

CARDTRONICS INC
Form POS AM
December 10, 2007

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As filed with the Securities and Exchange Commission on December 10, 2007

Registration No. 333-145929

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**Post-Effective Amendment No. 1
to
Form S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

CARDTRONICS, INC.

(exact name of registrant as specified in its charter)

Delaware

*(State or Other Jurisdiction of
Incorporation or Organization)*

7389

*(Primary Standard Industrial
Classification Code Number)*

76-0681190

*(I.R.S. Employer
Identification No.)*

3110 Hayes Road, Suite 300

Houston, Texas 77082

(281) 596-9988

*(Address, Including Zip Code, and Telephone Number,
Including Area Code, of Registrant's Principal Executive
Offices)*

J. Chris Brewster

Chief Financial Officer

3110 Hayes Road, Suite 300

Houston, Texas 77082

(281) 596-9988

*(Name, Address, Including Zip Code, and Telephone
Number,
Including Area Code, of Agent for Service)*

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities of an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is declared effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, Dated December 10, 2007

PROSPECTUS

Cardtronics, Inc.

**12,000,000 Shares
Common Stock**

This is the initial public offering of Cardtronics, Inc. common stock. We are offering 12,000,000 shares of our common stock. No public market currently exists for our common stock.

Our common stock has been approved for listing on The Nasdaq Global Market under the symbol CATM. We currently estimate that the initial public offering price will be between \$10.00 and \$11.00 per share.

Investing in our common stock involves risk. See Risk Factors beginning on page 15.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	\$	\$
Underwriting discounts and commissions	\$	\$
Proceeds, before expenses, to the Company	\$	\$

Certain stockholders have granted the underwriters a 30-day option to purchase up to an aggregate of 1,800,000 additional shares of our common stock to cover over-allotments.

The underwriters expect to deliver the shares on or about _____, 2007.

Deutsche Bank Securities

William Blair & Company

Banc of America Securities LLC

JPMorgan

Piper Jaffray

RBC Capital Markets

The date of this prospectus is _____, 2007.

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Dealer Prospectus Delivery Obligation

Through and including _____, 2008 (25 days after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in the offering, may be required to deliver a prospectus. This is in addition to the dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to unsold allotments or subscriptions.

About this Prospectus

You should rely only on the information contained in this prospectus or to which we have referred you, including any free writing prospectus that we file with the SEC relating to this offering. We have not authorized any other person to provide you with different information. We are only offering to sell, and only seeking offers to buy, the common stock in jurisdictions where offers and sales are permitted.

The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary sets forth the material terms of the offering, but does not contain all of the information that you should consider before investing in our common stock. You should read the entire prospectus carefully before making an investment decision, especially the risks of investing in our common stock discussed under Risk Factors. The terms we, us, our, the Company, and Cardtronics refer to Cardtronics, Inc. and its subsidiaries, unless the context otherwise requires. We refer to automated teller machines as ATMs throughout this prospectus. Pro forma financial and non-financial information contained in this prospectus gives effect to our acquisition of the financial services business of 7-Eleven, Inc. (7-Eleven), which we refer to as the 7-Eleven ATM Transaction, including the related financing transactions, as if they had occurred prior to the period for which such information is given. Such pro forma information is presented for illustrative purposes only and is not necessarily indicative of what our actual results would have been nor is it necessarily indicative of what our results will be in future periods. All financial and non-financial information presented for periods subsequent to July 20, 2007, the effective date of the 7-Eleven ATM Transaction, includes the effects of such acquisition and the related financing transactions on an actual rather than a pro forma basis.

Our Business

Cardtronics, Inc. operates the world's largest network of ATMs. Our network currently includes over 31,500 ATMs, principally in national and regional merchant locations throughout the United States, the United Kingdom, and Mexico. Approximately 19,600 of the ATMs we operate are Company-owned and 11,900 are merchant-owned. Our high-traffic retail locations and national footprint make us an attractive partner for regional and national financial institutions that are seeking to increase their market penetration. Over 9,500 of our Company-owned ATMs are under contract with well-known banks to place their logos on those machines and provide surcharge-free access to their customers, making us the largest non-bank owner and operator of bank-branded ATMs in the United States. We also operate the Allpoint network, which sells surcharge-free access to financial institutions that lack a significant ATM network. We believe that Allpoint is the largest surcharge-free network of ATMs in the United States based on the number of participating ATMs.

Our Company-owned ATMs, which represent over 62% of our ATM portfolio, are deployed with leading retail merchants under long-term contracts with initial terms generally of five to seven years. These merchant customers operate high consumer traffic locations, such as convenience stores, supermarkets, membership warehouses, drug stores, shopping malls, and airports. Based on our revenues, 7-Eleven, BP Amoco, Chevron, Costco, CVS Pharmacy, Duane Reade, ExxonMobil, Hess Corporation, Rite Aid, Sunoco, Target, Walgreens, and Winn-Dixie are our largest merchant customers in the United States; Alfred Jones, Martin McColl (formerly TM Retail), McDonald's, The Noble Organisation, Odeon Cinemas, Spar, Tates, and Vue Cinemas are our largest merchant customers in the United Kingdom; and Cadena Comercial OXXO S.A. de C.V. (OXXO) and Farmacia Guadalajara S.A. de C.V. (Fragua) are our largest merchant customers in Mexico.

As operator of the world's largest network of ATMs, we believe we are well-positioned to increase the size of our network through both internal growth and through acquisitions. On July 20, 2007, we purchased substantially all of the assets of the financial services business of 7-Eleven, which included 5,500 ATMs located in 7-Eleven stores across the United States. Approximately 2,000 of the acquired ATMs are advanced-functionality financial services kiosks branded as Vcomtm units. We also entered into a placement agreement that gives us the exclusive right, subject to certain conditions, to operate all of the ATMs and Vcomtm units in existing and future 7-Eleven store locations in the United States for the next 10 years.

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Our revenue is recurring in nature and is primarily derived from ATM surcharge fees, which are paid by cardholders, and interchange fees, which are fees paid by the cardholder's financial institution for the use of the applicable electronic funds transfer (EFT) network that transmits data between the ATM and the cardholder's financial institution. We generate additional revenue by branding our ATMs with signage from banks and other financial institutions, resulting in surcharge-free access and added convenience for their customers and increased usage of our ATMs. Our branding arrangements include relationships with leading national financial institutions, including Citibank, HSBC, JPMorgan Chase, and Sovereign Bank. We also generate revenue by collecting fees from financial institutions that participate in the Allpoint surcharge-free network.

For the year ended December 31, 2006 and the nine months ended September 30, 2007, we processed over 192.1 million and 155.1 million withdrawal transactions, respectively, on a pro forma basis, which resulted in approximately \$16.4 billion and \$14.1 billion, respectively, in cash disbursements. Excluding the pro forma effects of the 7-Eleven ATM Transaction, we processed over 125.1 million and 113.9 million withdrawal transactions, respectively, resulting in approximately \$10.7 billion and \$8.9 billion, respectively, in cash disbursements. In addition, for the year ended December 31, 2006 and the nine months ended September 30, 2007, we processed over 72.3 million and 67.3 million, respectively, of other ATM transactions on a pro forma basis, which included balance inquiries, fund transfers, and other non-withdrawal transactions. Excluding the pro forma effects of the 7-Eleven ATM Transaction, we processed over 47.7 million and 52.2 million, respectively, of other ATM transactions.

For the year ended December 31, 2006 and the nine months ended September 30, 2007, we generated pro forma revenues of \$457.3 million and \$349.9 million, respectively, which included approximately \$18.0 million and \$4.2 million in revenues associated with past upfront payments received by 7-Eleven in connection with the development and provision of certain advanced-functionality services through the Vcomtm units. Such payments, which we refer to as placement fees, related to arrangements that ended prior to our acquisition of the financial services business of 7-Eleven, and thus will not continue in the future. While we believe we will continue to earn some placement fee revenues related to the acquired financial services business of 7-Eleven, we expect those amounts to be substantially less than those earned historically. Excluding these fees, our pro forma revenues for these periods would have totaled \$439.3 million and \$345.7 million, respectively, which reflect the transaction growth experienced on our network. Excluding the pro forma effects of the 7-Eleven ATM Transaction, we generated revenues of \$293.6 million and \$262.3 million, respectively, for the year ended December 31, 2006 and nine months ended September 30, 2007.

Our recent transaction and revenue growth have primarily been driven by investments that we have made in certain strategic growth initiatives and we expect these initiatives will continue to drive revenue growth and margin improvement. However, such investments have negatively affected our current year operating profits and related margins. For example, we have significantly increased the number of Company-owned ATMs in our United Kingdom and Mexico operations during the past year. While such deployments have resulted in an increase in revenues, they have negatively impacted our operating margins, as transactions for many of those machines have yet to reach the higher consistent recurring transaction levels seen in our more mature ATMs. Additionally, we have recently increased our investment in sales and marketing personnel to take advantage of what we believe are opportunities to capture additional market share in our existing markets and to provide enhanced service offerings to financial institutions. We have also incurred additional costs to develop our in-house transaction processing capabilities to better serve our clients and maximize our revenue opportunities. Additional costs were also necessary to meet the triple data security encryption standard (Triple-DES) adopted by the EFT networks. Finally, we recorded \$5.3 million in impairment charges during the nine months ended September 30, 2007, \$5.1 million of which related to our merchant contract with Target, which we acquired in 2004, as the anticipated future cash

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flows are not expected to be sufficient to cover the carrying value of the related intangible asset. We have been in discussions with this merchant customer regarding additional services that could be offered under the existing contract to increase the number of transactions conducted on, and cash flows generated by, the underlying ATMs. For additional discussion of this impairment, see Management's Discussion and Analysis of Financial Condition and Results of Operations Three and Nine Months Ended September 30, 2007 and 2006 Amortization Expense.

All these expenditures have adversely impacted our pro forma operating income, which totaled \$27.5 million and \$11.1 million for the year ended December 31, 2006 and nine months ended September 30, 2007, respectively (excluding the upfront placement fees associated with the acquired financial services business of 7-Eleven that are not expected to continue in the future). Excluding the pro forma effects of the 7-Eleven ATM Transaction, our operating income totaled \$20.1 million and \$5.9 million for the year ended December 31, 2006 and nine months ended September 30, 2007, respectively. Furthermore, on a historical basis, we generated net losses of \$0.5 million and \$19.7 million for the year ended December 31, 2006 and nine months ended September 30, 2007, respectively.

Our Strengths

Leading Market Position. We operate the world's largest network of ATMs. Our network currently includes over 31,500 ATMs located throughout the United States, the United Kingdom, and Mexico. We are also the largest non-bank owner and operator of bank-branded ATMs in the United States and operate the Allpoint network, which we believe is the largest surcharge-free network of ATMs in the United States based on the number of participating ATMs. Our size and diversity of products and services give us significant economies of scale and the ability to provide attractive and efficient solutions to national and regional financial institutions and retailers.

Network of Leading Retail Merchants Under Multi-Year Contracts. We have developed significant relationships with national and regional merchants within the United States, the United Kingdom, and Mexico. These merchants typically operate high-traffic locations, which we have found to result in increased ATM activity and profitability. Our contracts with our merchant customers are typically multi-year arrangements with initial terms of five to seven years. As of September 30, 2007, our contracts with our top 10 merchant customers had a weighted average remaining life based on revenues of 8 years, including the ten-year placement agreement that we entered into with 7-Eleven in July 2007. These long-term relationships can provide opportunities to deploy additional ATMs in new locations. We believe our merchant customers value our high level of service, our 24-hour per day monitoring and accessibility, and that our U.S. ATMs are on-line and able to serve customers an average of 98.5% of the time.

Recurring and Stable Revenue and Operating Cash Flow. The long-term contracts that we enter into with our merchant customers provide us with access to customer traffic and relatively stable, recurring revenue. Additionally, our branding arrangements and surcharge-free initiatives provide us with additional revenue under long-term contracts that is generally not based on the number of transactions per ATM. On a pro forma basis for the nine months ended September 30, 2007, we derived approximately 95% of our total revenues from recurring ATM transaction and branding fees. Our recurring and stable revenue base, relatively low and predictable maintenance capital expenditure requirements, and minimal working capital requirements allow us to generate operating cash flows to service our indebtedness as well as invest in future growth initiatives.

Low-Cost Provider. We believe the size of our network combined with our operating infrastructure allows us to be among the low-cost providers in our industry. We believe our operating costs per ATM are significantly lower than the operating costs incurred by bank ATM

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operators. Our scale provides us with a competitive advantage both in operating our ATM fleet and completing acquisitions of additional ATM portfolios as well as the potential to offer cost effective outsourcing services to financial institutions.

Technological Expertise. We have developed, and are continuing to develop, significant new technological capabilities that could enhance the services we are able to provide ATM users, financial institutions, and our merchant customers. Our in-house transaction processing capability, which had been rolled out to approximately 10,000 of our ATMs as of October 31, 2007, will allow us to control ATM screen flow, enabling us to provide customized branding and messaging opportunities as ATM transactions are processed. In addition, our advanced-functionality ATMs are capable of performing check cashing, deposit taking at off-premise ATMs, which are ATMs not located in a bank branch, using electronic imaging, bill payments, and other kiosk-based financial services. The depth and breadth of our technical expertise gives us a competitive advantage in capitalizing on an ATM service model which has and will continue to evolve.

Proven Ability to Grow through Acquisitions and International Expansion. Since April 2001, we have acquired 14 networks of ATMs and one operator of a surcharge-free ATM network, increasing the number of ATMs we operate from approximately 4,100 to over 31,500 as of September 30, 2007. The majority of these acquisitions have been ATM portfolio or asset acquisitions, although we have also completed business acquisitions such as the 7-Eleven ATM Transaction. We believe the risks of integration associated with our ATM portfolio acquisition growth are reduced because we do not typically assume significant numbers of employees nor import new operating systems in connection with our acquisitions. Additionally, as a result of our relatively lower cost of operations and significant experience in ATM management, in many cases we have improved the operating cash flow of our acquired networks of ATMs and achieved high returns on capital for such transactions. We have also successfully expanded our business into the United Kingdom and Mexico. For the nine months ended September 30, 2007, our international operations contributed approximately 14% and 18% of our total revenues and operating income, respectively, on a pro forma basis. We believe that our proven ability to grow through acquisitions and international expansion positions us to take advantage of additional growth opportunities.

Experienced Management Team. Our management team has significant financial services and payment processing-related experience and has developed extensive relationships and a leadership position in the industry, including directorships on several industry association boards. We believe this expertise helps us to attract new merchant customers and provides us with increased acquisition and bank branding opportunities. Our management team currently owns approximately 24% of our outstanding common stock on a fully diluted basis and is expected to own approximately 15% after the completion of this offering.

Our Market Opportunity

As the world's leading operator of ATMs, we believe there are significant opportunities to grow our business.

Merchant Network Opportunities. Many of our existing national and regional retail merchant customers do not have ATMs in all of their retail locations and are adding new locations as they grow their businesses. Although we are not the exclusive provider of ATMs to a majority of these merchant customers, and thus may experience competition for the right to deploy additional ATMs in these new locations, we believe that we are well positioned to capitalize on these growth opportunities as we are often the primary ATM solutions provider for these merchants. In addition to these existing merchant customer opportunities, we have also targeted over 100 national or regional retailers who operate thousands of retail locations and are not currently customers.

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Bank Branding and Outsourcing Opportunities. We believe that by branding our Company-owned ATMs with the logos of banks and other financial institutions, those institutions can interact with their customers more frequently, increase brand awareness, and provide additional services, including surcharge-free access to cash, at a lower cost than traditional marketing and distribution channels. Additionally, we are in the process of completing an initiative that will allow us to control the flow and content of information on the ATM screen, which we expect will enable us to offer customized branding solutions to financial institutions, including one-to-one marketing and advertising services on the ATM screen. We believe that our relatively lower cost of operations and significant experience in ATM management provide us with future revenue opportunities as banks and other financial institutions look to outsource certain ATM management functions to simplify operations and lower their costs.

Surcharge-Free Network Opportunities. The Allpoint network, which we believe is the largest surcharge-free network in the United States based on the number of participating ATMs, allows us to profitably participate in the portion of the ATM market not already served by our surcharge-based business model. Future growth opportunities exist for us in the surcharge-free ATM market as smaller financial institutions continue to look for cost-effective ways to offer convenient, surcharge-free ATM access to their customers, such as access through the Allpoint network.

Advanced-Functionality Opportunities. Approximately 75% of all ATM transactions in the United States are cash withdrawals, with the remainder representing other basic banking functions such as balance inquiries, transfers, and deposits. We believe opportunities exist for us as the operator of the world's largest network of ATMs to provide advanced-functionality services, such as check cashing, off-premise deposit taking using electronic imaging, money transfer, and bill payment. We are currently offering these advanced-functionality services through the 2,000 Vcom™ units acquired as part of the 7-Eleven ATM Transaction. Pursuing advanced-functionality opportunities involve associated risks and costs as more fully described in Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations. We are currently incurring, and expect to continue to incur, operating losses from the acquired Vcom™ operations. For the period from the acquisition date (July 20, 2007) through September 30, 2007, we incurred a \$2.1 million loss associated with the acquired Vcom™ operations. If our cumulative losses exceed \$10.0 million, including \$1.5 million in contract termination costs, we currently intend to terminate the Vcom™ services and utilize the existing Vcom™ units to provide traditional ATM services. While we are not currently pursuing advanced functionality outside of our V-com units, we may pursue other advanced-functionality opportunities as described under Our Strategy below notwithstanding our determination as to V-com services.

International Opportunities. International markets are experiencing an increase in off-premise ATMs as consumers seek convenient access to cash. We believe that significant growth opportunities continue to exist in those international markets where cash is the predominant form of payment utilized by consumers and where off-premise ATM penetration is still relatively low.

Our Strategy

Our strategy is to enhance our position as the leading owner and operator of ATMs in the United States, to become a significant service provider to financial institutions, and to expand our network further into select international markets. In order to execute this strategy we will endeavor to:

Increase Penetration and ATM Count with Leading Merchants. We have two principal opportunities to increase the number of ATM sites with our existing merchants: first, by

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deploying ATMs in our merchants' existing locations that currently do not have, but where traffic volumes justify installing, an ATM; and second, as our merchants open new locations, by installing ATMs in those locations. We believe our expertise, national footprint, strong record of customer service with leading merchants, and our significant scale position us to successfully market to, and enter into long-term contracts with, additional leading national and regional merchants.

Capitalize on Existing Opportunities to Become a Significant Service Provider to Financial Institutions. We believe we are strongly positioned to work with financial institutions to fulfill many of their ATM requirements. Our ATM services offered to financial institutions include branding our ATMs with their logos and providing surcharge-free access to their customers, managing their off-premise ATM networks on an outsourced basis, or buying their off-premise ATMs in combination with branding arrangements. In addition, the development of our in-house processing capability will provide us with the ability to control the content of the information appearing on the screens of our ATMs, which should in turn serve to increase the types of products and services that we will be able to offer to financial institutions.

Capitalize on Surcharge-Free Network Opportunities. We plan to continue to pursue opportunities with respect to our surcharge-free networks, where financial institutions pay us to allow surcharge-free access to our ATM network for their customers on a non-exclusive basis. We believe this arrangement will enable us to increase transaction counts and profitability on our existing machines. Additionally, we plan to expand our Allpoint surcharge-free network to the United Kingdom and Mexico in the future.

Develop and Provide Selected Advanced-Functionality Services. ATMs have and continue to evolve in terms of service offerings. Certain advanced ATM models are capable of providing check cashing, off-premise deposit taking services using electronic imaging, money transfer, and bill payment services. Our Vcom™ units are capable of providing many of these services. Irrespective of our ultimate decision on the continued operation of our Vcom™ units as described above, we believe the advanced functionality offered by our Vcom™ units and other machines we or others may develop, provides additional growth opportunities as retailers and financial institutions seek to provide additional convenient self-service financial services to their customers.

Pursue International Growth Opportunities. We have recently invested significant amounts in the infrastructure of our United Kingdom and Mexico operations, and we plan to continue to increase the number of our Company-owned ATMs in these markets through machines deployed with our existing customer base as well as through the addition of new merchant customers. Additionally, we plan to expand our operations into selected international markets where we believe we can leverage our operational expertise and scale advantages. In particular, we are targeting high growth emerging markets where cash is the predominant form of payment and where off-premise ATM penetration is relatively low, such as Central and Eastern Europe, China, India and Brazil.

Risk Factors

While we have summarized our above strengths, market opportunity, and strategy, there are numerous risks and uncertainties unique to our business and industry which may prevent us from capitalizing on our strengths and market opportunities, or from successfully executing our strategy. Examples of these risks include the following:

We have recently seen a decline in the average number of merchant-owned ATMs that we operate in the United States of 14.1% in 2006 and 4.2% during the nine months ended September 30, 2007.

The U.S. has seen a shift in consumer payment trends since the late 1990s, with more customers now opting for electronic forms of payment (e.g., credit cards and debit cards)

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for their in-store purchases over traditional paper-based forms of payment (e.g., cash and checks).

We have incurred substantial losses in the past and may continue to incur losses in the future.

We currently expect to incur operating losses associated with providing advanced-functionality services through our Vcomtm units within the first 12-18 months subsequent to the 7-Eleven ATM Transaction.

We derive a substantial portion of our revenues from ATMs placed with a small number of merchants, with 7-Eleven comprising 35.8% of our pro forma revenues for the year ended December 31, 2006.

We have a substantial amount of indebtedness. As of September 30, 2007, we had outstanding indebtedness of approximately \$408.9 million, which represents approximately 95.9% of our total capitalization of \$426.4 million.

For a more complete description of the risks associated with an investment in us, you should read and carefully consider the matters described under Risk Factors. These risks could materially and adversely impact our business, financial condition, operating results, and cash flows, which could cause the trading price of our common stock to decline and could result in partial or total loss of your investment.

Our Executive Offices

Our principal executive offices are located at 3110 Hayes Road, Suite 300, Houston, Texas 77082, and our telephone number is (281) 596-9988. Our website address is www.cardtronics.com. Information contained on our website is not part of this prospectus.

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THE OFFERING

Common stock offered	12,000,000 shares
Total offering	12,000,000 shares
Common stock outstanding after the offering	38,514,125 shares (31.2% of which are the shares being offered in this offering)
Use of proceeds	<p>We estimate that our net proceeds from this offering, after deducting underwriting discounts and commissions and estimated offering expenses, will be approximately \$115.7 million, assuming an initial public offering price of \$10.50 per share, which is the midpoint of the range set forth on the cover page of this prospectus.</p> <p>We intend to use the net proceeds we receive from this offering:</p> <ul style="list-style-type: none"> to pay down approximately \$105.6 million of indebtedness under our credit facility; and for working capital and general corporate purposes. See Use of Proceeds. <p>We will not receive any of the proceeds from the sale of shares of our common stock by certain stockholders if the underwriters exercise their over-allotment option. See Principal Stockholders.</p>
Dividend policy	We do not expect to pay any dividends on our common stock for the foreseeable future.
Nasdaq Global Market symbol	CATM
Risk Factors	See Risk Factors beginning on page 15 of this prospectus for a discussion of factors that you should carefully consider before deciding to invest in shares of our common stock.

Unless specifically indicated otherwise or unless the context otherwise requires, the information in this prospectus gives effect to (1) the conversion of all Series B Convertible Preferred Stock into common stock, which includes the effect of an additional share issuance to TA Associates Inc. (TA Associates) concurrent with the closing of this offering, and a stock split in the form of a stock dividend of our common stock immediately prior to the closing of the offering, all as described in more detail in Certain Relationships and Related Party Transactions ; and (2) no exercise of the underwriters over-allotment option. See Certain Relationships and Related Party Transactions Preferred Stock Private Placement with TA Associates and Description of Capital Stock.

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The number of shares of common stock that will be outstanding after the offering is based on the number of shares outstanding as of September 30, 2007. This number does not include:

5,101,911 shares of common stock that will be issuable upon the exercise of stock options outstanding under the 2001 Stock Incentive Plan subsequent to the offering;

an aggregate of 40,977 shares of common stock reserved for future issuance under our 2001 Stock Incentive Plan; and

any shares of common stock reserved for future issuance under our 2007 Stock Incentive Plan, which was approved in August 2007.

Affiliates of Banc of America Securities LLC and J.P. Morgan Securities Inc. are lenders under our revolving credit facility and will receive a portion of the proceeds of this offering, which will be used to repay in full the amount outstanding under the revolving credit facility. See Use of Proceeds and Underwriting. These underwriters, through their affiliates, may be deemed to receive financial benefits as a result of the consummation of this offering beyond the benefits customarily received by underwriters in similar offerings.

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**SUMMARY HISTORICAL CONSOLIDATED AND PRO FORMA
FINANCIAL AND OPERATING DATA**

The summary consolidated balance sheet data for Cardtronics as of December 31, 2005 and 2006 and the summary consolidated statements of operations and cash flows data for Cardtronics for the years ended December 31, 2004, 2005, and 2006 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary consolidated balance sheet data for Cardtronics as of September 30, 2007 and the summary consolidated statements of operations data for Cardtronics for the nine months ended September 30, 2006 and 2007 have been derived from our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus. The unaudited interim period financial information, in the opinion of management, includes all adjustments, which are normal and recurring in nature, necessary for a fair presentation for the periods shown. Our unaudited interim period financial information includes the results of the acquired financial services business of 7-Eleven subsequent to the acquisition date of July 20, 2007. Results for the nine months ended September 30, 2007 are not necessarily indicative of the results to be expected for the full year.

The summary unaudited pro forma condensed consolidated statements of operations data for the year ended December 31, 2006 and the nine months ended September 30, 2007 have been derived from the unaudited pro forma condensed consolidated financial statements included elsewhere in this prospectus. The summary unaudited pro forma condensed consolidated statements of operations have been prepared to give effect to the 7-Eleven ATM Transaction and the related financing transactions as if each had occurred on January 1, 2006.

The pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable. The unaudited pro forma financial information is provided for informational purposes only. The summary unaudited pro forma condensed consolidated financial data do not purport to represent what our results of operations or financial position actually would have been if the 7-Eleven ATM Transaction or the related financing transactions had occurred on the dates indicated, nor do such data purport to project the results of operations for any future period.

The summary consolidated and pro forma condensed consolidated financial and operating data should be read in conjunction with Selected Historical Consolidated Financial and Operating Data, Unaudited Pro Forma Condensed Consolidated Financial Statements, Management's Discussion and Analysis of Financial Condition and Results of Operations, and the consolidated financial statements and related notes appearing elsewhere in this prospectus.

Table of Contents**Cardtronics, Inc.**

	Years Ended December 31,			Pro Forma Year Ended December 31,	Nine Months Ended September 30,		Pro Forma Nine Months Ended September 30
	2004	2005	2006	2006	2006	2007	2007
Consolidated							
Statements of							
Operations Data:							
(in thousands, except share, per share, and per withdrawal transaction statistics)							
Revenues:							
ATM operating revenues	\$ 182,711	\$ 258,979	\$ 280,985	\$ 416,961	\$ 209,542	\$ 251,854	\$ 331,167
Vcom tm operating revenues ⁽¹⁾				27,686		685	8,882
ATM product sales and other revenues	10,204	9,986	12,620	12,620	9,218	9,805	9,805
Total revenues	192,915	268,965	293,605	457,267	218,760	262,344	349,854
Cost of revenues:							
Cost of ATM operating revenues (exclusive of depreciation, accretion, and amortization, shown separately below) ⁽²⁾⁽³⁾⁽⁴⁾	143,504	199,767	209,850	309,433	157,225	191,046	249,891
Cost of Vcom tm operating revenues				16,309		2,644	11,770
Cost of ATM product sales and other revenues	8,703	9,681	11,443	11,443	8,142	9,196	9,196
Total cost of revenues	152,207	209,448	221,293	337,185	165,367	202,886	270,857
Gross profit	40,708	59,517	72,312	120,082	53,393	59,458	78,997
Operating expenses:							
Selling, general, and administrative expenses ⁽⁵⁾⁽⁶⁾	13,571	17,865	21,667	27,580	15,709	20,985	23,422
Depreciation and accretion expense	6,785	12,951	18,595	23,702	14,072	18,541	21,357
Amortization expense ⁽⁷⁾	5,508	8,980	11,983	23,297	9,610	14,062	18,903
Total operating expenses	25,864	39,796	52,245	74,579	39,391	53,588	63,682
Income from operations	14,844	19,721	20,067	45,503	14,002	5,870	15,315
Other (income) expense:							
Interest expense, net ⁽⁸⁾	5,235	22,426	25,072	39,333	18,769	21,592	29,172
Other ⁽⁹⁾	228	983	(4,986)	(4,986)	(868)	751	751

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Total other expense	5,463	23,409	20,086	34,347	17,901	22,343	29,923
Income (loss) before income taxes	9,381	(3,688)	(19)	11,156	(3,899)	(16,473)	(14,608)
Income tax provision (benefit)	3,576	(1,270)	512	4,658	(1,217)	3,212	3,212
Net income (loss)	5,805	(2,418)	(531)	6,498	(2,682)	(19,685)	(17,820)
Preferred stock dividends and accretion expense	2,312	1,395	265	265	199	200	200
Net income (loss) available to common stockholders	\$ 3,493	\$ (3,813)	\$ (796)	\$ 6,233	\$ (2,881)	\$ (19,885)	\$ (18,020)
Net income (loss) per common share							
Basic	\$ 1.56	\$ (2.16)	\$ (0.46)	\$ 3.56	\$ (1.64)	\$ (11.28)	\$ (10.23)
Diluted	\$ 1.47	\$ (2.16)	\$ (0.46)	\$ 2.17	\$ (1.64)	\$ (11.28)	\$ (10.23)
Weighted average shares outstanding							
Basic	2,238,801	1,766,419	1,749,328	1,749,328	1,752,442	1,762,200	1,762,200
Diluted	2,372,204	1,766,419	1,749,328	2,872,271	1,752,442	1,762,200	1,762,200

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	Years Ended December 31,			Pro Forma Year Ended December 31,	Nine Months Ended September 30,		Pro Forma Nine Months Ended September 30,
	2004	2005	2006	2006	2006	2007	2007
Basic earnings per share and per share (10):							
Income (loss) per share:	\$ 0.19	\$ (0.26)	\$ (0.06)	\$ 0.44	\$ (0.20)	\$ (1.38)	\$ (1.38)
	\$ 0.18	\$ (0.26)	\$ (0.06)	\$ 0.27	\$ (0.20)	\$ (1.38)	\$ (1.38)
Weighted average shares outstanding:							
Basic	18,304,045	14,441,932	14,302,199	14,302,199	14,327,659	14,407,442	14,407,442
Diluted	19,394,724	14,441,932	14,302,199	23,483,184	14,327,659	14,407,442	14,407,442
Condensed Statements of Cash Flows Data:							
Cash provided by operating activities	\$ 20,466	\$ 33,227	\$ 25,446		\$ 16,867	\$ 35,189	
Cash used in investing activities	\$ (118,926)	\$ (139,960)	\$ (35,973)		\$ (25,933)	\$ (179,469)	
Cash provided by financing activities	\$ 94,318	\$ 107,214	\$ 11,192		\$ 7,773	\$ 147,693	
Supplemental Financial Data:							
Change in cash and cash equivalents (11)	\$ 26,909	\$ 40,669	\$ 55,631	\$ 97,488	\$ 38,552	\$ 37,722	\$ 37,722
Capital expenditures (12):							
Operating capital expenditures	\$ 2,354	\$ 1,680	\$ 2,384	\$ 9,599	\$ 1,910	\$ 5,740	\$ 5,740
Capital expenditures	17,393	30,246	33,707	45,818	24,111	39,598	39,598
Total capital expenditures	\$ 19,747	\$ 31,926	\$ 36,091	\$ 55,417	\$ 26,021	\$ 45,338	\$ 45,338
Supplemental Financial Data:							
Number of ATMs (13)	17,936	26,164	25,778	31,301	25,913	27,149	27,149
Transactions (in millions)	111,577	156,851	172,808	264,431	128,539	166,183	166,183

drawal s (in		86,821		118,960		125,078		192,107		93,756		113,934
drawal :												
ating revenues	\$	2.10	\$	2.18	\$	2.25	\$	2.17	\$	2.23	\$	2.21
ating gross lusive of n, accretion, ization) ⁽⁴⁾⁽¹⁴⁾	\$	0.45	\$	0.50	\$	0.57	\$	0.56	\$	0.56	\$	0.53
ating gross gin (exclusive ation, accretion, ization) ⁽⁴⁾		21.4%		22.9%		25.3%		25.8%		25.0%		24.1%

	As of December 31,		As of September 30, 2007	
	2005	2006	Actual	As Adjusted ⁽¹⁵⁾
	(in thousands)			

Consolidated Balance Sheet Data:

Cash and cash equivalents	\$	1,699	\$	2,718	\$	6,118	\$	16,198
Total assets		343,751		367,756		562,201		572,281
Total long-term debt and capital lease obligations, including current portion		247,624		252,895		408,910		303,310
Preferred stock ⁽¹⁶⁾		76,329		76,594		76,794		
Total stockholders' equity (deficit)		(49,084)		(37,168)		(59,329)		133,145

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- (1) Includes upfront placement fee revenues of \$18.7 million and \$4.8 million for the pro forma year ended December 31, 2006 and the pro forma nine months ended September 30, 2007, respectively, received by 7-Eleven related to the acquired Vcomtm operations, of which \$18.0 million and \$4.2 million, respectively, relate to arrangements that ended prior to our acquisition and thus, are not expected to continue in the future.
- (2) Includes expense reductions of \$7.5 million and \$4.4 million for the pro forma year ended December 31, 2006 and pro forma nine months ended September 30, 2007, respectively. These amounts reflect the pro forma purchase accounting adjustments made with respect to certain unfavorable leases and an unfavorable contract assumed in connection with the 7-Eleven ATM Transaction. Although these adjustments will serve to reduce our future expense recorded for the cost of ATM operating revenues, we will still be required to pay the higher rates stipulated in the assumed leases and contract for the remaining terms of such agreements, the substantial majority of which expire in 2009.
- (3) Includes \$0.9 million of inventory adjustments for the year ended December 31, 2006 (both on a historical and pro forma basis), the majority of which related to our Triple-DES upgrade efforts. Also includes \$1.7 million of costs incurred related to our efforts to convert our ATM portfolio over to our in-house transaction processing switch and \$0.5 million of inventory cost adjustments related to our Triple-DES upgrade efforts for the nine months ended September 30, 2007 (both on a historical and pro forma basis).
- (4) Excludes effects of depreciation, accretion, and amortization expense of \$11.4 million, \$20.6 million, and \$29.2 million for the years ended December 31, 2004, 2005, and 2006, respectively, \$45.6 million for the pro forma year ended December 31, 2006, \$22.6 million and \$31.3 million for the nine month periods ended September 30, 2006 and 2007, respectively, and \$39.0 million for the pro forma nine month period ended September 30, 2007.
- (5) Includes non-cash stock-based compensation totaling \$1.0 million, \$2.2 million, and \$0.8 million in 2004, 2005 and 2006, respectively, \$0.6 million for the nine months ended September 30, 2006, \$0.7 million for the nine months ended September 30, 2007, and \$0.8 million and \$0.7 million for the pro forma year ended December 31, 2006 and the pro forma nine months ended September 30, 2007, respectively, related to options granted to certain employees and a restricted stock grant made to our Chief Executive Officer in 2003. Additionally, the 2004 results include a bonus of \$1.8 million paid to our Chief Executive Officer related to the tax liability associated with such restricted stock grant. See Note 3 to our consolidated financial statements.
- (6) Includes the write-off in 2004 of approximately \$1.8 million in costs associated with our decision to not pursue a financing transaction to completion.
- (7) Includes pre-tax impairment charges of \$1.2 million and \$2.8 million in 2005 and 2006, respectively, and \$2.8 million and \$5.3 million for the nine months ended September 30, 2006 and 2007, respectively, and the pro forma year ended December 31, 2006 and the pro forma nine months ended September 30, 2007, respectively.
- (8) Includes the write-off of \$5.0 million and \$0.5 million of deferred financing costs in 2005 and 2006, respectively, and \$0.5 million for the nine months ended September 30, 2006 as a result of (i) amendments to our existing credit facility and the repayment of our existing term loans in August 2005 and (ii) certain modifications made to our revolving credit facility in February 2006.
- (9) The Other line item in 2004 and 2005 primarily consists of losses on the sale or disposal of assets. Other in 2006 (both on a historical and pro forma basis) reflects the recognition of approximately \$4.8 million in other

income primarily related to settlement proceeds received from Winn-Dixie Stores, Inc. (Winn-Dixie), one of our merchant customers, as part of that company's successful emergence from bankruptcy, a \$1.1 million contract termination payment received from one of our customers, and a \$0.5 million payment received from one of our customers related to the sale of a number of its stores to another party, which were partially offset by \$1.6 million of losses on the sale or disposal of fixed assets during the year. Finally, Other for the nine months ended September 30, 2007 (both on a historical and pro forma basis) includes \$1.5 million of losses on the disposal of fixed assets, which were partially offset by \$0.6 million of gains related to the sale of the Winn-Dixie equity securities, which we received from Winn-Dixie in 2006 as a part of its bankruptcy settlement.

- (10) Gives effect to the anticipated stock split of our common stock in connection with the offering. The stock split reflected in the above pro forma net income (loss) per common share amounts reflects (i) the conversion mechanics applicable to the Series B Convertible Preferred Stock held by TA Associates, as described in Certain Relationships and Related Party Transactions, (ii) the conversion of the remaining Series B Convertible Preferred Stock into an equal number of common shares, and (iii) a resulting 8.1758 to 1 stock split for all common shares, which will be effected immediately prior to the closing of the offering. Such amounts assume the offering occurs at the mid point of the price range reflected on the cover of this prospectus.
- (11) EBITDA represents net income before interest expense, income tax expense, and depreciation, accretion and amortization expense. This term, as we define it, may not be comparable to similarly titled measures employed by other companies and is not a measure of performance calculated in accordance with accounting principles generally accepted in the United States, or GAAP. EBITDA should not be considered in isolation or as a substitute for operating income, net income, cash flows from operating, investing, and financing activities or other income or cash flow statement data prepared in accordance with GAAP.

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We believe EBITDA is useful to an equity investor in evaluating our operating performance because:

it is used by investors to measure a company's operating performance without regard to items such as interest expense, depreciation, accretion, and amortization, which can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired; and

it helps investors to more meaningfully evaluate and compare the results of our operations from period to period by removing the impact of our capital structure and asset base from our operating results.

Our management uses EBITDA:

as a measure of operating performance because it assists them in comparing our performance on a consistent basis as it removes the impact of our capital structure and asset base from our operating results;

as a measure for planning and forecasting overall expectations and for evaluating actual results against such expectations;

to assess compliance with financial ratios and covenants included in our credit agreement;

in communications with lenders concerning our financial performance; and

as a performance measure by which our management is evaluated and compensated.

Management compensates for the limitations of EBITDA as an analytical tool by reviewing the comparable GAAP measures, understanding the differences between the measures, and incorporating this knowledge into management's decision-making process.

The following table provides a reconciliation of EBITDA to net income (loss), its most directly comparable GAAP financial measure, for each of the periods presented:

	Pro Forma Year Ended	Nine Months Ended	Pro Forma Nine Months Ended
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