Travelex

Results Presentation

for the nine months ended 30 September 2014

25th November 2014

Notice to Recipient

The information contained in this confidential document ("Presentation") has been prepared by Travelex ("Company"). It has not been fully verified and is subject to material updating, revision and further amendment. For the purposes of this notice, the Presentation that follows shall mean and include the slides that follow, the oral presentation of the slides by the Company or any person on behalf of the Company, any question-and-answer session that follows the oral presentation, hard copies of this document and any materials distributed at, or in connection with the presentation. By attending the meeting at which the Presentation is made, or by reading the Presentation, you will be deemed to have (i) agreed to all of the following restrictions and made the following undertakings and (ii) acknowledged that you understand the legal and regulatory sanctions attached to the misuse, disclosure or improper circulation of the Presentation. This Presentation is furnished solely for your information, should not be treated as giving investment advice and may not be copied, distributed or otherwise made available or disclosed, in whole or in part, to any other person by any recipient without the prior consent of the Company.

Neither the Company nor any of its stockholders, managers, directors, officers, agents, employees, attorneys, accountants or other advisers (collectively "Company Parties") give, have given or have authority to give, any representations or warranties (express or implied) as to, or in relation to, the accuracy, reliability or completeness of the information in this Presentation, or any revision thereof, or of any other written or oral information made or to be made available to any interested party or its advisers (all such information is, "Information") and liability therefore is expressly disclaimed. Accordingly, neither the Company nor any Company Parties take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the Information or for any of the opinions contained herein or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this Presentation.

In no circumstances will the Company be responsible for any costs, losses or expenses incurred in connection with any appraisal or investigation of the Company. In furnishing this Presentation, the Company does not undertake or agree to any obligation to provide the recipient with access to any additional information or to update this Presentation or to correct any inaccuracies in, or omissions from, this Presentation which may become apparent.

This Presentation is intended for distribution in the United Kingdom only to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (ii) persons falling within Article 49(2)(a) to (d) of the Order or to those persons to whom it can otherwise be lawfully distributed, or all such persons together being referred to as relevant persons. This Presentation is directed only at relevant persons and must not be acted on or relied on by any persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons.

Each party to whom this Presentation is made available must make its own independent assessment of the Company after making such investigations and taking such advice as may be deemed necessary. In particular, any estimates or projections or opinions contained herein necessarily involve significant elements of subjective judgment, analysis and assumptions and each recipient should satisfy itself in relation to such matters.

To the extent available, the industry, market and competitive position data contained in this Presentation come from official or third party sources. Third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. While the Company believes that each of these publications, studies and surveys has been prepared by a reputable source, the Company has not independently verified the data contained therein. In addition, certain of the industry, market and competitive position data contained in this Presentation come from the Company's own internal research and estimates based on the knowledge and experience of the Company's management in the market in which the Company operates. While the Company believes that such research and estimates are reasonable and reliable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change without notice. Accordingly, undue reliance should not be placed on any of the industry, market or competitive position data contained in this Presentation.

This Presentation includes certain statements that may be deemed "forward-looking statements". These statements reflect the Company's current knowledge and its expectations and projections about future events and may be identified by the context of such statements or words such as "anticipate", "believe", "estimate", "expect", "intend" and "plan". All statements in this discussion, other than statements of historical facts, that address future activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in forward-looking statements.

The information in this Presentation is given in confidence and the recipients of this Presentation should not base any behavior in relation to qualifying investments or relevant products, as defined in the Financial Services Markets Act 2000 ("FSMA") and the Code of Market Conduct, made pursuant to the FSMA, which would amount to market abuse for the purposes of the FSMA on the information in this Presentation until after the information has been made generally available. Nor should the recipient use the information in this Presentation in any way that would constitute "market abuse".

1. Key highlights

2. Financial performance

3. Summary and conclusions

4. Questions

5. Further information

Nine months ended 30 September 2014 – key highlights

Financial highlights

- Core Group Revenue increased by 3.6% to £546.3m (11.2% to £586.4m at constant exchange rates)[1,2]
- Core Group EBITDA increased by 10.5% to £70.8m (20.9% to £77.5m at constant exchange rates)[1,2]
- Results continue to be led by Retail driven by like-for-like revenue growth of 6% and the benefit of cost saving initiatives offsetting the impact of lower Wholesale banknote orders
- Grupo Confidence was acquired in April 2013; Brazil contributed £45.7m and £11.7m to Core Group Revenue and Core Group EBITDA, respectively
- Usable cash at 30 September 2014 of £79.0m, with continued investment to deliver the Group's strategic priorities
- The Group is trading in line with management expectations for the year to date

Operating highlights

- Acquisition of Travelex Holding Limited by Dr B. R. Shetty together with Centurion expected to complete by end of the year, subject to regulatory approvals
- Following the proposed 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 – 60 stores added and 136 additional ATMs became operational during the nine months ended September 2014.
    - Online and mobile sales up 22%
  - 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 £2.4m to Group EBITDA
    - Successful entry into Poland via an international airport tender for one new store due to open in Q4 2014
  - Develop payments proposition
    - £25.0m Digital Growth Fund launched to invest in strategic technology projects
  - Leveraging our scale
    - Continued optimisation of our Shared Service Global Delivery Centre in Mumbai, which opened in February 2013

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 YTD Q3 2013

1. Key highlights

2. Financial performance

3. Summary and conclusions

4. Questions

5. Further information

Nine months ended 30 September 2014 – Group financial performance

Financial Summary

£m, nine months ended 30 September	2013	2014	*Change*	2014 CER[2]	*Change*
Core Group Revenue[1]	527.5	546.3	*3.6%*	586.4	*11.2%*
Core Group EBITDA[1]	64.1	70.8	*10.5%*	77.5	*20.9%*
Core Group EBITDA % Margin	12.2%	13.0%	*0.8%*	13.2%	*1.0%*
Operating Exceptional Debit[3]	9.9	18.0	*81.8%*		

Capex: *£m, nine months ended 30 September*	2013	2014	*Change*
System Development & Shared Service Migration	29.8	15.2	*(49.0)%*
Expansionary & Maintenance	14.0	14.8	*5.7%*
Total capex	**43.8**	**30.0**	***(31.5)%***

Balance sheet	Dec 2013	Sep 2014
Usable cash	140.1	79.0
Net debt	(180.3)	(230.0)

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 YTD Q3 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

Travelex worldwide money

Nine months ended 30 September 2014 – financial performance by segment

Segmental results

Core Group Revenue[1] *£m, nine months ended 30 September*	2013	2014	*Change*	*2014 CER*[2]	*Change*
Retail	372.6	376.6	*1.1%*	401.8	*7.8%*
Wholesale & Outsourcing	83.5	81.7	*(2.2)%*	84.7	*1.4%*
Payments & Technology	15.2	16.1	*5.9%*	18.5	*21.7%*
Brazil	33.9	45.7	*34.8%*	53.0	*56.3%*
Other Trade	22.3	26.2	*17.5%*	28.4	*27.4%*
Core Group[3]	**527.5**	**546.3**	***3.6%***	**586.4**	***11.2%***

Core Group EBITDA[1] *£m, nine months ended 30 September*	2013	2014	*Change*	*2014 CER*[2]	*Change*
Retail	42.1	50.0	*18.8%*	53.2	*26.4%*
Wholesale & Outsourcing	39.3	35.8	*(8.9)%*	37.0	*(5.9)%*
Payments & Technology	2.0	1.8	*(10.0)%*	2.0	*0.0%*
Brazil	9.0	11.7	*30.0%*	13.6	*51.1%*
Other Trade	5.4	6.2	*14.8%*	6.8	*25.9%*
EBITDA Contribution	97.8	105.5	*7.9%*	112.6	*15.1%*
Central & Shared Costs	(33.7)	(34.7)	*(3.0%)*	(35.1)	*(4.2%)*
EBITDA[3]	**64.1**	**70.8**	***10.5%***	**77.5**	***20.9%***

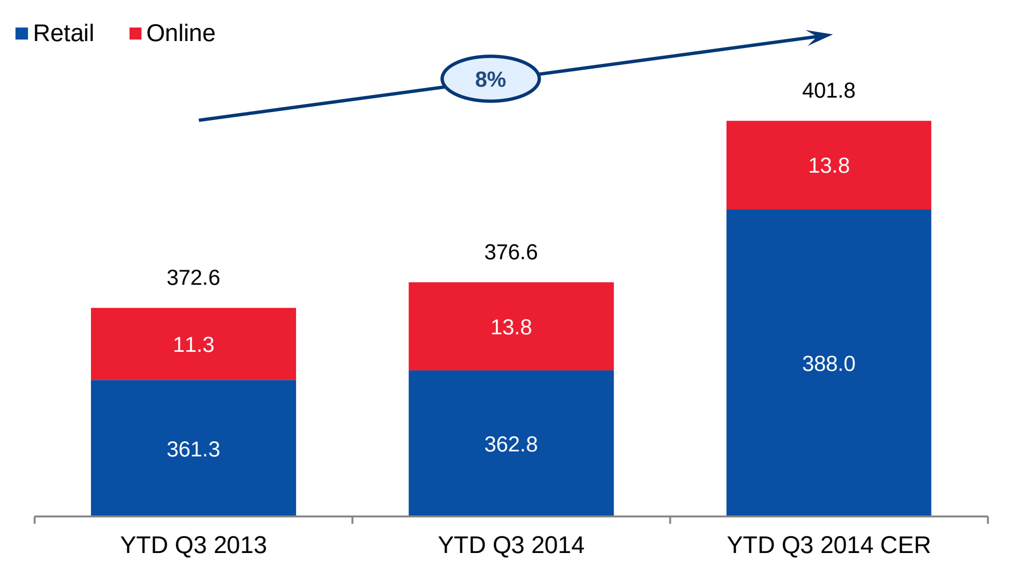
1 Core Group metrics include 100% of Revenue and EBITDA from Joint Ventures. This is a change from previously reported Adjusted metrics which included the Group's proportionate share of Joint Venture revenue and EBITDA. Please see Further information for comparison to Adjusted metrics as previously reported

2 Results at constant exchange rates are Core Group metrics retranslated at the average rates for YTD Q3 2013.

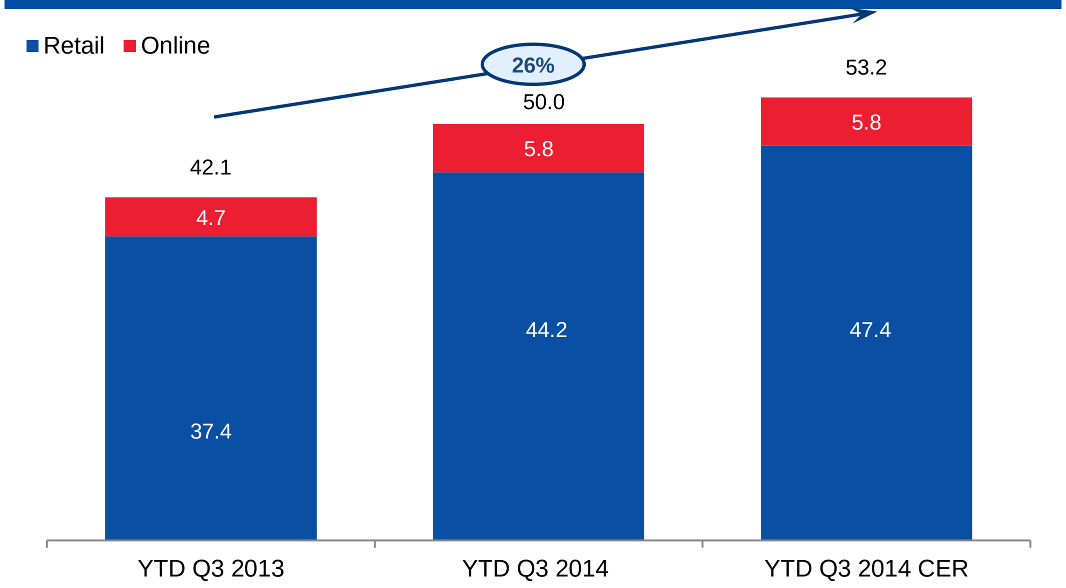
Travelex worldwide money

Retail – Strong LFL revenue growth and EBITDA margin improvement

Retail revenue[1,3] (£m)



Retail EBITDA[1,2,3] (£m)



Retail KPIs

Key drivers	YTD Q3 2013	YTD Q3 2014
LFL revenue growth (%)	7.4%	6.1%
Rent as percentage of revenue	44.4%	43.5%
Other costs as a percentage of revenue	44.3%	43.2%
EBITDA margin (%)	11.3%	13.3%

2 EBITDA before Central & Shared Costs
3 Q3 2014 CER shows results retranslated at YTD Q3 2013 average exchange rates

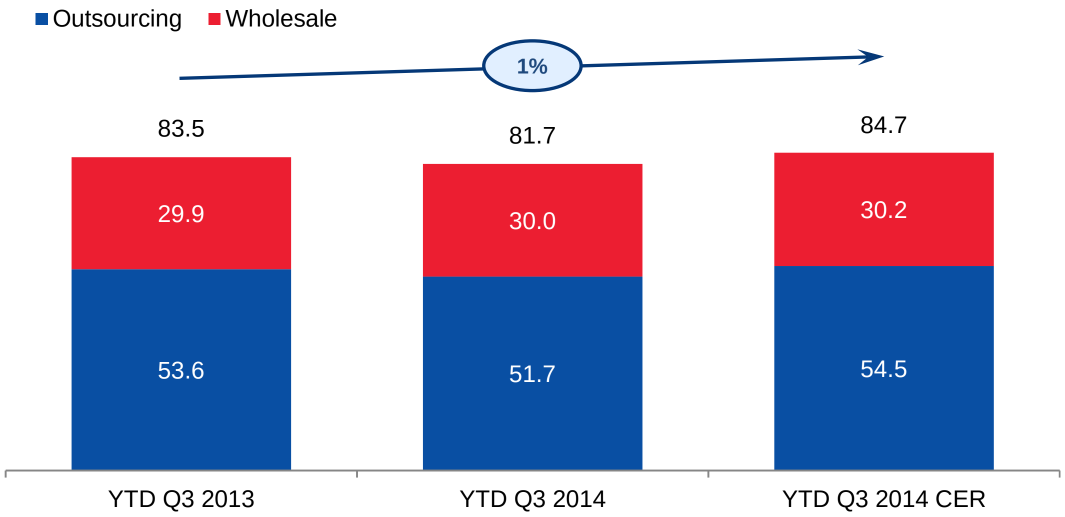
Commentary

- Strong LFL revenue growth across the global network continued through Q3 with all regions achieving growth compared to 2013
- Walk-up sales proved resilient with growth in passenger numbers across major airports globally, whilst investment in Online and ATMs is driving growth with revenues up 22% and 16% respectively through these channels
- Turkey is included within Retail segment with performance through the three leading international airports exceeding expectations during the summer trading period, contributing £2.4m to Group EBITDA
- Continued EBITDA margin improvement is principally due to benefit of cost saving initiatives in Europe, non-recurrence of losses from contracts exited in the prior year and utilisation of onerous contract provisions against three loss-making contracts

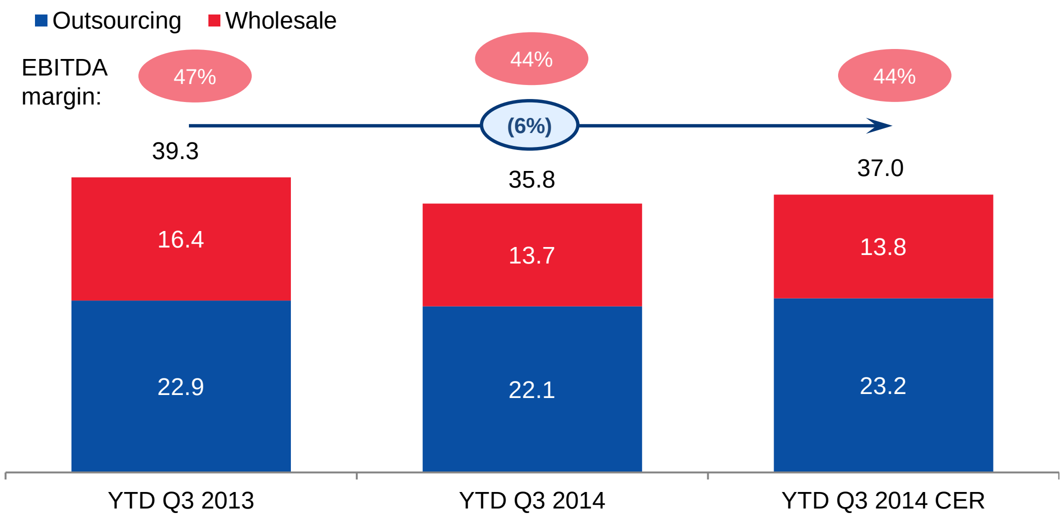
Travelex worldwide money

Wholesale & Outsourcing – Benefit of GTMS acquisition compensating for lower trading volumes from Nigeria

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



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



Wholesale & Outsourcing KPIs

Sub-segments	Key drivers	YTD Q3 2013	YTD Q3 2014
Wholesale	Revenue growth (%)	-	0.4%
	EBITDA margin (%)	54.8%	45.6%
Outsourcing	Revenue growth (%)	-	(3.6%)
	EBITDA margin (%)	42.7%	42.7%

1 All figures are shown on a "Core Group" basis i.e. including 100% of JVs
2 EBITDA before Central & Shared Costs
3 Q3 2014 CER shows results retranslated at YTD Q3 2013 average exchange rates

Commentary

Wholesale

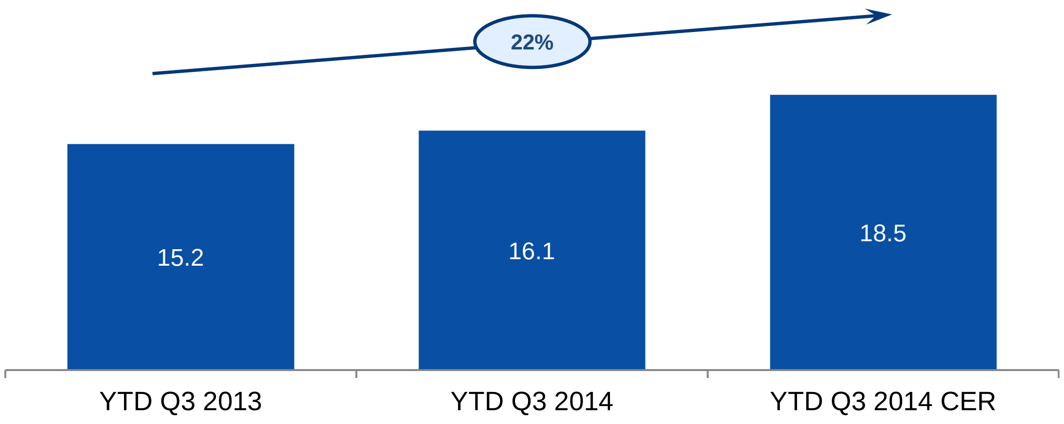
- Revenue growth driven by contribution from GTMS acquisition (completed in December 2013) and cash processing business in Nigeria (launched in April 2013).
- Resilient performance in underlying revenue, with new business wins across African markets and strong volumes with pawnbrokers compensating for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

Outsourcing

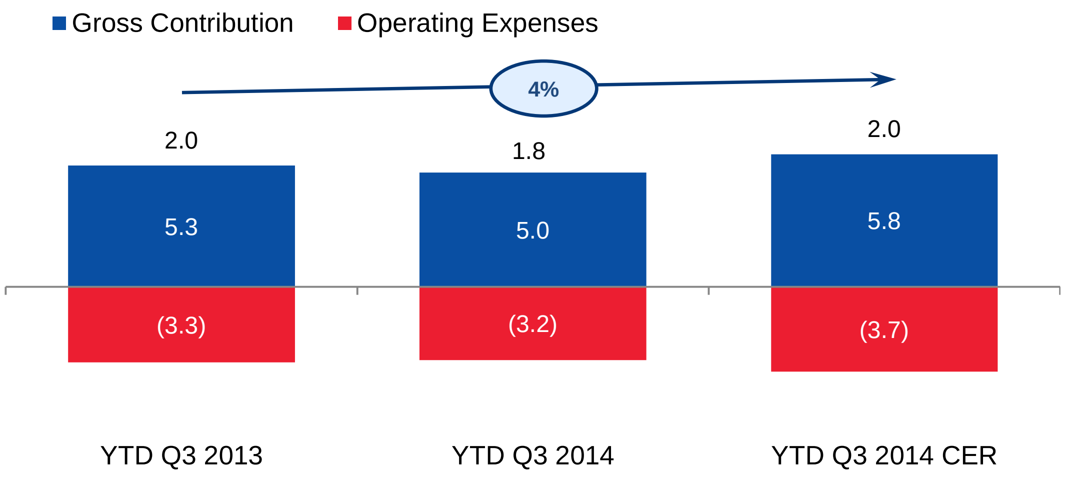
- Underlying revenue excluding the exchange rate impact increased by 1.4%. Australia delivered growth in volumes with financial institutions with higher demand on Asian currencies and NAM due to new business wins and strong trading with key accounts.
- Competitive pressures in Malaysia have had an impact on both volumes and margins.
- EBITDA margins remain resilient.

Payments & Technology – Continued growth from Currency Select

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



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



Payments & Technology KPIs

Key drivers	YTD Q3 2013	YTD Q3 2014
Revenue growth (%)	-	5.9%
Gross margin (%)	34.8%	31.0%
EBITDA margin (%)	13.2%	11.1%

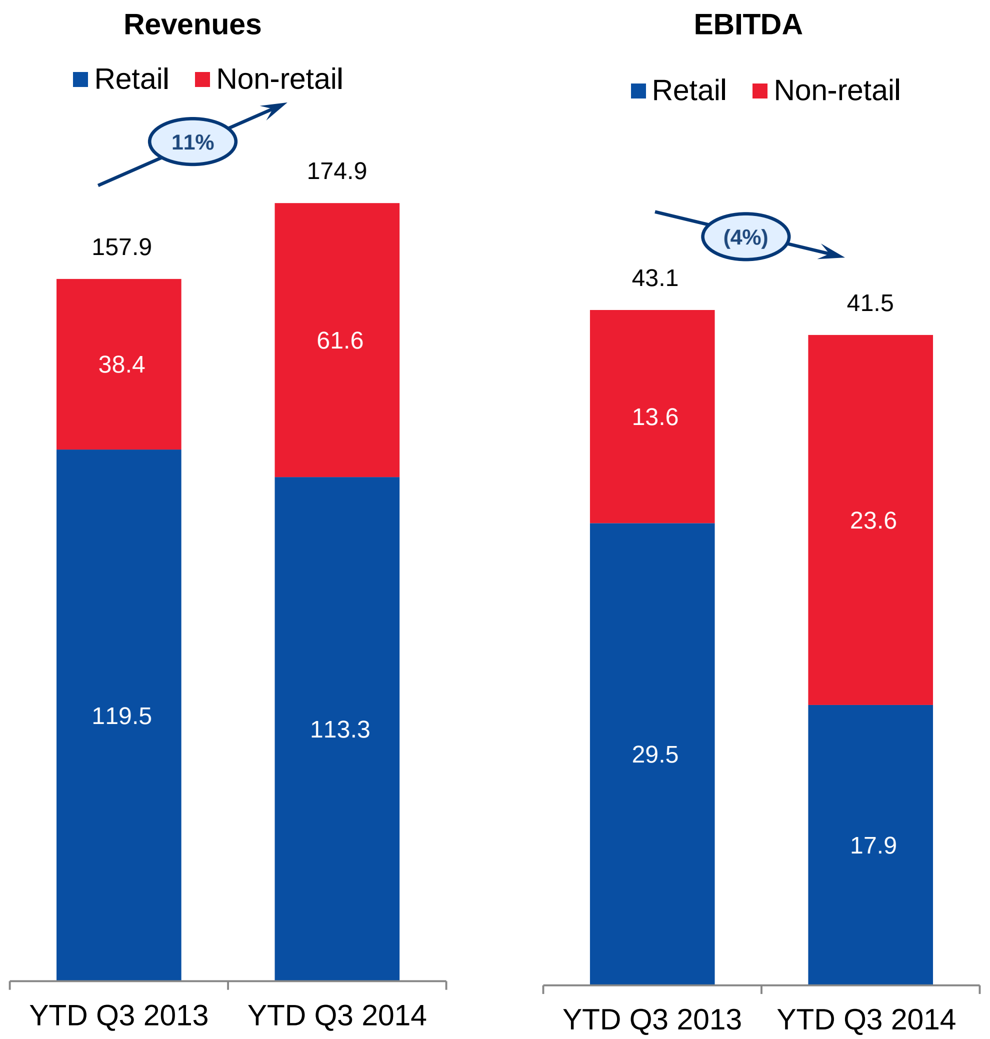
Commentary

- 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

1 All figures are based on a "Core Group" basis i.e. including 100% of JVs
2 EBITDA before Central & Shared Costs
3 Q3 2014 CER shows results retranslated at 2013 YTD Q3 average exchange rates

Brazil – Lower prepaid cards revenue offset by increased remittances and banknote sales

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



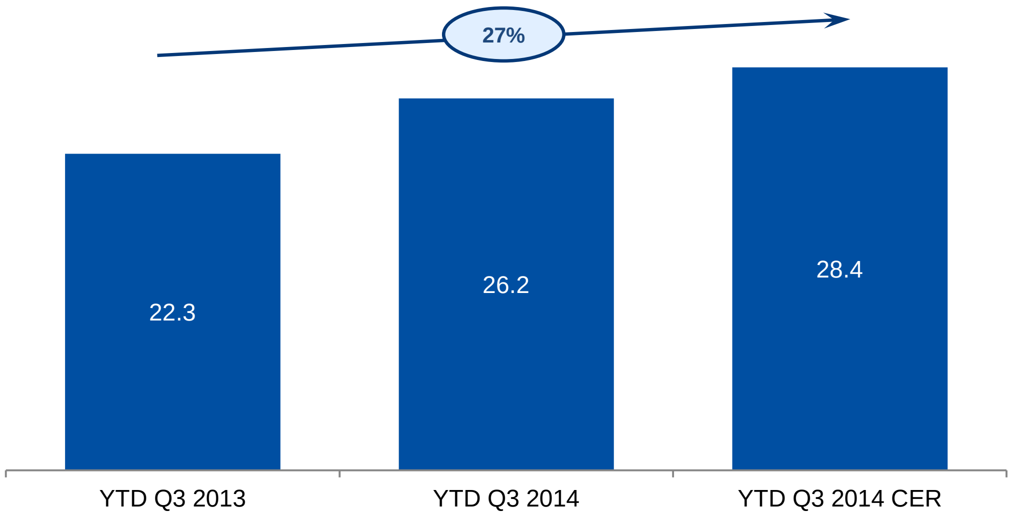
Key highlights

- 49% acquired in April 2013 (following receipt of regulatory approval) with commitment to acquire the remaining 51%
- Fully consolidated (100%) in Travelex Group accounts since 11 April 2013 contributing £8.6m from the date of acquisition in 2013 (£7.4m at September 2014 exchange rates) and £11.7m in EBITDA in YTD Q3 2014
- Final consideration for 51% of Grupo Confidence business will be based on an earn-out calculation
- Final BACEN approval is required before the transaction can complete
- 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 52% reduction in prepaid card volumes with a revenue impact of £8.8m compared to YTD Q3 2013 however the supply of retail banknotes volumes has increased by 45% (revenue impact of £6.0m)
- The shift from prepaid cards to physical bank notes has resulted in volumes increasing in Non-retail by 81%, and revenues by 101%
- Volatility in the exchange rate of the Real against all major currencies impacted sales volumes in YTD Q3 2014 particularly in the Retail business which is predominantly an outbound market

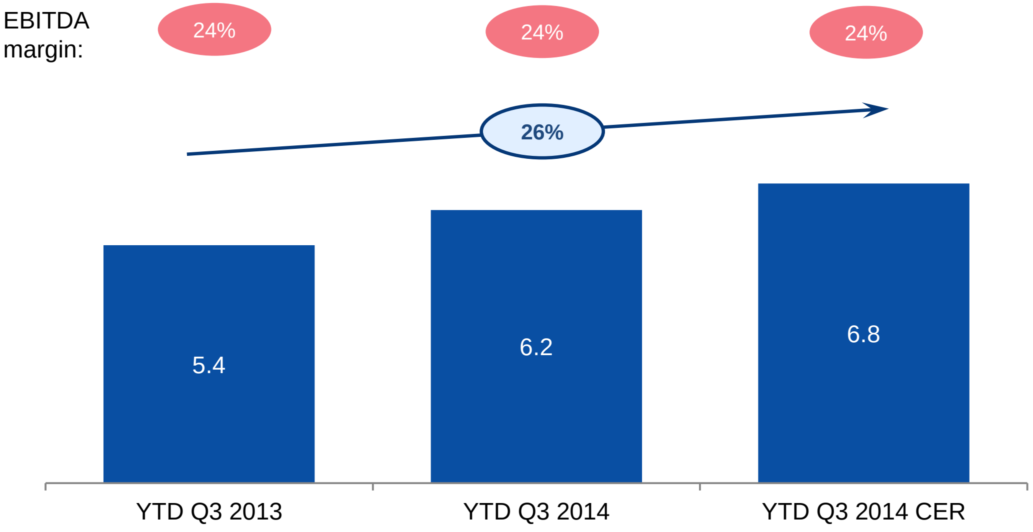
[1] EBITDA before the Group's Holding Company and Central & Shared costs
[2] YTD Q3 2013 results include the period before acquisition to aid comparability

Other Trade – Principally Travelex Insurance Services (TIS)

Other Trade revenue[1] (£m)



Other Trade EBITDA[1,2] (£m)



Other trade KPIs

Key drivers	YTD Q3 2013	YTD Q3 2014
EBITDA margin – insurance (%)	23.1%	23.3%

Commentary

- Strong growth continued in the Insurance business through the third quarter 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 could have an impact on the profitability of TIS as terms with underwriters are renegotiated.

1 All figures are based on a “Core Group” basis i.e. including 100% of JVs
2 EBITDA before Central & Shared Costs
3 YTD Q3 2014 CER shows results retranslated at 2013 YTD Q3 average exchange rates

Central & Shared Costs

Central & Shared Costs

	YTD Q3 2013	YTD Q3 2014
Central	8.2	9.9
Shared	21.1	21.7
Total Central and Shared (excl. Bonus)	**29.3**	**31.6**
Bonus provision	4.4	3.1
Total Central and Shared (incl. Bonus)	**33.7**	**34.7**

Commentary

- The Group is continuing to migrate to a Shared Service Model, with principal back office functions being controlled by functional heads and centralised where practical, with partial offshoring to our Global Delivery Centre in Mumbai
- 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, as the migration continues
- Central Costs have increased in the nine month period ended 30 September 2014 compared to the nine month period ended 30 September 2013 due to the 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, nine months ended 30 September	2013	2014
Core Group EBITDA	64.1	70.8
Less: Unconsolidated Joint Ventures	(15.8)	(3.8)
Dividends received from Joint Ventures	6.9	0.7
Joint venture funding	(1.4)	(3.3)
Movements in cash inventory (cash in tills & vaults)	6.7	(12.8)
Other movements in working capital	(19.4)	2.0
Net usable cash inflow from operating activities	**41.1**	**53.6**
Taxation received (paid)	2.8	(13.0)
Purchase of PP&E, software & development	(43.8)	(30.0)
Net usable cash paid on investment in subsidiaries	(26.1)	(24.6)
Other net investing activities	0.4	3.5
Net usable cash used in investing activities	**(69.5)**	**(51.1)**
Net proceeds from issue of senior bonds and repayment of Senior PIK borrowings	8.1	-
Interest paid	(1.0)	(23.5)
Repayment of shareholder loans	-	(4.5)
Dividends paid to non-controlling interest	-	(1.8)
Purchase of own shares for employee share schemes	-	(0.4)
Capital element of finance lease payments	(0.5)	(0.7)
Net usable cash provide by (used in) financing activities	**6.6**	**(30.9)**
Net usable cash inflow (outflow) from one-off items	**7.0**	**(19.4)**
Exchange (losses) gains on usable cash	(0.3)	(0.3)
Net decrease in usable cash	(12.3)	(61.1)
Usable cash at the beginning of the period	159.5	140.1
Usable cash at the end of the period	**147.2**	**79.0**

Key highlights

- JV adjustments in 2013 include TCS, as minority interest was acquired on 31 December 2013. The EBITDA of that business (after management recharges) was £9.6m and dividends received were £6.4m. In 2014, the business is fully consolidated
- JV funding represents Joint Venture investments in Malaysia of £0.8m (2013: £1.4m) and Qatar of £2.5m (2013: £nil)
- Cash tax payments are higher in 2014 due to the full year effect of consolidating Brazil, whilst in 2013 the payments were more than offset by tax refunds in Australia and Japan
- Capital expenditure represents amounts incurred in respect of the Systems Development and Shared Service Migration projects (£15.2m) and expansionary and maintenance capex (£14.8m)
- The Group acquired a 75% stake in Turkish foreign exchange operator, Arti Döviz at a cost of £24.6m in May 2014
- Interest payments relate to the £350m senior secured notes. The annual interest cost is approximately £26m[1]
- One-off items include exceptional costs relating to cost saving initiatives, the funding of the Travellers' Cheques insurance payments and other corporate projects

[1] Based on 8% coupon on £200m and L + 600bp (3 month Sterling Libor: 0.55813% as at 27 July 2014) on £150m

Usable cash, free cash & net debt

Free cash & usable cash *£m*	**31-Dec 2013**	**30-Sep 2014**
Cash and cash equivalents	582.5	537.3
Ring-fenced cash and term deposits	(49.2)	(39.7)
Short-term bank borrowings	(0.5)	(2.7)
Prepaid debit card floats	(162.5)	(156.1)
Banknotes prepayments	(12.8)	(14.2)
Unrestricted cash	**357.5**	**324.6**
Cash in tills and vaults	(179.2)	(195.1)
Management estimate of regulatory cash	(15.0)	(15.0)
Free cash	**163.3**	**114.5**
Cash in business	(23.2)	(35.5)
Usable cash	**140.1**	**79.0**

Net debt *£m*	**31-Dec 2013**	**30-Sep 2014**
Fixed & floating rate notes	(341.5)	(343.1)
Finance leases	(2.1)	(1.4)
Gross debt	**(343.6)**	**(344.5)**
Free cash	163.3	114.5
Net debt	**(180.3)**	**(230.0)**

Commentary

- Cash and cash equivalents includes banknote prepayments amounting to £14.2m at 30 September 2014 (£12.8m at 31 December 2013) and prepaid debit card float balances of £156.1m at 30 September 2014 (£162.5m at 31 December 2013), which are deducted in arriving at unrestricted cash
- 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
- Lower free and usable cash reflects cash tax paid (£13.0m), acquisition of Turkey (£24.6m), interest payments (£23.5m), shareholder loan re-payments (£4.5m) and investment in our Systems Development and Shared Service Migration projects (£15.2m)

1. Key highlights

2. Financial performance

3. Summary and conclusions

4. Questions

5. Further information

Summary and conclusions

- Strong financial performance in the nine months to 30 September 2014, despite the impact of Sterling strengthening
  - Core Group Revenue of £546.3, up 3.6% (£586.4m, up 11.2% at constant rates)
  - Core Group EBITDA of £70.8m, up 10.5% (£77.5m, up 20.9% at constant exchange rates)
- Acquisition of Travelex Holding Limited by Dr B. R. Shetty together with Centurion expected to complete by end of the year, subject to regulatory approvals
- 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
  - £25.0m Digital Growth Fund launched to invest in strategic technology projects
  - Continued optimisation of our Shared Service Global Delivery Centre

Our debt investor relations website can be found at http://www.travelex-corporate.com

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

Agreement reached in May 2014 to sell Travelex to Dr B. R. Shetty and associates of Centurion Investments

Transaction overview

- The proposed acquisition of Travelex Holdings Limited is subject to customary regulatory approvals and will be effected through BRS Ventures & Holding Limited, a company owned by Dr Shetty and equity partners associated with Centurion
- Travelex will continue with its stated growth strategy following the acquisition
- Lloyd Dorfman will remain involved with the business as President of Travelex
- The acquisition will not result in additional debt being incurred by Travelex in connection with the financing of the acquisition
- There are no plans to change the existing capital structure of Travelex prior to completion other than in respect of the reorganisation of existing shareholder interests required by the transaction documents

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

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

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 £2.4m 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 to be re-branded as Travelex; store design to be significantly improved
- Customer engagement – iCARE sales methods to 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	Dec 2013	Sep 2014	Travellers' Cheques[1]	Apax Goodwill	Sep 2014 excl. Travellers' Cheques
Intangible assets	400	426	-	**245**	181
Property, plant & equipment	45	46	-	-	46
Investments	27	25	25	-	-
Financial assets	119	112	112	-	-
Other	29	28	-	-	28
Non current assets	**620**	**637**	**137**	**245**	**255**
Trade and other receivables	102	154	5	-	149
Cash and cash equivalents	583	537	40	-	497
Other	28	22	12	-	10
Current assets	**713**	**713**	**57**	-	**656**
Trade and other payables	(693)	(722)	(264)	-	(458)
Provisions	(16)	(11)	-	-	(11)
Financial liabilities	(69)	(84)	-	-	(84)
Other	(10)	(6)	(4)	-	(2)
Current liabilities	**(788)**	**(823)**	**(268)**	-	**(555)**
Net current (liabilities) assets	**(75)**	**(110)**	**(211)**	-	**101**
Trade and other payables	(1)	(1)	-	-	(1)
Borrowings – non-shareholder	(343)	(343)	-	-	(343)
Borrowings - shareholder	(1,048)	(1,144)	-	-	(1,144)
Other	(28)	(27)	-	-	(27)
Non current liabilities	**(1,420)**	**(1,515)**	**-**	-	**(1,515)**
Net liabilities	**(875)**	**(988)**	**(74)**	**245**	**(1,159)**

Key highlights

- The assets and liabilities relating to the Travellers' Cheques business are separate to the "Core Group"
- Intangible assets at Sep-14 include goodwill of £245m 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 £537m of cash and equivalents at Sep-14, the amount that is classified as "Usable Cash" by management is lower (£79.0m at Sep-14)
- Trade and other payables include loads on Cash Passports awaiting redemption, trade creditors and accruals
- Financial liabilities include the redemption liability for the remaining 51% shareholding in Grupo Confidence and the share based payment liability

[1] Includes Travellers' Cheques business outside of the core group; no adjustment has been made for intercompany balances which eliminate on consolidation

Working capital

Working capital components						
£m	**H1 2013**	**Q3 2013**	**Q4 2013**	**Q1 2014**	**H1 2014**	**Q3 2014**
Cash in tills and vaults	**158.2**	**170.1**	**179.2**	**212.4**	**214.2**	**195.1**
Debtors						
Trade receivables	101.7	125.7	56.2	159.4	158.6	89.2
Banknote prepayments	189.8	2.5	12.8	241.1	0.3	14.2
Other receivables	43.9	33.5	29.1	30.1	32.9	35.2
Prepayments and accrued income	26.6	24.1	13.0	29.2	31.8	26.3
Plus (less): Travellers' cheques amts.	(3.6)	(3.8)	(2.5)	(3.1)	(2.9)	(2.7)
Less: Brazil acquisition prepayment	(9.5)	(8.8)	(8.1)	(8.5)	(8.5)	(8.0)
Total debtors	**348.9**	**173.2**	**100.5**	**448.2**	**212.2**	**154.2**
Creditors						
Trade payables	(310.2)	(136.5)	(101.0)	(487.7)	(264.2)	(168.4)
Other payables	(37.8)	(33.2)	(30.6)	(31.6)	(40.5)	(37.7)
Accruals and deferred income	(92.2)	(112.8)	(117.9)	(106.3)	(105.9)	(106.5)
Less: Travellers' cheques amounts	25.8	39.3	35.6	34.3	30.5	31.8
Add: Brazil prepaid card float liability	(39.4)	(36.3)	(35.5)	(24.7)	(25.6)	(21.5)
Total creditors	**(453.8)**	**(279.5)**	**(249.4)**	**(616.0)**	**(405.7)**	**(302.3)**
Net working capital	**53.3**	**63.8**	**30.3**	**44.6**	**20.7**	**47.0**

Reconciliation from Core Group Revenue to Statutory Revenue

Reconciliation to Statutory Revenue[1]		
£m, nine months ended 30 September	**2013**	**2014**
Core Group Revenue	**527.5**	**546.3**
Joint Venture adjustment for equity accounting	(49.8)	(24.2)
Travellers' Cheques	3.8	1.6
Other adjustments	3.2	2.9
Statutory Revenue	**484.7**	**526.6**

Source: Company information

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

Travelex worldwide money

Reconciliation from Statutory EBITDA to Core Group and Economic EBITDA

Reconciliation to Statutory and Economic EBITDA[1]		
£m, nine months ended 30 September	**2013**	**2014**
Operating profit	18.6	30.4
Depreciation and amortisation	16.8	17.2
Exceptional items	9.9	18.0
Statutory EBITDA	**45.3**	**65.6**
Joint Venture adjustment for equity accounting[2]	15.8	3.8
Travellers' Cheques	(2.1)	(0.2)
Share based payment charge (non-cash) / PE structure	4.5	2.9
Other adjustments	0.6	(1.3)
Core Group EBITDA (100% of JVs)	**64.1**	**70.8**
Adjustment for Non-Consolidated JVs[3]	(2.6)	(1.8)
Adjustment for Minorities in Consolidated JVs[3]	(0.5)	(1.0)
Economic EBITDA (Proportionate share of JVs)	**61.0**	**68.0**

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, nine months ended 30 September	2013	2014
Core Group EBITDA	**64.1**	**70.8**
Adjustments to arrive at Statutory EBITDA *(see further information)*	(18.8)	(5.2)
Statutory EBITDA	**45.3**	**65.6**
Depreciation	(11.7)	(10.2)
Amortisation of intangible assets	(3.5)	(4.1)
Amortisation of customer relationships and other intangible assets acquired in business combinations	(1.6)	(2.9)
Share of profit in equity accounted investments	7.9	1.6
Net finance costs (cash – pay)	(9.5)	(19.9)
Net finance costs (non-cash – pay)	(110.8)	(103.8)
Exceptional items	(7.4)	(21.1)
Tax	(10.0)	(10.4)
Discontinued	(0.2)	0.6
Statutory loss after tax	**(101.5)**	**(104.6)**

Commentary

- Depreciation and amortisation of hardware and software related to the Systems Delivery and Shared Service Migration initiative commenced in H2 2014, with the first full year effect in 2015
- 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 initiative and Systems Delivery and Shared Services Migration initiative.

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

Finance costs and income

£m, nine months ended 30 September	2013	2014
Finance costs		
Shareholder Loans and preference shares	94.2	105.9
Senior PIK notes	15.1	-
Movement in Brazil Redemption Liability	1.3	1.3
Interest on senior secured notes	4.3	19.4
Other interest costs	5.9	3.3
FX losses	1.6	-
Total finance costs	**122.4**	**129.9**
Finance income		
FX gains	-	5.8
Interest receivable	2.1	0.4
Total finance income	**2.1**	**6.2**
Net finance costs	**120.3**	**123.7**
Analysed as:		
Cash- pay	9.5	19.9
Non cash pay	110.8	103.8

Commentary

- Ongoing finance costs include:
  - The cost of the senior secured notes, c.£26 million on an annualised basis[1]
  - Other interest costs including amortisation of deferred finance costs, interest payable on guarantees, swaps and finance leases, including commitment and utilisation fees.

[1] Based on 8% coupon on £200m and L + 600bp (3 month Sterling Libor: 0.55813% as at 27 July 2014) on £150m

Further reconciliations

Adjusted metrics to Core Group metrics

£m, nine months ended 30 September	2013	2014
Adjusted income	**511.6**	**534.9**
Additional JV income	19.2	14.3
Income netted against costs[2]	(3.3)	(2.9)
Core Group revenue on 100% basis	**527.5**	**546.3**
Adjusted EBITDA[1]	**59.6**	**70.1**
Additional JV EBITDA	3.8	2.0
Other adjustments[3]	0.7	(1.3)
Core Group EBITDA on 100% basis	**64.1**	**70.8**

Usable cash flow from operating activities to statutory measure

£m, nine months ended 30 September	2013	2014
Usable cash flow from operating activities	**41.0**	**53.6**
Dividends received from joint ventures net of cash paid on investment in joint ventures	(5.5)	2.6
Movement in cash held in tills and vaults	(4.2)	17.9
Movement in banknotes prepayment	(1.9)	1.4
Movement in cash and deposits held for the Travellers' Cheques business	17.3	(9.7)
Movement in prepaid card float deposits	38.4	(7.8)
Movement in cash in business	5.4	10.4
Less: cash exceptional items	(34.3)	(19.4)
Cash flow from operating activities (statutory)	**56.2**	**49.0**

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, nine months ended 30 September	2013	2014
Adjusted cash flow from operating activities	**35.8**	**66.9**
Adjustments for Travellers' Cheques business:		
Decrease in Travellers' Cheques awaiting redemption	(20.6)	(16.0)
Decrease in Travellers' Cheques structured deposits	105.7	1.8
Decrease in float deposits	18.7	2.4
(Increase) decrease in financial assets relating to Travellers' Cheques business	(136.4)	9.4
Non-cash interest recorded as revenue	3.4	1.1
	(29.2)	(1.3)
Adjustments for customer funds:		
Decrease (increase) in prepaid cards awaiting redemption	51.5	(18.0)
(Decrease) increase in customer settlements received in advance	(1.9)	1.4
	49.6	(16.6)
Cash flow from operating activities (statutory)	**56.2**	**49.0**

FX Rate Summary

	Average FX rate for the nine months ended 30 Sep 2013	Average FX rate for the nine months ended 30 Sep 2014	FX rate as at 30 Sep 2014
AUD	1.5944	1.8262	1.8520
BRL	3.2965	3.8285	3.9696
CAD	1.5860	1.8302	1.8114
EUR	1.1707	1.2380	1.2830
USD	1.5432	1.6693	1.6209
JPY	149.042	172.313	177.780