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

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 ISOs following MasterCard/Cirrus's reduction in interchange effective in April 2010; the new system includes a three tier interchange structure.

The proprietary analysis, carried out by Tremont Capital Group's CEO, Sam M. Ditzion, a widely respected industry consultant, was compiled using data from 25 ISOs representing nearly 137,000 ATMs across the country. In addition, Tremont Capital Group conducted interviews with a number of the nation's largest processors and sponsoring financial institutions to develop a quantitative and qualitative picture of the scale of the likely impacts of the changes implemented by MasterCard/Cirrus. The survey data represent about 67% of the nation's ISO ATMs and 34% of the nation's total ATM base.

Tremont Capital Group determined that the nation's ISOs, which have built up a significant majority of the off-premise ATM market, conduct an estimated 124.2 million MasterCard/Cirrus domestic cash withdrawal transactions per year.

The survey also identified several logistical challenges associated with the changes in addition to the expected financial losses described above, such as an inability to quantify the changes to interchange and a short lead-time for implementation. ATMIA and Tremont Capital Group will continue to facilitate negotiations between key stakeholders to attempt to minimize impacts.

"ISOs have built up an enormous off-premise ATM infrastructure in the United States and deserve a real voice here," Mike Lee, CEO of ATMIA, a global non-profit trade association, commented. "We are keen to facilitate fruitful and intelligent industry discussions across the ATM value chain to enable positive decision-making."

"The interchange rate changes recently introduced by MasterCard/Cirrus will significantly impact all ATMs in the United States," said Sam M. Ditzion, CEO of Tremont Capital Group. "In order to proactively minimize the impact, all stakeholders must first understand the scope of these changes and then accurately quantify how they will affect their individual

businesses.”

The survey was conducted in accordance with best practices promulgated by U.S. government agencies, with only aggregate data reported.

For more information, contact Mike Lee at mike@atmia.com.

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