry could see a net decrease of approximately \$11.9 million annually. This erosion to interchange is in addition to the substantial reduction Visa/Plus introduced in October 2005 and what many other networks have announced in recent years.

"These figures produced by Tremont Capital Group, on both the conservative and aggressive scenarios, show graphically the scale of economic devastation caused by continuous and significant interchange reduction in the huge US ATM market," commented Mike Lee, CEO of ATMIA. "The fact that this is happening in times of a national economic crisis is simply an embarrassing and sad reflection on how the industry is currently being unfairly dominated."

"The interchange rate reduction recently announced by Visa/Plus will significantly impact all ATMs in the United States," said Sam M. Ditzion, CEO of Tremont Capital Group. "It is critical that all stakeholders understand the scope of these changes so that they can then accurately quantify how they will impact their individual businesses."

For more information, contact Mike Lee at mike@atmia.com or if your company has made a donation to the [ATMIA USA Defense Fund](#) of \$300 plus in 2011 you qualify to receive the **Business Impact Study of Interchange Changes on Independent ATM Deployer Community in the United States**. Please contact Sharon Lane, ATMIA's Global Director, Finance and Member Services to receive your copy of this important analysis or to make a [donation](#). (sharon@atmia.com or 605.271.7371).

ABOUT ATMIA (www.atmia.com)

The ATM Industry Association is a global non-profit trade association with over 2,400 members in about 60 countries. Its mission is to promote ATM convenience, growth and usage worldwide, protect the ATM industry's assets, interests, good name and public trust; and provide education, best practices, political voice and networking opportunities for member organizations.

ABOUT TREMONT CAPITAL GROUP, INC.

Tremont Capital Group is the nation's leading provider of business strategy consulting, valuation, and merger & acquisition advisory services to the ATM and related industries. To learn more about the services provided by Tremont Capital Group, please visit www.tremontcapitalgroup.com or call 617-482-8866.