



corporate travel
management

Annual General Meeting

29th October 2014

JAMIE PHEROUS, MANAGING DIRECTOR

Celebrating 20 Years ♦ 1994 ➔ 2014

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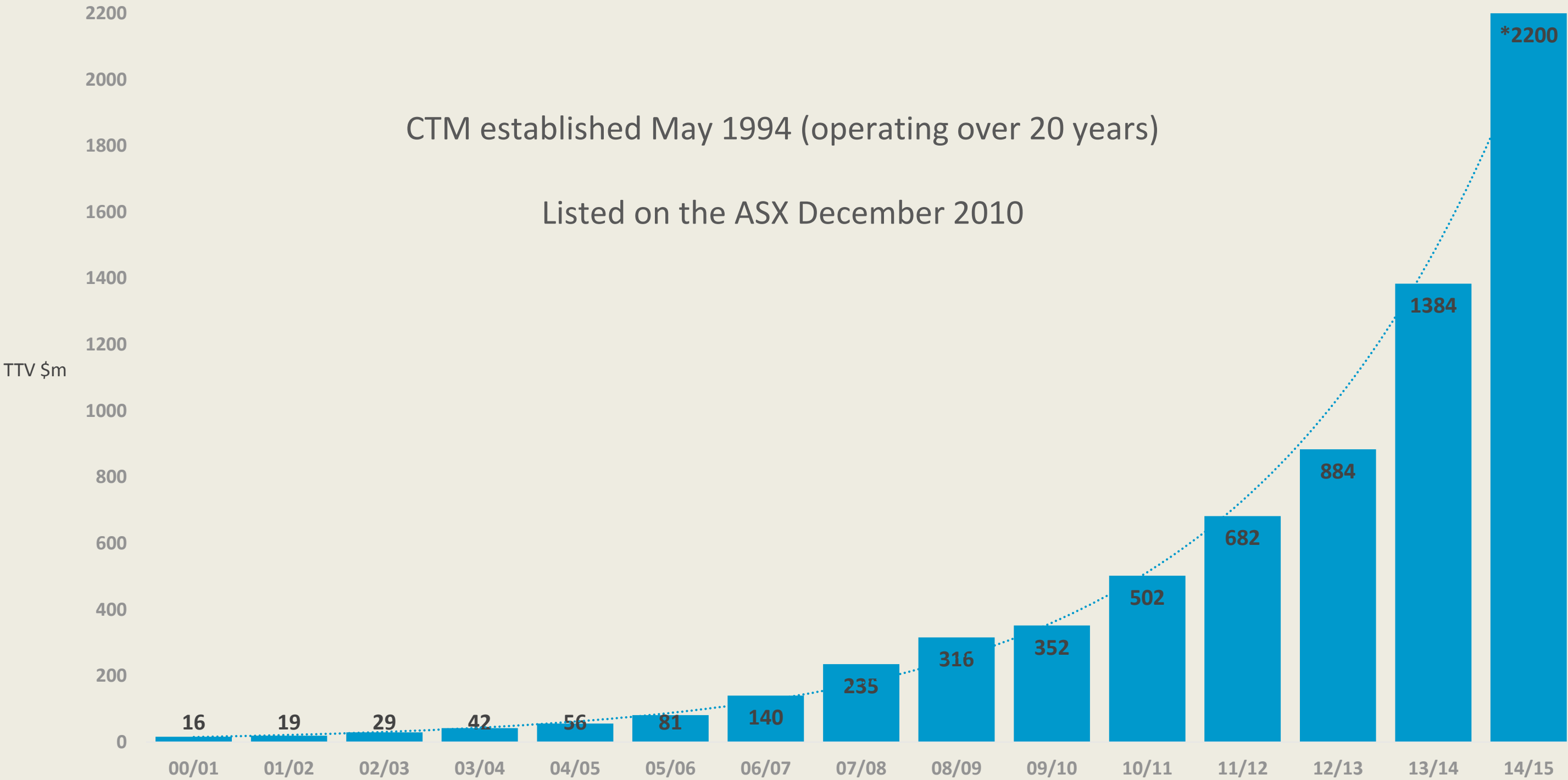
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Agenda:

- **CTM Footprint and Strategy**
- **Trading Update**
- **Acquisition Update**

20 Years of Consecutive TTV Growth



* Forecast

Award Winning

**2014 Best National Travel
Management Company**
9 of the last 11 years



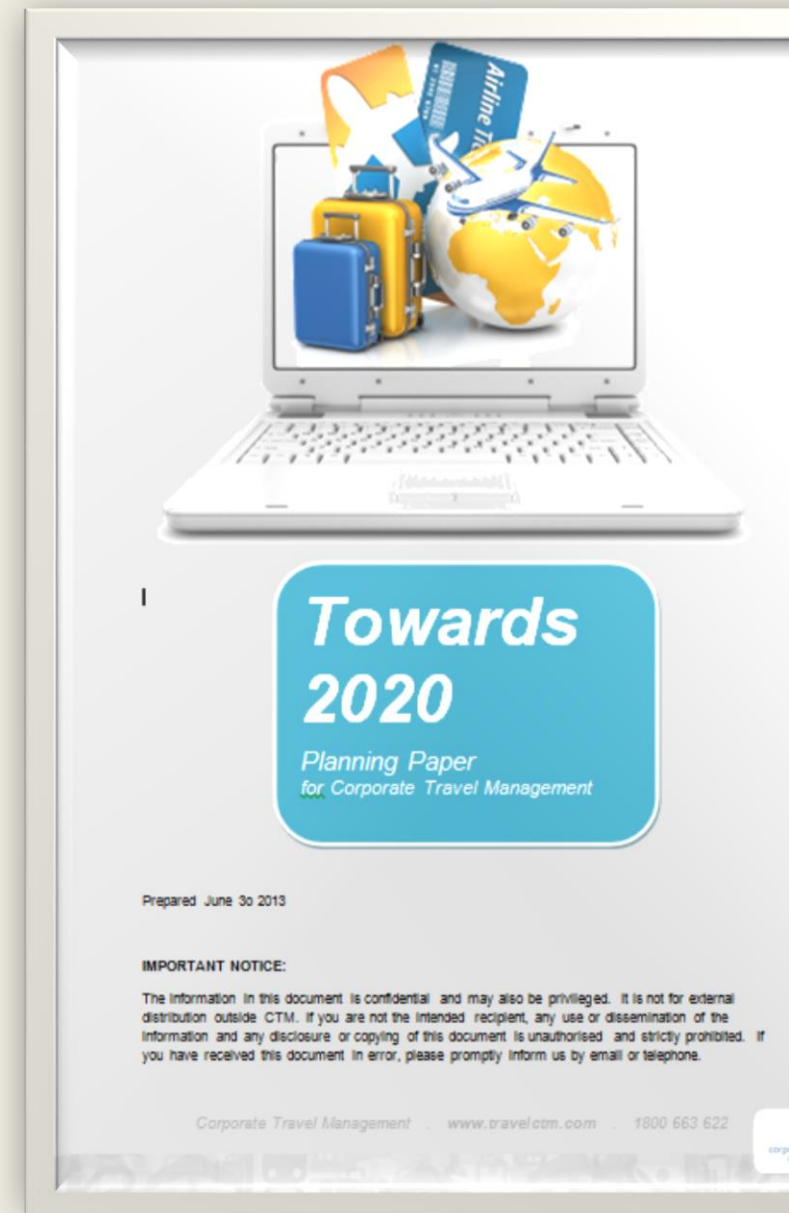
**2014 Best Travel Agency
Hong Kong Winner**
5 of the last 7 years



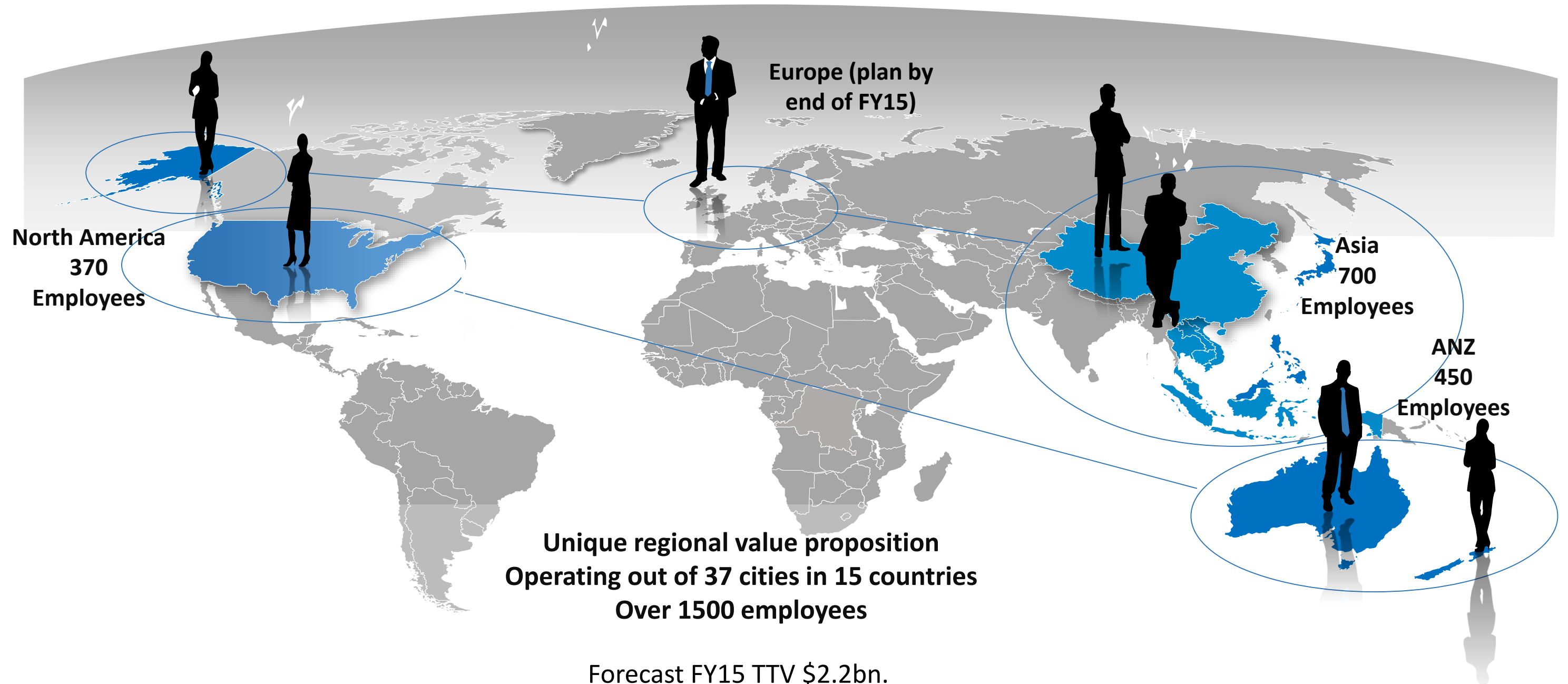
Strategy

Aspirations:

- ✓ To be in every major region (**ANZ, North America, Asia, Europe**) with potential for emerging markets where suitable
- ✓ ANZ, continues to be a “fortress” of continued double digit profit growth that underpins global expansion strategy
- ✓ Win market share via local organic growth in all operations and regions
- ✓ By working with our clients, continuing to develop new technology, client facing solutions and business models that evolve with their changing needs
- ✓ To be renowned as the best travel company in every region in which CTM operates by retaining CTM’s highly differentiated service model and high staff engagement, underpinned by technology solutions that add client value
- ✓ Target the regional and global client segment via our client friendly multi-regional solution
- ✓ To ultimately be a truly global company, where substantial profit is derived offshore



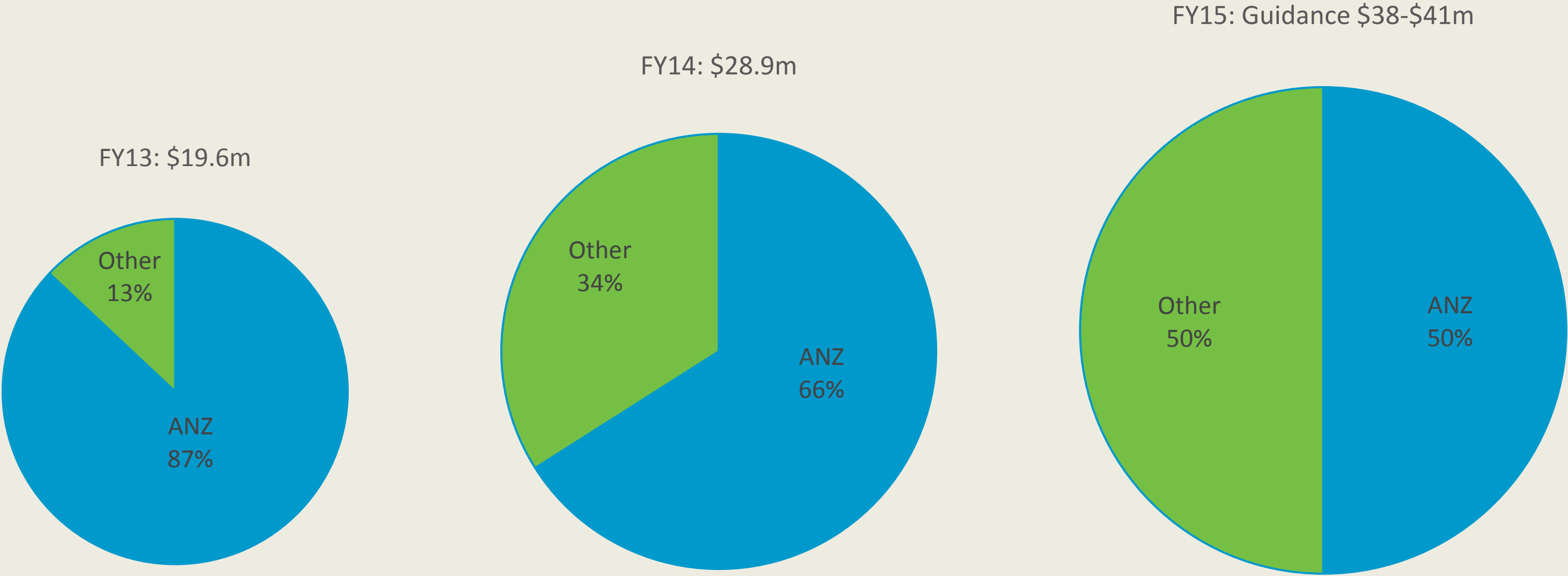
CTM Footprint



Powerhouse in Asia Pac region underpinned by uniform values:

- Highly personalised service to match local culture
- Best in market/region technology that enhances client experience and adds value
- Demonstrating Return on Investment (ROI)

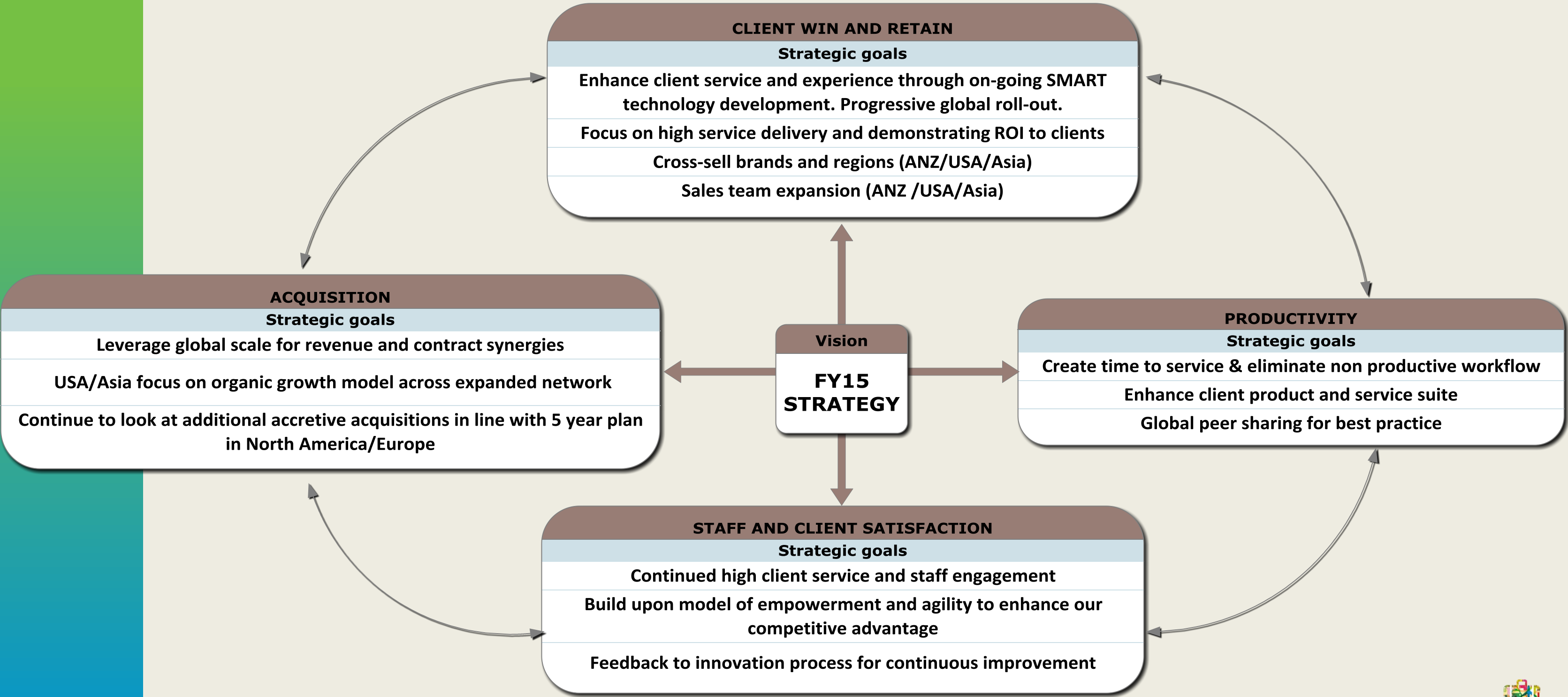
EBITDA Profit Contribution by Region



Building diversity through offshore Expansion

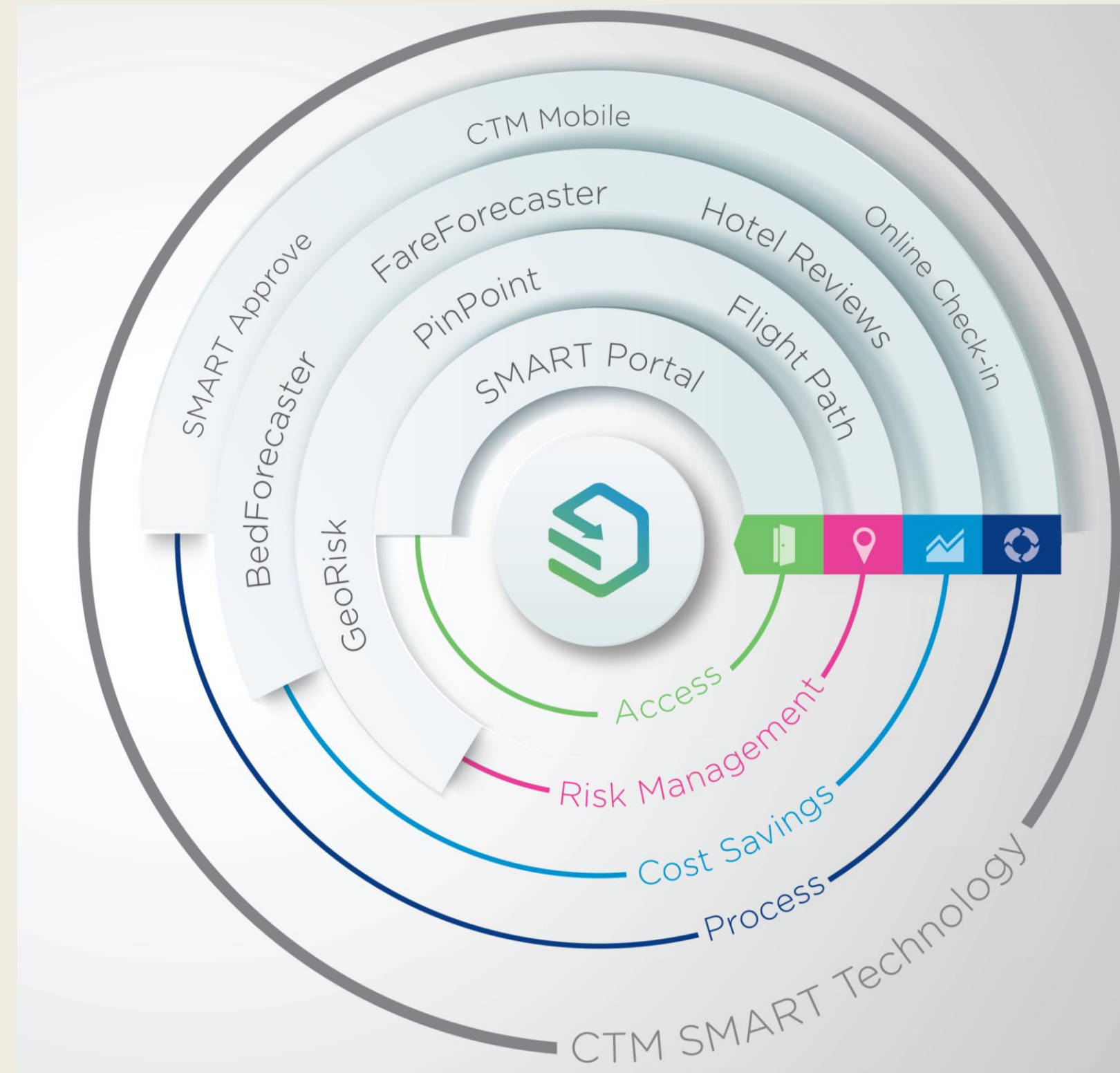
FY15 off-shore profit contribution expected to be circa 50% before any future acquisitions

FY15 Initiatives



Technology

- CTM's industry-leading SMART technology is customer focused to:
 - Reduce client operating costs
 - Manage the safety of their travellers
 - Maximise user experience
 - Maximise the effectiveness of their travel programs
- SMART technology progressively being rolled out across the entire CTM client network. As at 30 June 2014:
 - Over 200 clients using SMART technology
 - More developments being released throughout FY15
 - Agile development framework allows continuous development and releases, localised customisation



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Trading Update and Guidance

Upgraded guidance:

- FY15 underlying EBITDA guidance **expected to be above \$41m** (previously \$38-\$41m)
- Guidance reflects 100% contribution from Asia (CTM owns 75.1%)
- Guidance assumes no economic shocks, continuation of USA acquisition integration success
- Any future acquisitions will be in addition to this guidance
- Guidance range will be refined after release of 1H FY15 results

ANZ Trading Update

New Clients

- Strong momentum from FY14 wins
- Continue to win new business creating a solid FY15
- Building market share

Client Activity

- 1QFY15 client activity trading up for first time since Q2FY11
- The majority of Top 20 clients trading higher than p.c.p.

Domestic Ticket Prices

- Average ticket prices July-October higher than FY14
- Expect supplier revenues to be positively impacted versus p.c.p.

North America Trading Update

Clients

- Strong start in new client wins including global client segment
- Sales and marketing investment expected to accelerate under one brand across 17 cities, 7 states into CY15

People and Process

- Building upon local accountability and empowerment across the region via similar organisational structure to ANZ
- Sharing of best practice both within CTM USA and the group

Acquisition Integration

- Leveraging scale through enhanced buying power and cost synergies
- Early success in the UST acquisition integration and associated revenue synergies
- Avia (Houston) contributed to profit from September 2014

Client Activity

- Experiencing client activity growth consistent with long term USA trends

Clients

- Key focus upon scalable corporate organic growth
- Already won and working on a number of regional tenders
- Client retention strong through integration phase

People

- Strong Management team in place with skin in the game
- Westminster recently awarded Best Agency in Hong Kong 2014, winning five of the last seven years

Profit

- Tracking to internal expectations, noting Asia will have a full 12 month contribution to profit in FY15 (5 months FY14)
- Ticket price increases at long term trends
- Experiencing small decline in activity in HKG due to the protests but not material at this point.

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Merger and Acquisition Discipline

CTM's acquisition strategy has remained consistent across all acquisitions:

- Strong discipline in selection criteria – looking for the “1 in 100”
- Alignment - “Skin in the game” for leaders and/or senior management
- Focus on financial and people due diligence for cultural match
- Robust transition process concentrating on enhancing people, systems and revenue growth
- Focus on EPS accretive acquisitions



➔ Creates better business acumen and discipline in team for better results

North America Acquisition Update

USTRavel:

- Acquisition completed 1 July 2014 @ 5x Dec13 NPBT USD\$1.05m
- Extends North American footprint to the Pacific North West region

Update:

- Tracking above our expectations for 1QFY2015
- Being part of CTM has contributed to winning and retaining business
- Synergy extraction - Contributing to buying power upside for all of North America, including UST
- Identifying great people that will form part of our North American Leadership team

North America Acquisition Update

Avia International:

- Acquisition completed 1 September 2014 @5.5x Dec13 NPBT USD\$750k
- Bolsters presence in one of the largest travel markets in the USA (Houston), the centre of the US energy industry

Update:

- Becomes our Centre of Excellence for Energy, Off-shore, Oil & Gas, Marine in North America
- Compliments our other Energy and Marine centers in CTM (Australia (WA/QLD), Singapore, Alaska)
- One month's contribution so too early to call but tracking to expectations
- Identifying excellent people within the Avia business that will add value to North America

Future Acquisitions

UK/Europe:

- Currently investigating a number of options, plan to have a solution by end of FY15
- Key plank of our global strategy to have comprehensive coverage in the key global corporate markets
- Enables CTM to genuinely compete in the global/regional client segment
- Regional/global client segment estimated to be USD\$200bn

North America:

- Continue to look at further EPS accretive acquisitions that fit our strategy and discipline
- North American corporate market estimated at USD\$250bn, our current market share under 1%
- Acquisitions can occur simultaneously (North America/Europe)

Thank you

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