Travelex

Results Presentation

for the year ended 31 December 2014

31 March 2015

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1. Key highlights

2. Financial performance

3. Summary and conclusions

4. Questions

5. Further information

Year ended 31 December 2014 – key highlights

Financial highlights

- Core Group Revenue increased by 4% to £721.5m (10% to £764.2m at constant exchange rates)[1,2]
- Core Group EBITDA increased by 7% to £85.9m (16% to £93.0m at constant exchange rates)[1,2, 3]
- Performance continues to be led by Retail with like-for-like revenue growth of 6% and continued discipline over the cost base offset the impact of lower Wholesale banknote orders and Retail contract renewals
- Brazil, the first tranche of which was acquired in April 2013, contributed £60.2m and £14.3m to Core Group Revenue and EBITDA respectively
- Usable cash at 31 December 2014 of £66.3m (31 December 2013: £140.1m), reflecting the continued investment to deliver the Group's strategic priorities and costs associated with the sale of the Group
- The Group is trading in line with management expectations for the year to date

Acquisition of Travelex Holdings Limited

- Acquisition of Travelex Holding Limited by Dr B. R. Shetty together with Mr Saeed Bin Butti, Chairman of Centurion Investments, completed on 29 January 2015
- Follow completion of the acquisition, Anthony Wagerman, previously Deputy CEO, was appointed Chief Executive in March 2015

1 Core Group metrics include 100% of Revenue and EBITDA from Joint Ventures. This is a change from previously reported Adjusted metrics which included the Group's proportionate share of Joint Venture revenue and EBITDA. Please see Further information for comparison to Adjusted metrics as previously reported
2 Results at constant exchange rates are Core Group metrics retranslated at the average rates for 2013
3 EBITDA is presented before exceptional items

Operating highlights

- Following the acquisition Travelex will continue with its stated growth strategy in the following four areas:
  - Depth – expanding distribution and business models in existing countries
    - Further network expansion – 66 stores added and 110 additional ATMs became operational during the year ended December 2014
    - Online and mobile sales up 20%
    - In July 2015 Travelex is to become the exclusive provider of Foreign Currency ATM's and DCC services across all five terminals in Heathrow Airport
  - Breadth – new countries
    - Successful entry into Turkey following the acquisition in May of a 75% shareholding in Arti Döviz, adding nine stores in Turkey's three leading international airports and contributing £3.3m to Group EBITDA
    - Successful entry into Poland with one new store at Lodz Airport opened in November 2014
  - Develop payments proposition
    - Significant ramp-up in the Digital Team under the leadership of Sean Cornwell and announcement of the Group's Digital Strategy, seeing investment through a combination of developing in-house capabilities as well as strategic seed investments and technology acquisitions in the retail and financial technology (fintech) sectors
  - Leveraging our scale
    - Continued optimisation of our Shared Service Global Delivery Centre in Mumbai

Travelex worldwide money

1. Key highlights

2. Financial performance

3. Summary and conclusions

4. Questions

5. Further information

Year ended 31 December 2014 – Group financial performance

Financial Summary

£m, year ended 31 December	2013	2014	*Change*	2014 CER[2]	*Change*
Core Group Revenue[1]	695.0	721.5	*3.8%*	764.2	*10.0%*
Core Group EBITDA[1]	80.1	85.9	*7.2%*	93.0	*16.1%*
Core Group EBITDA % Margin	11.5%	11.9%	-	12.2%	-
Operating Exceptional Debit[3]	60.0	25.6	*(57.3%)*		

Capex: *£m, year ended 31 December*	2013	2014	*Change*
System Development & Shared Service Migration	22.0	18.1	*(17.7%)*
Expansionary & Maintenance	18.9	15.4	*(18.5%)*
Total capex	**40.9**	**33.5**	***(18.1%)***

Balance sheet	Dec 2013	Dec 2014
Usable cash	140.1	66.3
Net debt	(180.3)	(254.0)

1 Core Group metrics include 100% of Revenue and EBITDA from Joint Ventures. This is a change from previously reported Adjusted metrics which included the Group's proportionate share of Joint Venture revenue and EBITDA. Please see Further information for comparison to Adjusted metrics as previously reported

2 Results at constant exchange rates are Core Group metrics retranslated at the average rates for 2013

3 Operating exceptional costs principally relate to redundancy costs associated with the Group's cost savings initiatives, including costs relating to the Systems Development and Shared Service Migration that do not meet the Group's criteria for capitalisation, and to other corporate projects

Year ended 31 December 2014 – financial performance by segment

Segmental results

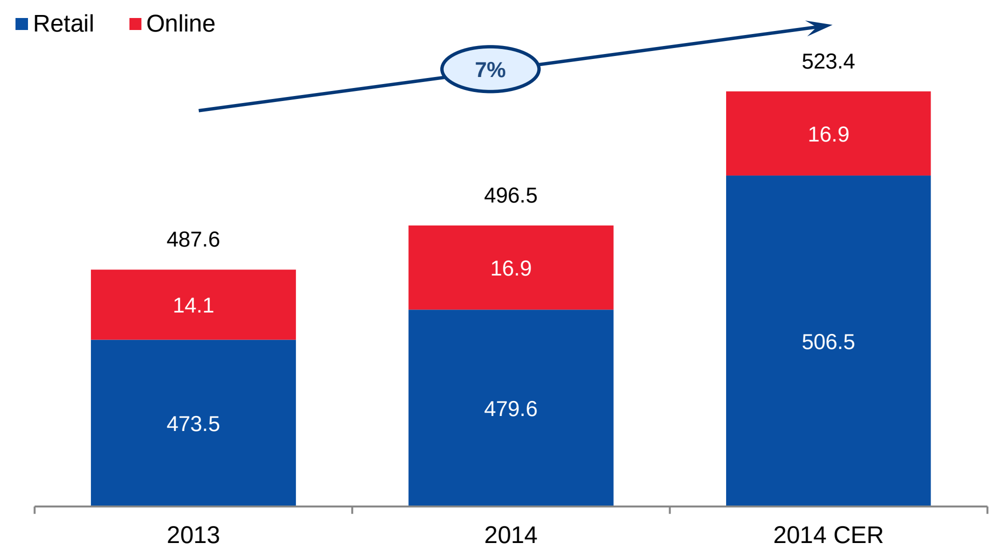
Core Group Revenue[1] *£m, year ended 31 December*	**2013**	**2014**	***Change***	***2014 CER***[2]	***Change***
Retail	487.6	496.5	*1.8%*	523.4	*7.3%*
Wholesale & Outsourcing	106.4	108.5	*2.0%*	111.7	*5.0%*
Payments & Technology	21.2	22.1	*4.2%*	24.7	*16.5%*
Brazil	50.3	60.2	*19.7%*	68.4	*36.0%*
Other Trade	29.5	34.2	*15.9%*	36.0	*22.0%*
Core Group	**695.0**	**721.5**	***3.8%***	**764.2**	***10.0%***

Core Group EBITDA[1] *£m, year ended 31 December*	**2013**	**2014**	***Change***	***2014 CER***[2]	***Change***
Retail	57.8	64.0	*10.7%*	67.5	*16.8%*
Wholesale & Outsourcing	49.5	48.9	*(1.2%)*	50.3	*1.6%*
Payments & Technology	2.8	2.5	*(10.7%)*	2.8	-
Brazil	12.7	14.3	*12.6%*	16.3	*28.3%*
Other Trade	7.0	7.7	*10.0%*	8.1	*15.7%*
EBITDA Contribution	129.8	137.4	*5.9%*	145.0	*11.7%*
Central & Shared Costs	(49.7)	(51.5)	*(3.6%)*	(52.0)	*(4.6%)*
EBITDA	**80.1**	**85.9**	***7.2%***	**93.0**	***16.1%***

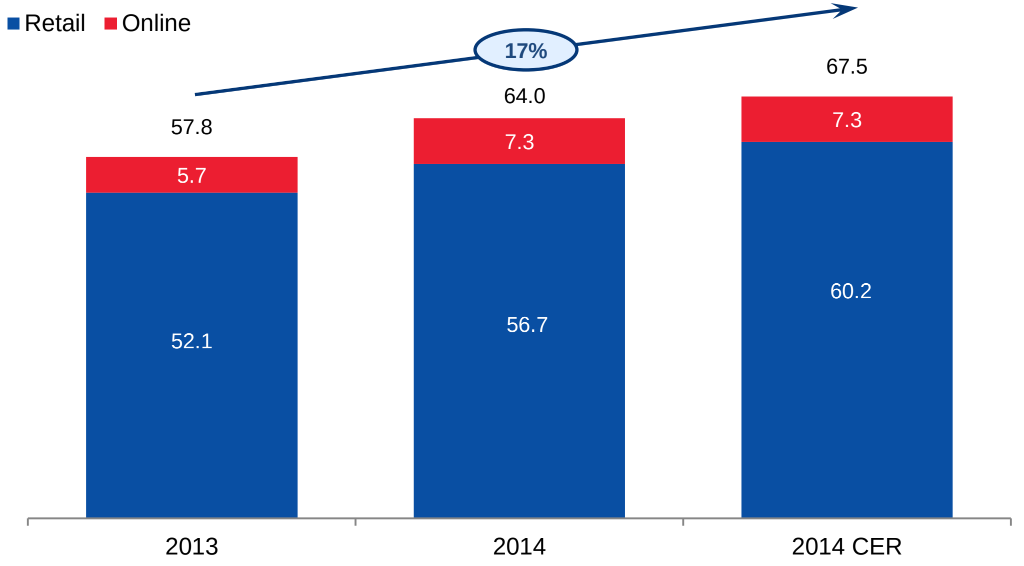
[1] Core Group metrics include 100% of Revenue and EBITDA from Joint Ventures. This is a change from previously reported Adjusted metrics which included the Group's proportionate share of Joint Venture revenue and EBITDA. Please see Further information for comparison to Adjusted metrics as previously reported.
[2] Results at constant exchange rates are Core Group metrics retranslated at the average rates for 2013.

Retail – Strong LFL revenue growth and EBITDA margin improvement

Retail revenue[1,3] (£m)



Retail EBITDA[1,2,3] (£m)



Retail KPIs

Key drivers	2013	2014
LFL revenue growth (%)	5.7%	5.9%
Rent as percentage of revenue	44.4%	44.2%
Other costs as a percentage of revenue	43.7%	42.9%
EBITDA margin (%)	11.9%	12.9%

1 All figures are shown on a "Core Group" basis i.e. including 100% of JVs
2 EBITDA before Central & Shared Costs
3 2014 CER shows results retranslated at 2013 average exchange rates

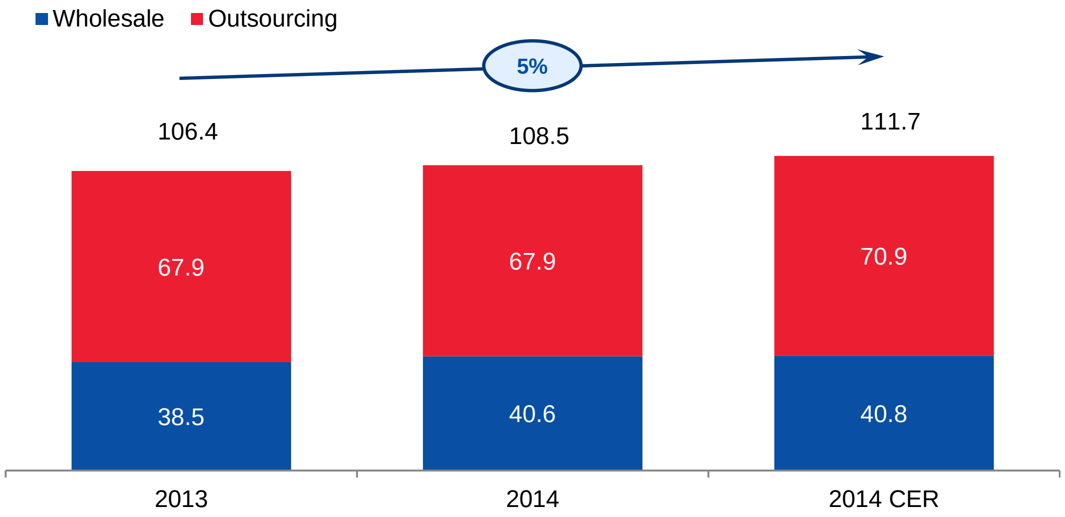
Commentary

- LFL revenue growth of 6% is underpinned by strong performance across all regions particularly the Supermarkets estate
- Revenue growth is also supported by continued expansion in the ATMs network and online platform upgrades across key markets, with revenues up 16% and 20% respectively through these channels
- Walk-up business proved resilient throughout 2014 with growth in international passenger numbers across major global airports
- Turkey is included within the Retail segment following acquisition in May. The Travelex brand has been well received across the three leading airports, contributing £4.9m revenue in 2014
- EBITDA margin improvement is principally due to the benefit of cost saving initiatives in Europe, utilisation of onerous contract provisions and the inclusion of Turkey. These offset an increase in property rental costs in the UK resulting from new contract terms at LHR

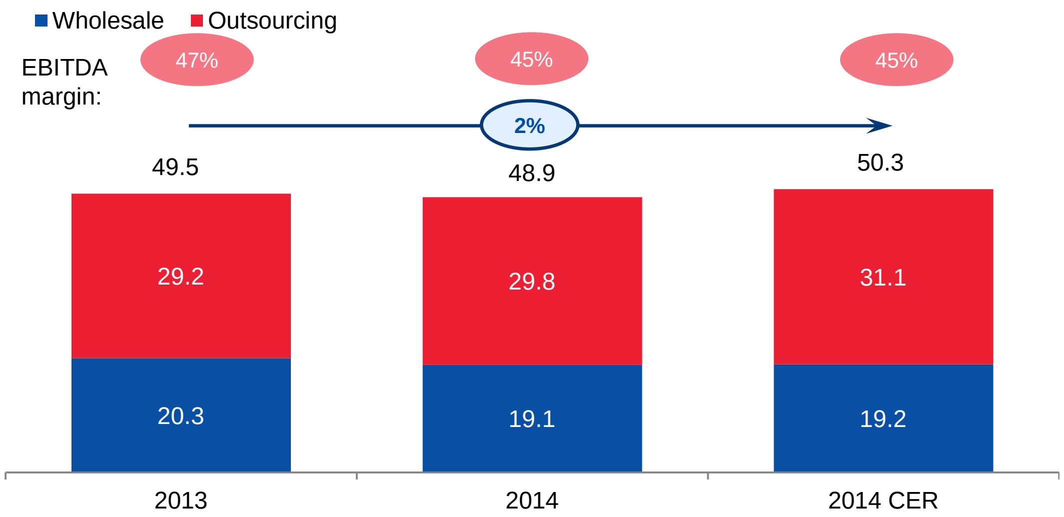
Travelex worldwide money

Wholesale & Outsourcing – Benefit of GTMS acquisition and new business compensating for lower volumes from Nigeria

Wholesale & Outsourcing revenue[1,3] (£m)



Wholesale & Outsourcing EBITDA[1,2,3] (£m)



Wholesale & Outsourcing KPIs

Sub-segments	Key drivers	2013	2014
Wholesale	Revenue growth (%)	3.9%	5.5%
	EBITDA margin (%)	52.7%	47.0%
Outsourcing	Revenue growth (%)	(0.6%)	-
	EBITDA margin (%)	43.0%	43.8%

1 All figures are shown on a "Core Group" basis i.e. including 100% of JVs
2 EBITDA before Central & Shared Costs
3 2014 CER shows results retranslated at 2013 average exchange rates

Commentary

Wholesale

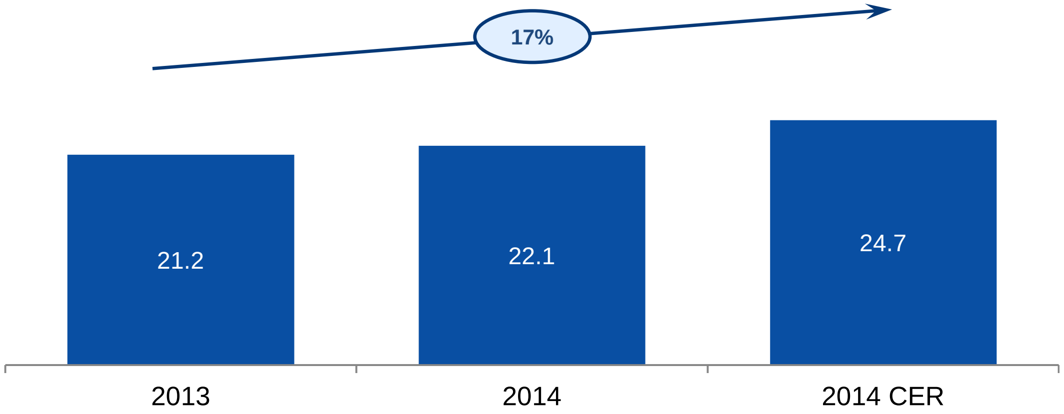
- Revenue growth driven by contribution from GTMS acquisition (completed in December 2013) and cash processing business in Nigeria (launched in April 2013)
- Resilient performance in underlying revenue, with new business wins across African markets and strong volumes with financial institutions in Australia compensating for lower trading volumes from Nigeria
- EBITDA margin remains strong but down on last year due to inclusion of the GTMS business and greater mix of business from outside of Nigeria

Outsourcing

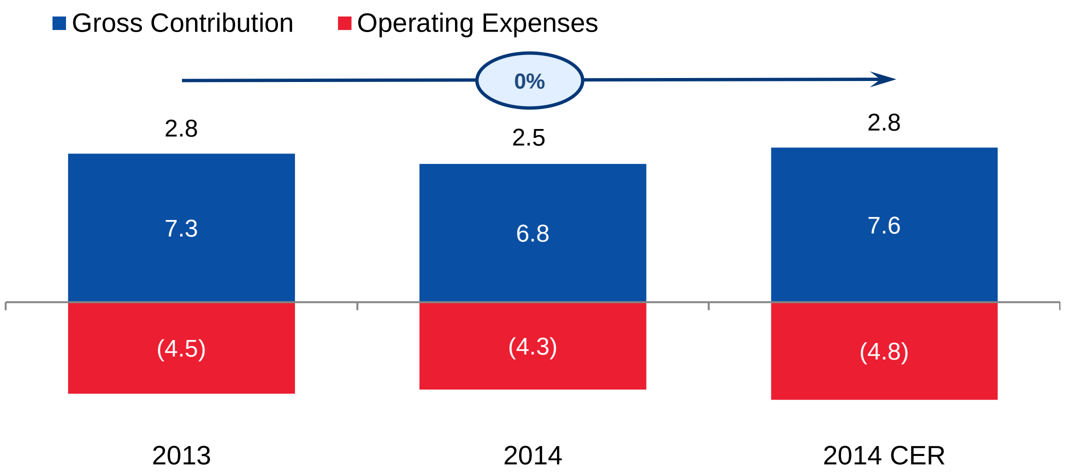
- Underlying revenue (excluding the exchange rate impact) increased by 4.4%. Volumes growth delivered in Australia with financial institutions as a result of higher demand of Asian currencies, in NAM due to new business wins and strong trading with key accounts and the UK due to strong performance of supermarket partners and the online channel
- EBITDA margins remain resilient

Payments & Technology – Continued revenue growth from Currency Select

Payments & Technology revenue[1,3] (£m)



Payments & Technology EBITDA[1,2,3] (£m)



Payments & Technology KPIs

Key drivers	2013	2014
Revenue growth (%)	21.1%	4.2%
Gross margin (%)	34.4%	30.8%
EBITDA margin (%)	13.2%	11.3%

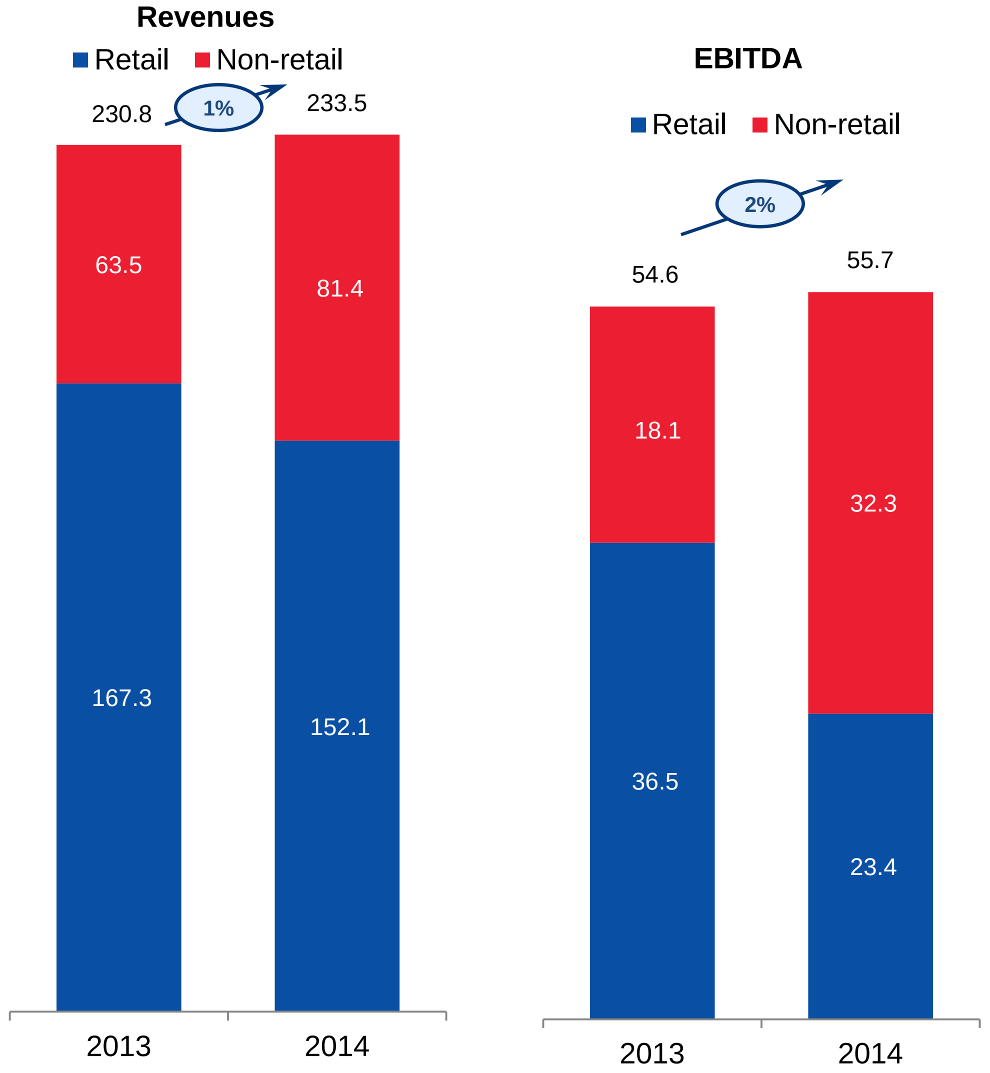
Commentary

- Growth has been driven by strong POS, ATM and Acquiring volumes for Currency Select
- Currency Select historically benefited from a favourable application of spot rates in certain DCC transactions. This was adjusted in the second quarter to comply with the relevant scheme requirements, which was a factor in the decline in margins
- On a constant exchange rate basis revenue has increased 17%, operating expenses increased 7% due to an increase in staff costs

1 All figures are based on a "Core Group" basis i.e. including 100% of JVs
2 EBITDA before Central & Shared Costs
3 2014 CER shows results retranslated at 2013 average exchange rates

Brazil – Lower prepaid card volumes affecting Retail more than offset by increased remittances and banknote sales

Revenue & EBITDA[1,2] (R$m)



[1] EBITDA before the Group's Holding Company and Central & Shared costs
[2] 2013 results include the period before acquisition to aid comparability

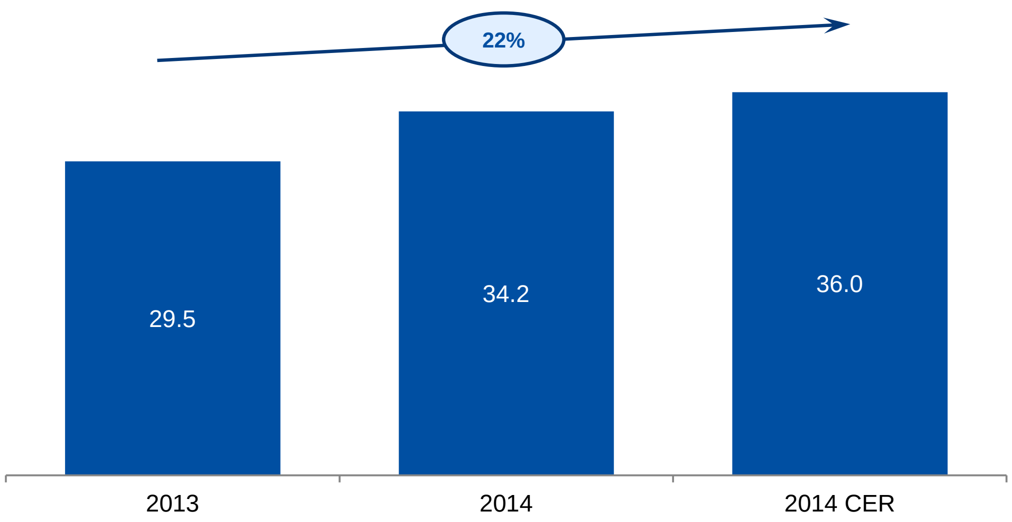
Key highlights

- Travelex completed the acquisition of the remaining 51% shareholding in Grupo Confidence ('Brazil') in February 2015 for total consideration of £55.3m (£47.4m cash on completion) having acquired 49% in April 2013, bringing the total consideration paid for business to £123.6m
- Brazil has been fully consolidated (100%) in the Travelex Group accounts since 11 April 2013 contributing £12.7m EBITDA from the date of acquisition in 2013 (£11.2m at 2014 exchange rates) and £14.3m in 2014
- On 27 December 2013, the Brazilian government announced an increase in the tax rate on the use of prepaid cards abroad to 6%. For the Retail business this has resulted in a 54% reduction in prepaid card volumes with a prepaid card revenue impact of £11.9m compared to 2013 however the supply of retail banknotes volumes has increased by 42% (with a related revenue impact of £7.1m). The overall impact, considering the inflationary impact on the cost base, is that Retail EBITDA declined by 36%
- The shift from prepaid cards to physical bank notes has resulted in banknote volumes increasing in Non-retail by 53%. The overall impact on Non-retail revenue is a 28% increase and EBITDA increase of 78%
- Volatility in the exchange rate of the Real against all major currencies impacted sales volumes in 2014 particularly in the Retail business which is predominantly an outbound market. The average exchange rate to the GBP for the year ended 31 December 2014 is 3.88 compared to 3.41 for 2013. Upon translation to sterling annual revenue decreased 10.9% and EBITDA 10.2%

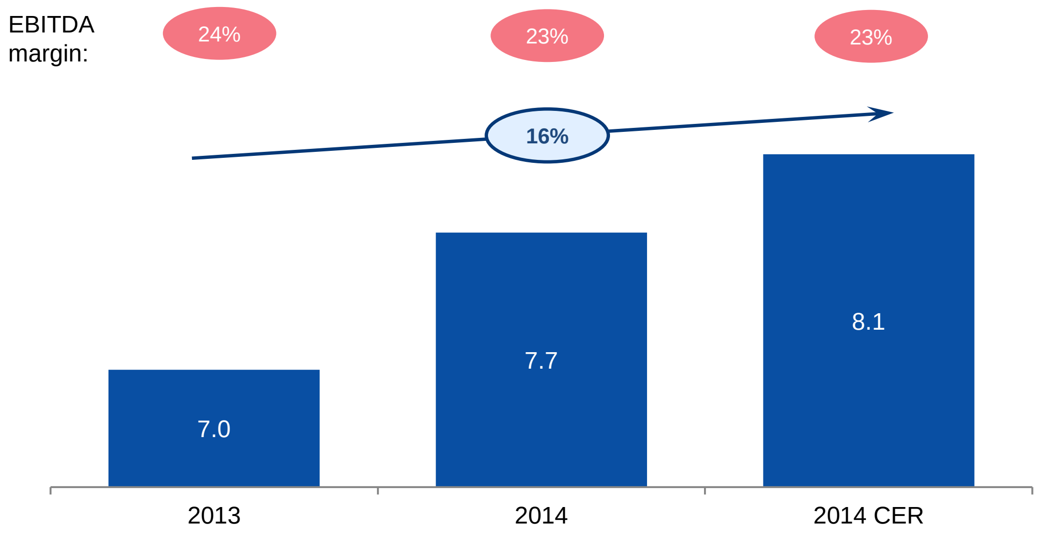
Travelex worldwide money

Other Trade – Principally Travelex Insurance Services (TIS)

Other Trade revenue[1] (£m)



Other Trade EBITDA[1,2] (£m)



Other trade KPIs

Key drivers	2013	2014
EBITDA margin – insurance (%)	22.9%	21.9%

Commentary

- Strong growth continued in the Insurance business through the year driven by new accounts signed up across all channels
- Increased holiday costs in the US have also assisted revenue growth
- E-commerce channel is performing strongly with investment in online marketing driving site traffic and policy counts
- There has been a growing trend in Insurance claims in recent months, which impacted profitability of TIS following renegotiations of terms with underwriters

1 All figures are based on a "Core Group" basis i.e. including 100% of JVs
2 EBITDA before Central & Shared Costs
3 2014 CER shows results retranslated at 2013 average exchange rates

Central & Shared Costs

Central & Shared Costs

	2013	2014
Central	(11.1)	(12.8)
Shared	(27.1)	(28.0)
Total Central and Shared (excl. Bonus)	**(38.2)**	**(40.8)**
Bonus provision	(11.5)	(10.7)
Total Central and Shared (incl. Bonus)	**(49.7)**	**(51.5)**

Commentary

- The Group has substantially completed its Systems Development and Shared Service Migration initiative, this included centralisation of much of the Group's IT delivery capability to a Global Delivery Centre in Mumbai. Opportunities to offshore additional activities will continue to be assessed on an ongoing basis
- Centralisation and offshoring of back office functions continues to reduce overall functional costs, with savings being realised principally in the trading segments of Retail and Wholesale & Outsourcing
- Central and Shared Costs have increased due to reclassification of certain executives' costs from trading segments to the Central cost centre in 2014

Usable cash flow statement

Summary consolidated usable cash flow statement

£m, year ended 31 December	2013	2014
Core Group EBITDA	80.1	85.9
Less: Unconsolidated Joint Ventures	(18.1)	(5.2)
Dividends received from Joint Ventures	7.9	0.9
Joint venture funding	(1.6)	(3.4)
Movements in cash inventory (cash in tills & vaults)	(2.4)	(16.3)
Other movements in working capital	26.4	(9.9)
Net usable cash inflow from operating activities	**92.3**	**51.9**
Taxation received (paid)	(4.1)	(15.5)
Purchase of PP&E, software & development	(40.9)	(33.5)
Net usable cash paid on investment in subsidiaries	(38.1)	(24.6)
Receipt of escrow funds from sale of business	41.0	-
Other net investing activities	-	5.3
Net usable cash used in investing activities	**(38.0)**	**(52.8)**
Net proceeds from issue of senior bonds and repayment of Senior PIK borrowings	18.8	-
Interest paid	(19.9)	(26.0)
Repayment of shareholder loans	(7.2)	(4.5)
Dividends paid to non-controlling interest	-	(2.7)
Purchase of own shares for employee share schemes	-	(0.4)
Capital element of finance lease payments	(1.0)	(0.8)
Net usable cash used in financing activities	**(9.3)**	**(34.4)**
Net usable cash outflow from one-off items	**(59.5)**	**(20.9)**
Exchange losses on usable cash	(0.8)	(2.1)
Net decrease in usable cash	(19.4)	(73.8)
Usable cash at the beginning of the period	159.5	140.1
Usable cash at the end of the period	**140.1**	**66.3**

Key highlights

- JV adjustments are lower in 2014 due to the consolidation of TCS from 1 January following the acquisition of the minority interest
- JV funding represents investments particularly in Malaysia of £0.8m (2013: £1.4m) and Qatar of £2.6m (2013: £nil)
- Cash in tills and vaults have increased in 2014 as a result of increasing stock levels across retail in anticipation of a busier than usual holiday period
- The working capital movement arises primarily as a result of the reduction in prepaid cards awaiting redemption
- Cash tax payments are higher in 2014 due primarily to payments in Brazil (£4.6m); Australia (£2.4m), Japan (£2.2m) and the Netherlands (£2.4m)
- Capital expenditure represents amounts incurred in respect of the Systems Development and Shared Service Migration projects (£18.1m) and expansionary and maintenance capex (£15.4m)
- The Group acquired a 75% stake in Turkish foreign exchange operator, Arti Döviz at a cost of £24.6m in May 2014. In 2013, the Group acquired the remaining 20% share in TCS (£12.0m) as well as a 49% interest in Grupo Confidence (£26.1m)
- Interest payments relate to the £350m senior secured notes which were issued in August 2013. The notes comprise £200m at 8% fixed rate payable semi-annually plus £150m at a floating rate of 3 month Libor plus 6% payable quarterly
- One-off items include exceptional costs relating to cost saving initiatives, including the systems development and shared service migration project, the funding of the Travellers' Cheques insurance payments and other corporate projects, including the sale of the Group

Usable cash, free cash & net debt

Free cash & usable cash *£m*	**2013**	**2014**
Cash and cash equivalents	582.5	505.3
Cash classified as held for sale (France)	-	9.7
Ring-fenced cash and term deposits	(49.2)	(39.9)
Short-term bank borrowings	(0.5)	(3.2)
Prepaid debit card floats	(162.5)	(146.6)
Banknotes prepayments	(12.8)	(20.9)
Unrestricted cash	**357.5**	**304.4**
Cash in tills and vaults (incl. held for sale)	(179.2)	(198.6)
Management estimate of regulatory cash	(15.0)	(15.0)
Free cash	**163.3**	**90.8**
Cash in business	(23.2)	(24.5)
Usable cash	**140.1**	**66.3**

Net debt *£m*	**2013**	**2014**
Fixed & floating rate notes	(341.5)	(343.4)
Finance leases	(2.1)	(1.4)
Gross debt	**(343.6)**	**(344.8)**
Free cash	163.3	90.8
Net debt	**(180.3)**	**(254.0)**

Commentary

- On 31 October 2014, in connection with the agreed sale of Travelex Holdings Limited to Dr B.R. Shetty and Mr Saeed Bin Butti, Chairman of Centurion Investments, Travelex France Holdings Limited entered into an agreement to sell Banque Travelex SA, and its 100% owned subsidiary Travelex Paris SAS to UAE Exchange UK Limited. The sale of the French business was effected on 30 January 2015, therefore Banque Travelex SA has been classified as held for sale as at 31 December 2014
- Cash and cash equivalents includes banknote prepayments amounting to £20.9m at 31 December 2014 (£12.8m at 31 December 2013) and prepaid debit card float balances of £146.6m at 31 December 2014 (£162.5m at 31 December 2013), which are deducted in arriving at unrestricted cash. The reduction in prepaid card float is due to the timing of amounts being put on deposit
- Free cash – adjusts unrestricted cash for cash allocated to working capital (cash in tills and vaults) and management's estimate of cash required locally for regulatory purposes
- Usable cash – adjusts free cash using a notional estimate of local working capital requirements. We estimate that two thirds of this cash is not readily accessible to us as it is required for working capital requirements of our business
- Lower free and usable cash at 31 December 2014 reflects cash tax paid (£15.5m), acquisition of Turkey (£24.6m), interest payments (£26.0m), shareholder loan re-payments (£4.5m) and investment in our Systems Development, Shared Service Migration projects (£15.4m) as well as other corporate projects
- The RCF was drawn and combined with usable cash to fund the completion of the Brazil acquisition on 2 February 2015

Travelex worldwide money

1. Key highlights

2. Financial performance

3. Summary and conclusions

4. Questions

5. Further information

Travelex worldwide money

Summary and conclusions

- Strong underlying financial performance in the year to 31 December 2014
  - Core Group Revenue of £721.5m, up 3.8% (£764.2m, up 10.0% at constant exchange rates)
  - Core Group EBITDA of £85.9m, up 7.2% (£93.0m, up 16.1% at constant exchange rates)
- Acquisition of Travelex Holding Limited by Dr B. R. Shetty and Mr Saeed Bin Butti, Chairman of Centurion Investments, and the sale of our French business to UAE Exchange completed on 29 January 2015
- Further progress against the Group's strategic objectives
  - A new presence in Turkey via the acquisition of Arti Döviz
  - Successful entry into Poland via an international airport tender
  - Significant ramp-up in the Digital Team under the leadership of Sean Cornwell and announcement of the Group's Digital Strategy, seeing investment through a combination of developing in-house capabilities as well as strategic seed investments and technology acquisitions in the retail and financial technology (fintech) sectors
  - Continued optimisation of our Shared Service Global Delivery Centre

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1. Key highlights

2. Financial performance

3. Summary and conclusions

4. Questions

5. Further information

1. Key highlights

2. Financial performance

3. Summary and conclusions

4. Questions

5. Further information

Sale of Travelex to Dr B. R. Shetty and Mr Saeed Bin Butti, Chairman of Centurion Investments

Transaction overview

- The acquisition of the Group to Dr Shetty and Mr Saeed Bin Butti, Chairman of Centurion Investments completed on 29 January 2015
- In connection with the agreed sale of Travelex Holdings Limited, Travelex France Holdings Limited, a 100% owned subsidiary in the Group, sold Banque Travelex SA on 29 January 2015 for €24.6m (£18.5m) to UAE Exchange UK Limited. The Group will continue to manage the business for a fixed fee.
- Travelex will continue with its stated growth strategy following the acquisition
- Lloyd Dorfman will continue as President of Travelex
- On completion, part of the existing Shareholder Debt was waived and part was retained in favour of UTX Holdings Limited on the same terms
- The acquisition has not resulted in additional debt being incurred by Travelex in connection with the financing of the acquisition

Key highlights

Dr B.R. Shetty	Dr Shetty's principal investment portfolio includes significant holdings in nmc Health plc, UAE Exchange and Neopharma, as well as investments in hospitality, food and beverage businesses
UAE Exchange	UAE Exchange was founded in 1980 and is a leading global money transfer and foreign exchange provided headquartered in the UAE with a fast growing international presence
Quality partners	UAE Exchange's payments and remittance offerings are highly complementary to Travelex The opportunity for both businesses to work closely together is compelling

Travelex worldwide money

Digital Strategy – Bringing Digital into the Heart of the Business

Strategy overview

Take advantage of changing customer behaviour and market environment resulting from the rise of digital, mobile, new payment methods and disruptive business models by:

- Increasing customer and user experience centricity and move towards omnichannel experience
- Increasing ability to innovate / execute on digital initiatives at pace
- Put data and predictive analytics at the heart of the business

Ultimately the aim is:

- Gain higher share of customers in areas currently dominated by banks
- Focus on long-term enterprise value creation

Implementation overview

Invest in a series of initiatives around certain product areas through building our in-house capabilities:

- Develop & own our own international payments platform
- Build mobile capability and go ‘mobile-first’
- Build an R&D / Innovation capability
- Invest in digital marketing team
- Create a Digital Growth Fund

Anthony Wagerman - Biography

- Anthony Wagerman became CEO of Travelex on 26th February 2015, following two years as Deputy CEO where he led the delivery of large scale projects, provided support to the Business Development and Retail Teams, and held responsibility for Grupo Confidence (Brazil), FXA (Africa) and Travelex Insurance Services (America), and chaired a number of entity boards in Europe, Americas, and the Middle East.

- He joined Travelex in 2000 and held a variety of roles before becoming Managing Director for the Retail Division in 2006, and Managing Director for Currency Services in 2010. Following a reorganisation of the business in 2011 he then became MD for Europe & Americas, with responsibility for all operations across both regions.

- His responsibilities during this period have covered Travelex's retail foreign exchange networks of over 1,000 stores, partner relationships with financial institutions, travel agencies and supermarkets, and the supply of wholesale banknotes, FX ATMs and Travel Insurance.

- Prior to joining Travelex Mr Wagerman held communications and marketing posts in a variety of companies, including Heron Corporation.

- Mr Wagerman has a BSc (Hons) in Chemistry and Business Studies and an MBA, specializing in Marketing.

In May 2014, Travelex acquired a 75% stake in Turkish foreign exchange operator Arti Döviz

Business overview

- Arti Döviz is an FX business operating 9 stores in Turkey's 3 leading international airports i.e. Istanbul Ataturk (5), Ankara (2) and Izmir (2)
- EBITDA for the year ended December 2013 was £5.0m at 2013 exchange rates

Key transaction terms

- The transaction involved the acquisition of a 75% stake in Arti Döviz and the formation of a JV with certain current shareholders
- The performance of Arti Döviz has been consolidated in the Group's results from the date of acquisition (14 May 2014) and contributed £3.3m EBITDA to the Retail segment
- The acquisition valued 100% of Arti Döviz at c.£33 million. The funding requirement for Travelex was 75% of headline consideration £24.6 million
- Goodwill of £22.5m has been recognised as a result of the acquisition accounting
- The JV is governed by a shareholders' agreement which provides that Travelex will have operational control as well as for accounting purposes

Key highlights

Attractive market

- 6th most popular tourist destination in the world
- Growing regional business hub
- Large population (c.80 million) and a growing middle class expected to travel

Attractive airports

- Istanbul Ataturk – hub of Turkish Airlines; 3rd largest number of passengers in Europe after London Heathrow and Paris Charles de Gaulle
- Ankara – significant hub for international connections for smaller Turkish airports (used by Turkish residents abroad)
- Izmir - significant tourist destination on Turkish West Coast

Value creation

- Brand – all 9 stores have been re-branded as Travelex; store design to be significantly improved
- Customer engagement – iCARE sales methods will be applied to improve hit rate and ATV
- Dynamic pricing – to be driven by location, transaction size and time, also to improve hit rate and ATV

Quality partners

- JV partners are established operators in the Turkish market
- Attractive range of possible business development opportunities at other airports operated by TAV in Turkey and the region

Summary balance sheet

Summary consolidated balance sheet

£m	2014	Travellers' Cheques[1]	Apax Goodwill	Dec 2014 excl. Travellers' Cheques	Dec 2013 excl. Travellers' Cheques
Intangible assets	413	-	**236**	177	155
Property, plant & equipment	42	-	**-**	42	45
Investments	25	25	**-**	-	25
Financial assets	108	108	**-**	-	-
Other	30	-	**-**	30	29
Non current assets	**618**	**133**	**236**	**249**	**254**
Assets included in disposal group HFS 2	**34**	-	**9**	**25**	-
Trade and other receivables	90	4	**-**	86	97
Cash and cash equivalents	505	40	**-**	465	534
Other	22	9	**-**	13	17
Current assets	**617**	**53**	**-**	**564**	**648**
Trade and other payables	(637)	(263)	**-**	(374)	(409)
Provisions	(16)	-	**-**	(16)	(16)
Financial liabilities	(46)	-	**-**	(48)	(67)
Other	(7)	(3)	**-**	(2)	(6)
Current liabilities	**(706)**	**(266)**	**-**	**(440)**	**(498)**
Net current (liabilities) assets	**(89)**	**(213)**	**-**	**124**	**150**
Trade and other payables	-	-	**-**	-	(1)
Borrowings – non-shareholder	(343)	-	**-**	(343)	(343)
Borrowings - shareholder	(1,178)	-	**-**	(1,178)	(1,048)
Other	(22)	-	**-**	(22)	(28)
Non current liabilities	**(1,543)**	**-**	**-**	**(1,543)**	**(1,420)**
Liabilities included in disposal group HFS 2	**(18)**	**-**	**-**	**(18)**	**-**
Net liabilities	**(998)**	**(80)**	**245**	**(1,163)**	**(1,016)**

Commentary

- The assets and liabilities relating to the Travellers' Cheques business are separate to the "Core Group"
- Intangible assets at Dec-14 include goodwill of £235.7m relating to the 2005 acquisition by funds advised by Apax Partners
- Trade receivables include amounts due from some wholesale banknote customers which are settled within less than one week of being incurred
- Whilst the Core Group holds £505m of cash and equivalents at Dec-14, the amount that is classified as "Usable Cash" by management is lower (£66.3m at Dec-14)
- Trade and other payables include loads on Cash Passports awaiting redemption, trade creditors and accruals
- Financial liabilities represent the redemption liability for the remaining 51% shareholding in Grupo Confidence of £45.8m
- On 29 January 2015, the Group was sold to Dr B R Shetty and Mr Saeed Bin Butti, Chairman of Centurion Investments. On completion, part of the existing Shareholder Debt was waived and part was retained in favour of BRS Ventures and Holdings Limited on the same terms

1 Includes Travellers' Cheques business outside of the core group; no adjustment has been made for intercompany balances which eliminate on consolidation
2 On the same date, The Group sold its operations in France for €24.6m (£19.2m) to UAE Exchange UK Limited, which were classified as Held for Sale as at 31 Dec 2014

Working capital

Working capital components

£m	FY 2013	Q1 2014	Q2 2014	Q3 2014	FY 2014
Cash in tills and vaults (excl HFS)	**179.2**	**212.4**	**214.2**	**195.1**	**191.9**
Debtors					
Trade receivables	56.2	159.4	158.6	89.2	44.1
Banknote prepayments	12.8	241.1	0.3	14.2	20.9
Other receivables	29.1	30.1	32.9	35.2	21.8
Prepayments and accrued income	13.0	29.2	31.8	26.3	20.9
Plus (less): Travellers' cheques amts.	(2.5)	(3.1)	(2.9)	(2.7)	(2.5)
Less: Brazil acquisition prepayment	(8.1)	(8.5)	(8.5)	(8.0)	(7.7)
Total debtors	**100.5**	**448.2**	**212.2**	**154.2**	**97.5**
Creditors					
Trade payables	(101.0)	(487.7)	(264.2)	(168.4)	(127.5)
Other payables	(30.6)	(31.6)	(40.5)	(37.7)	(31.0)
Accruals and deferred income	(117.9)	(106.3)	(105.9)	(106.5)	(90.1)
Less: Travellers' cheques amounts	35.6	34.3	30.5	31.8	29.6
Add: Brazil prepaid card float liability	(35.5)	(24.7)	(25.6)	(21.5)	(18.8)
Total creditors	**(249.4)**	**(616.0)**	**(405.7)**	**(302.3)**	**(237.8)**
Net working capital	**30.3**	**44.6**	**20.7**	**47.0**	**51.6**

Commentary

- Cash in tills and vaults have increased at 31 December 2014 compared to the prior year, as a result of increasing stock levels across retail in anticipation of a busier than usual holiday period
- Movements in total debtors driven by the timing of wholesale bank note orders
- Trade payables have increased at 31 December 2014 compared to 2013 as a result of the timing of orders. Total accruals and deferred income have reduced due to the substantial completion of the Systems Development and Shared Service migration initiatives
- Accruals have decreased in the twelve month period as a result of final payments being made for SSM coupled with the removal of the French liabilities which are classified held for sale at 31 December 2014
- Travellers cheques liabilities have reduced in the year as a result of encashments throughout the period

Reconciliation from Core Group Revenue to Statutory Revenue

Reconciliation to Statutory Revenue[1]		
£m, year ended 31 December	**2013**	**2014**
Core Group Revenue	**695.0**	**721.5**
Joint Venture adjustment for equity accounting	(62.7)	(33.9)
Travellers' Cheques	2.9	2.1
Other adjustments	4.4	3.6
Statutory Revenue	**639.6**	**693.3**

Joint ventures in UAE, Africa, Qatar and Malaysia are not consolidated in the statutory accounts.

Source: Company information

[1] Historical FX rates used are actual average rates for each period

Reconciliation from Statutory EBITDA to Core Group and Economic EBITDA

Reconciliation to Statutory and Economic EBITDA[1]

£m, year ended 31 December	2013	2014
Operating profit	(38.5)	29.7
Depreciation and amortisation	23.0	24.4
Exceptional items	60.0	25.6
Statutory EBITDA	**44.5**	**79.7**
Joint Venture adjustment for equity accounting[2]	18.1	5.2
Travellers' Cheques	0.2	(1.7)
Share based payment charge (non-cash) / PE structure	17.3	3.1
Other adjustments	-	(0.4)
Core Group EBITDA (100% of JVs)	**80.1**	**85.9**
Adjustment for Non-Consolidated JVs[3]	(3.6)	(2.6)
Adjustment for Minorities in Consolidated JVs[3]	(0.6)	(1.4)
Economic EBITDA (Proportionate share of JVs)	**75.9**	**81.9**

Source: Company information
1 Historical FX rates used are actual average rates for each period
2 Net of recharges
3 No adjustment for TCS since Travelex acquired the remaining 20% in TCS on 31 December 2013, or Brazil as adjustment for balance of consideration has been deducted from cash

Statutory EBITDA and earnings are impacted by non-cash and exceptional items

Financial summary

£m, year ended 31 December	2013	2014
Core Group EBITDA	**80.1**	**85.9**
Adjustments to arrive at Statutory EBITDA *(see further reconciliation on previous page)*	(35.6)	(6.2)
Statutory EBITDA	**44.5**	**79.7**
Depreciation	(16.2)	(14.5)
Amortisation of intangible assets	(5.0)	(6.1)
Amortisation of customer relationships and other intangible assets acquired in business combinations	(1.8)	(3.8)
Share of profit in equity accounted investments	9.5	2.1
Net finance costs (cash – pay)	(10.1)	(25.9)
Net finance costs (non-cash – pay)	(141.0)	(140.5)
Exceptional items	(61.6)	(23.3)
Tax	(5.6)	(13.4)
Discontinued	0.9	0.6
Statutory loss after tax	**(186.4)**	**(145.1)**

Commentary

- Depreciation and amortisation of hardware and software related to the Systems Delivery and Shared Service Migration (SSM) initiative commenced in H2 2014. The increase attributable to SSM has been offset by reductions in depreciation of fixtures and fittings as a result of disposals, computer hardware due to a reassessment of the useful life and a reduction in depreciation on land & buildings
- The share of profit in equity accounted investments has reduced in 2014 as a result of the acquisition of the remaining 20% of TCS at 31 December 2013. The balance for 2014 includes the portion of profits relating to UAE, Qatar, Malaysia and FX Africa
- Finance costs relate to cash-pay debt, which is debt that requires cash interest payment, and non-cash pay debt which is debt whose interest compounds and does not require settlement until maturity – see slide [28] for further analysis of finance income and finance costs
- Exceptional items relate to costs associated with the Global Reorganisation initiatives, Systems Delivery and Shared Services Migration initiative and other corporate projects

Net finance costs include significant non-cash pay amounts relating to shareholder loans

Finance costs and income

£m, year ended 31 December	2013	2014
Finance costs		
Shareholder Loans and preference shares	93.1	143.2
Senior PIK notes	51.0	-
Movement in Brazil Redemption Liability	2.9	1.4
Interest on senior secured notes	10.9	26.0
Other interest costs	8.1	4.4
Total finance costs	**166.0**	**175.0**
Finance income		
FX gains	12.2	8.1
Interest receivable	2.7	0.5
Total finance income	**14.9**	**8.6**
Net finance costs	**151.1**	**166.4**
Analysed as:		
Cash- pay	10.1	25.9
Non cash pay	141.0	140.5

Commentary

- Ongoing finance costs include:
  - The cost of the senior secured notes
  - Other interest costs including amortisation of deferred finance costs, interest payable on guarantees, swaps and finance leases, including commitment and utilisation fees
  - On 29 January 2015, the Group was sold to Dr B R Shetty and Mr Saeed Bin Butti, Chairman of Centurion Investments. On completion, part of the existing Shareholder Debt was waived and part was retained in favour of BRS Ventures & Holdings Limited on the same terms

Further reconciliations

Adjusted metrics to Core Group metrics

£m, year ended 31 December	2013	2014
Adjusted income	**673.9**	**705.5**
Additional JV income	25.5	19.6
Income netted against costs[2]	(4.4)	(3.6)
Core Group revenue on 100% basis	**695.0**	**721.5**

£m, year ended 31 December	2013	2014
Adjusted EBITDA[1]	**76.7**	**83.8**
Additional JV EBITDA	3.4	2.4
Other adjustments[3]	-	(0.3)
Core Group EBITDA on 100% basis	**80.1**	**85.9**

Usable cash flow from operating activities to statutory measure

£m, year ended 31 December	2013	2014
Usable cash flow from operating activities	**92.3**	**51.9**
Cash paid on investment in joint ventures net of dividends received	(6.3)	2.5
Movement in cash held in tills and vaults	(18.7)	19.9
Movement in banknotes prepayment	8.4	8.1
Movement in cash and deposits held for the Travellers' Cheques business	19.2	(10.8)
Movement in prepaid card float deposits	35.8	(20.3)
Movement in cash in business	2.3	2.6
Less: cash exceptional items	(59.5)	(20.9)
Cash flow from operating activities (statutory)	**73.5**	**33.0**

1 Adjusted income and Adjusted EBITDA as previously reported included the Group's proportional share of Joint Venture Income and EBITDA
2 Income netted against related costs for internal reporting and reclassified as income for statutory reporting
3 Other adjustments include items not classified as EBITDA for internal reporting (e.g. gains/losses on sale of fixed assets) and differences in classification of exceptional items between internal reporting and external reporting

Adjusted cash flow from operating activities and reconciliation to statutory measure

Adjusted cash flow from operating activities

£m, year ended ended 31 December	2013	2014
Adjusted cash flow from operating activities	**117.5**	**54.4**
Adjustments for Travellers' Cheques business:		
Decrease in Travellers' Cheques awaiting redemption	(36.5)	(15.5)
Decrease in Travellers' Cheques structured deposits	103.6	1.9
Decrease in float deposits	26.6	2.4
(Increase) decrease in financial assets relating to Travellers' Cheques business	(129.0)	11.2
Non-cash interest recorded as revenue	3.8	1.4
	(31.5)	1.4
Adjustments for customer funds:		
Decrease (increase) in prepaid cards awaiting redemption	(43.5)	(30.9)
(Decrease) increase in customer settlements received in advance	31.0	8.1
	(12.5)	(22.8)
Cash flow from operating activities (statutory)	**73.5**	**33.0**

Travelex worldwide money

FX Rate Summary

	Average FX rate for the year ended 31 Dec 2013	Average FX rate for the year ended 31 Dec 2014	FX rate as at 31 Dec 2014	FX rate as at 31 Dec 2013	% movement
EUR	1.18	1.25	1.29	1.20	8%
USD	1.57	1.65	1.56	1.66	(6%)
JPY	153.40	175.25	186.94	174.1	7%
AUD	1.64	1.83	1.90	1.85	3%
BRL	3.41	3.88	4.14	3.91	6%