corporate travel management

*travel**ctm**.com*

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Highlights

- ✓ Strong Client Wins & Retention across Group
- ✓ Productivity project success, resulting in higher ANZ EBITDA margins, without compromising client service or staff engagement
- ✓ Strong operating cash flow

TTV (unaudited)	↑ 30%
Revenue #	↑ 21%
Underlying EBITDA	↑ 20%
Underlying NPAT	↑ 16%
Underlying EPS	↑ 11%
Dividend (Full yr 10.5c)	↑ 17%
Return on Equity (ROE)	34%

- ✓ Strong growth in USA as a result of introduction of CTM business improvement initiatives
- ✓ Continued investment in client-facing technology and internal business tools, which strengthens CTM competitive advantage

revenue excludes interest income.

Agenda

- CTM Overview
- FY13 in Review
- Acquisition Update
- Outlook

CTM Profile

What we do:

Professional corporate travel services provider

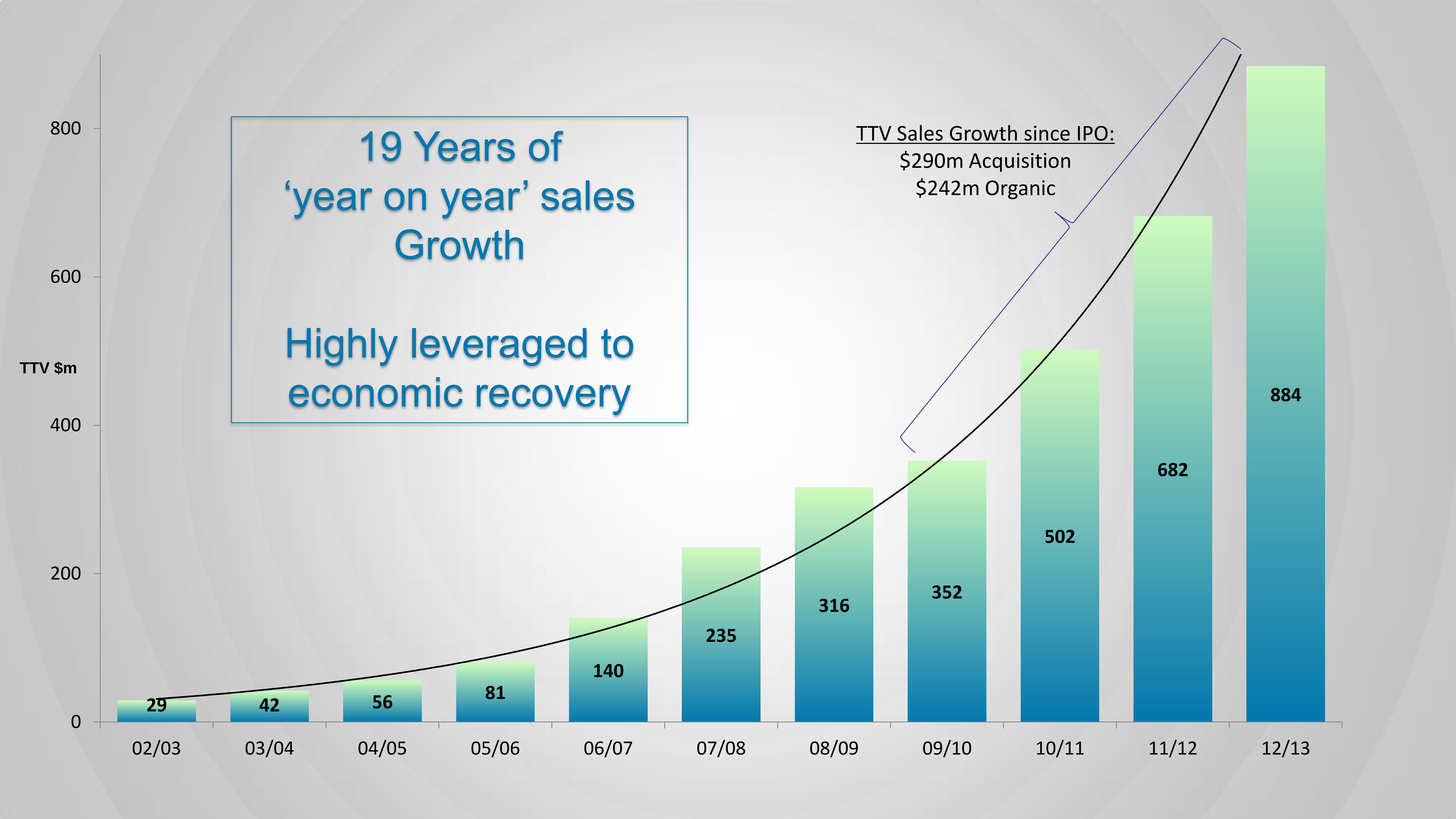
Core value proposition:

- Personalised service model
- Best in market technology
- Client benefit measured by ROI

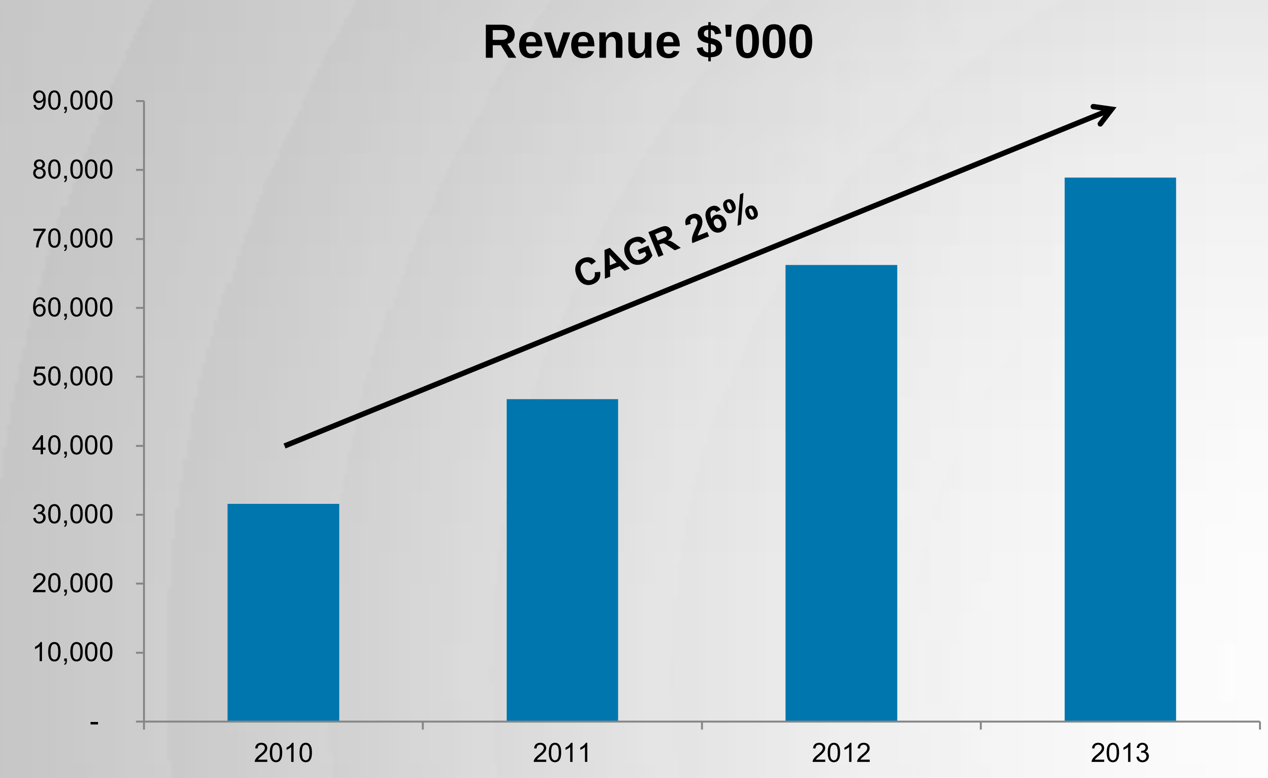
- 616 FTE staff (448-ANZ, 168-USA)
- Approx. 1000 clients, including 16 ASX100 companies, multi-national and large private companies
- Diversification, no client represents more than 4% of EBITDA
- Australia -Corporate market share estimated circa 9.5%
- USA- enormous market estimated over $120b+, CTM is growing rapidly operating in 6 cities

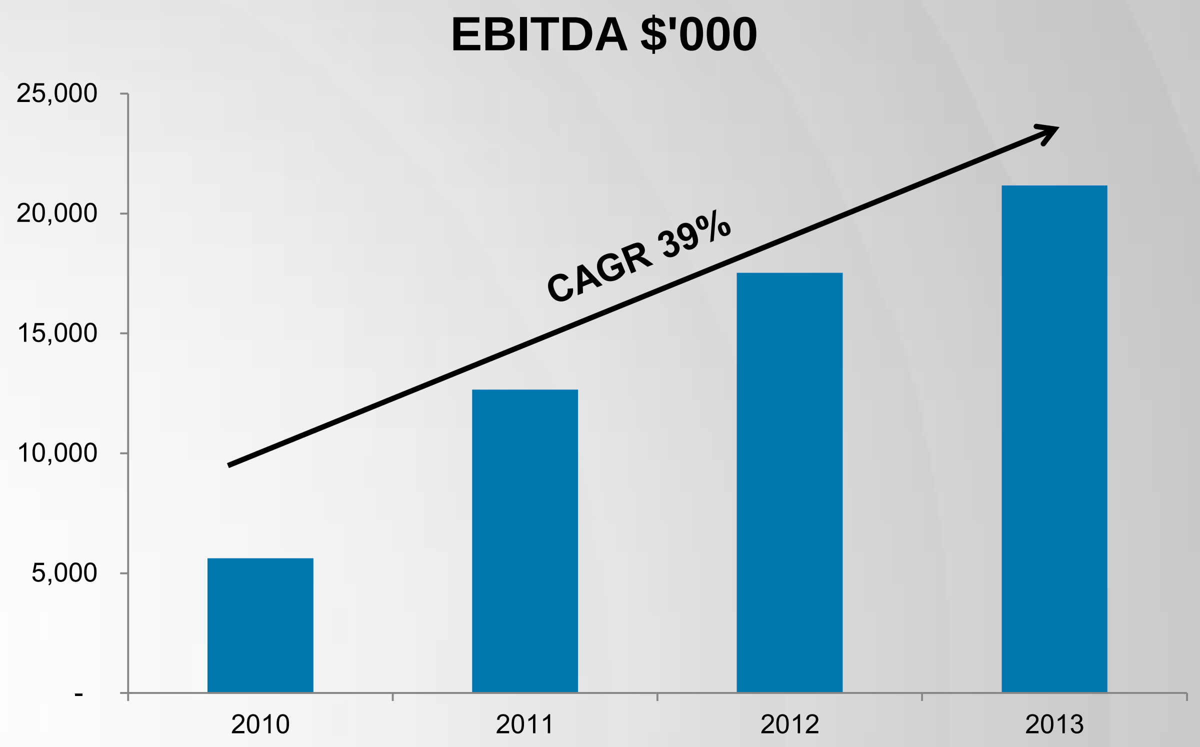
Aircraft Movements

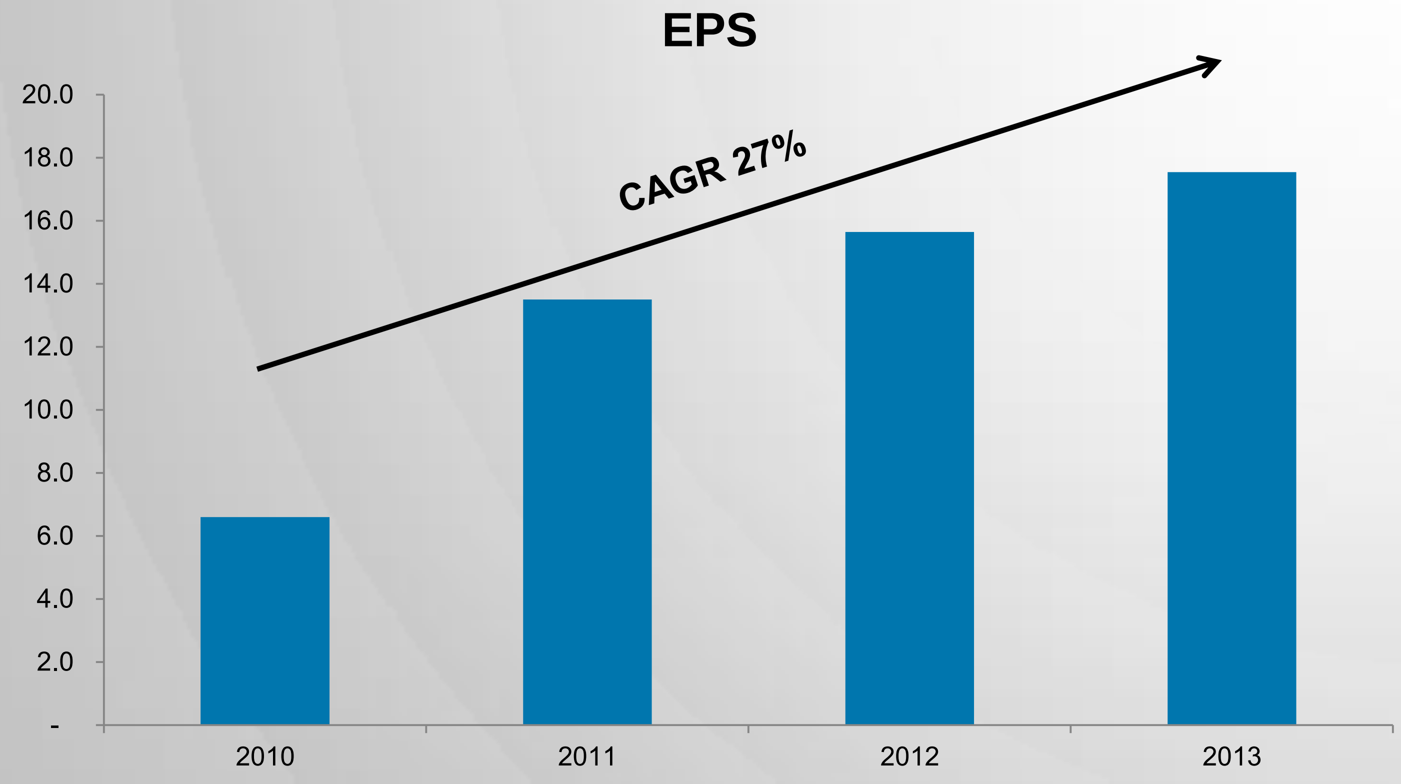
Images were snapped at 10.10am Australian local time (Friday 2AUG) on a live radar site, USA and Australia.

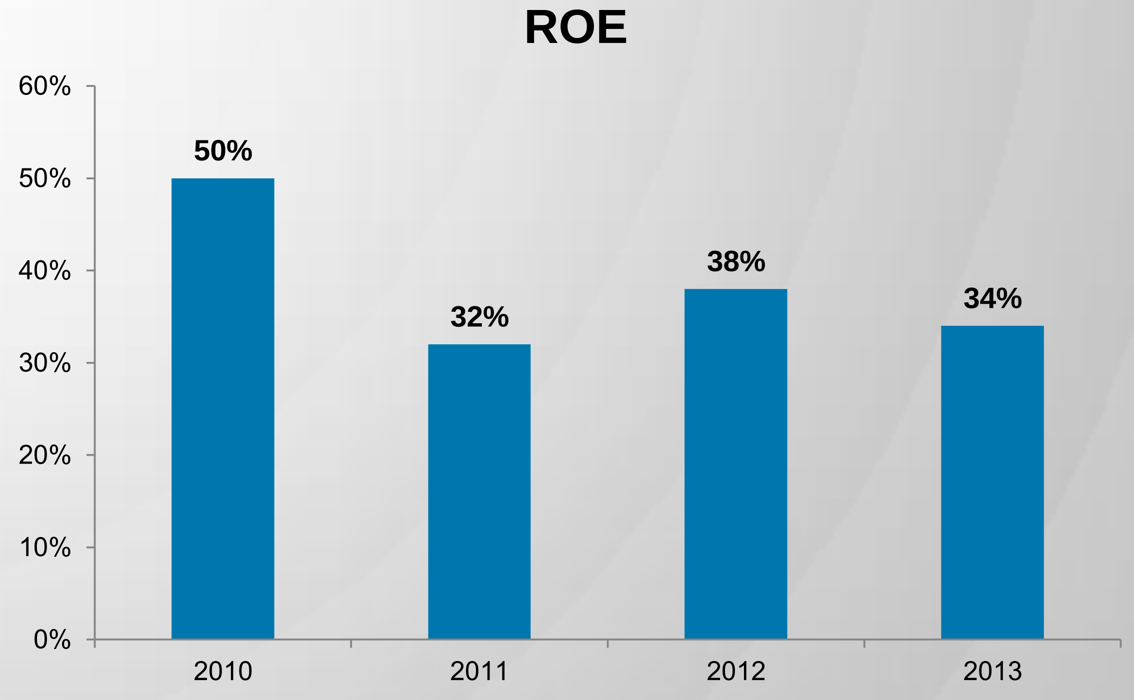

19 Years of
'year on year' sales
Growth
Highly leveraged to
economic recovery
TTV Sales Growth since IPO:
$290m Acquisition
$242m Organic
TTV $m
800
600
400
200
0
29
42
56
81
140
235
316
352
502
682
884
02/03
03/04
04/05
05/06
06/07
07/08
08/09
09/10
10/11
11/12
12/13

Performance Since IPO Dec'10









* In FY2010 CTM was a private company for 5.5 months

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Group Result

- ✓ Underlying EBITDA up 20% on p.c.p
- ✓ Organic EBITDA 'like for like' ANZ up 10.3%, USA up 96% on p.c.p.
- ✓ Improved EBITDA margins across the Group due to execution of key drivers. ANZ FY13 28.3% , FY12 26.7%
- ✓ The improved EBITDA margin has not flowed through to NPAT line due to higher interest expense ($800K) and higher amortization ($700K) charge increases largely resulting from M&A activity
- ✓ Full year dividend up 16.7% to 10.5 cents fully franked.(6.5c payable Oct13)

	FY2013	FY2012	Change on PCP (%)
TTV $m (unaudited)	883.8	681.3	+29.7%
Revenue $m#	78.8	65.3	+21%
EBITDA $m (unadjusted)	20.0	17.9	+12%
EBITDA $m (underlying)^	**21.0**	**17.5**	**+20.0%**
NPAT $m (statutory)	12.4	11.8	+5%
NPAT $m (underlying)^	**13.1**	**11.3**	**+16%**
Dividend	**10.5 cents**	**9 cents**	**+16.7%**
Underlying EPS	17.3 cents	15.6 cents	+11%

^ Underlying excludes $1m one-off acquisition costs FY13 and $500k fair value accounting credit on acquisitions FY12
# revenue excludes interest income

Key Financial Indicators ANZ and USA

- Maintenance of ANZ yield, despite economic softening and domestic price war amongst airlines
- Increase ANZ EBITDA margin through productivity gains and leveraging support costs
- USA EBITDA margin improvement through implementation of CTM business systems and disciplines
- US is an enormous market ($120b+) and CTM is growing rapidly

$AUD	AUS/NZ		USA	
	2013	2012	2013	2012^
TTV	718.5m	681.3m	165.3m	110.0m
Revenue	68.1m	65.6m	10.7m	6.6m
Yield % of TTV	9.5%	9.6%	**6.5%**	6.0%
EBITDA*	19.3m	17.5m	1.7m	0.7m #
% of Revenue	**28.3%**	26.7%	**15.6%**	10.6%

*Underlying

^ R &A Travel P&L pre-acquisition

includes CTM senior manager in prior year cost base for comparative purposes

ANZ Economic Activity – Effect on FY13

- ANZ 'like for like" profit growth up 10.3% p.c.p., despite difficult economic conditions
- **Why? Execution** of key drivers (win & retain clients, revenue per FTE, Staff engagement and client satisfaction)
- Demonstrates model is resilient in tough economic times
- Corporate travel is closely correlated with economic activity and CTM should benefit from economic recovery

	2H13 Effect v 1H13	FY14 YTD
2H average ticket price (ATP)	↓ 11%	Steadied/slight domestic recovery
2H client activity	↓ 5%	Since steadied
TTV effect approx.	**$60m** on FY13 results	
Profit effect	**$1m+** supplier revenues foregone due to domestic price war/ATP decline	Domestic yields since steadied

Execution of FY13 Initiatives

CLIENT WIN AND RETAIN

GOAL	*RESULT*
Greater range of innovative client products & services	Significant client wins and retention across Group
Cross-sell across ctm countries and brands	16 clients cross-sold across ctm group
SME offering	1 New Account every week

ACQUISITION

GOAL	*RESULT*
Complete R&A Travel acquisition	Strong organic and profit growth ("Like for like" profit up 96%)
Continue to explore future acquisitions	USA expansion Travelcorp May13

Strategy FY13

REVENUE PER FTE

GOAL	*RESULT*
Productivity project	Higher ANZ EBITDA margin without compromising high client service

STAFF AND CLIENT SATISFACTION

GOAL	*RESULT*
Survey results linked to business plan	Client satisfaction 98% Staff engagement 89%
Awards for excellence FY13	ctm Best Corporate agency (8 of 10 yrs) etm Best Event agency (3 of 3 yrs)

CTM Technology

Key advances in FY13 - strengthening CTM's competitive advantage and productivity improvements:

- Business Intelligence reporting
- Wotif booking engine, development partnership
- Mobile Risk Platform
- U Approve
- Ticketbank

- CTM Smart Technology, launched July 2013

Comparative Statutory FY13 Profit and Loss

- **EBITDA margins for ANZ and USA improved respectively.** Group EBITDA percentage decline a result of USA combination in FY13.
- Amortisation up $700k due to accounting treatment on M&A activity
- Interest expense up $800k
  - FY12 - funds on hand from capital raise,
  - FY13 - used combination of cash, debt and capital raise for M&A
- Underlying costs after tax up $1.2m relate to:
  - FY12 – accounting credit on etm earn-out
  - FY13 - one-off M&A acquisition costs, USA re-structuring & set-up costs

	FY13 $'000	% of Income	FY12 $'000	% of Income
TTV (unaudited)	883.8		681.3	
Revenue	78.8		65.3	
Other Income			0.7	
Operating Expenses	(58.8)	75%	(48.1)	74%
EBITDA	20.0	25%	17.9	28%
Depreciation	(1.1)		(1.1)	
Amortisation	(1.0)		(0.3)	
EBIT	17.9		16.5	
Net interest income/expense	(0.5)		0.3	
NPBT	**17.4**	**22%**	**16.8**	**26%**
Tax	(5.0)		(5.0)	
NPAT statutory	**12.4**	**16%**	**11.8**	**18%**
Reconciliation to underlying NPAT:				
Bus. Combination acct adjust: etm			(0.7)	
One off acquisition costs	0.7		0.2	
NPAT Underlying	**13.1**		**11.3**	

Balance Sheet Summary ($m)

- Minimal debt ($3.3m @ 30 June)
- Intangibles largely goodwill on acquisitions, and increase reflects USA acquisitions
- Receivables and payables movement in line with business growth
- Liabilities includes $14.8m of deferred consideration on USA acquisitions (full earn-out assumed)
- Net tangible assets up $1.7m when excluding goodwill and deferred consideration

	FY13 $m	FY12 $m
Cash	13.5	12.2
Receivables and other	28.7	26.1
Total current assets	42.2	38.3
PP&E	3.2	2.6
Intangibles	75.7	42.7
Total assets	**121.1**	**83.6**
Payables	26.0	22.9
Other current	5.7	4.8
Total current liabilities	31.7	27.7
Non current liabilities	16.4	2.9
Total liabilities	**48.1**	**30.6**
Net assets	**73.0**	**53.0**

Cash Flow Summary ($m)

- Operating cash flow has been positively impacted by improved supplier management and a positive contribution by the USA operations
- Other investing cash flows relate to USA acquisitions, with a further $2.5m to be paid post year end by 31 August, 2013
- Final dividend for FY13 of 6.5 cents per share payable October 2013 (fully franked)
- Higher capital expenditure due to further product investment, fit-out of new Perth office and Brisbane office renovation
- 2014 capex investment to be lower (circa$2m)

	FY13 $m	FY12 $m
EBITDA	20.0	18.0
Change in working capital	1.5	(7.3)
Income tax paid	(5.2)	(3.0)
Interest	(0.3)	(0.2)
Cash flows from operating activities	**16.0**	**7.5**
Capital expenditure	(3.5)	(2.8)
Other investing cash flows	(15.9)	(9.5)
Cash flow from investing activities	**(19.4)**	**(12.3)**
New equity/borrowing	9.8	6.7
Dividends paid	(7.5)	(5.8)
Net drawing of borrowings	2.4	0.4
Cash flow from financing activities	**4.7**	**1.3**
Net increase/(decrease) in cash	**1.3**	**(3.5)**

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USA Case Study R&A Travel – Organic Growth and Margins

FY13 - Execution of M&A Objectives:

- Significant Organic Growth – cross-sell/sales rigour
- Increased profitability - CTM's business systems and disciplines
- Retained key staff and clients
- 2H continued improvement in margin - strong momentum for FY14

FY14- Continued Organic Growth and Margins:

- Combined USA business (inc Travelcorp USA) TTV$300m+ on run rates
- Focus upon M&A transition discipline
- Expectations of **continued organic growth:**
  - Larger sales team spread across 6 cities
  - Building value proposition and cross-sell strategy
- Expect **continued improvement in EBITDA margins**
  - Scale to deliver stronger buying power, better leverage of support costs and synergies (CY14)
  - Building acumen across broader management team

AUD $'000	FY12- R&A	FY13- R&A	2HFY13- R&A
TTV (unaudited)	$110.0m	$149.0m (+35%)	$89.0m
EBITDA	0.73m*	$1.5m (+100%)	$1.2m
EBITDA Margin on TTV	0.66%	1.01%	1.35%

*Includes CTM Senior Manager in prior year cost base for comparative purposes

Travelcorp USA

- Acquired Travelcorp May 2013, FY12 TTV USD120m NPBT USD1.9m
- Travelcorp operates in 6 cities in Texas and Louisiana with 80 staff

Strategic rationale:

- Strategic Alignment - Travelcorp meets CTM's strict acquisition criteria
- Geographic Strategy - Texas and Louisiana are high growth regions that prefer local service solutions
- Scale – Travelcorp will add to CTM's US buying power, leverage our support service skills and client facing solutions in North America

Focus next 6 months:

- Focus on staff and client retention
- Leverage buying power, and any systems or process that adds value to clients and staff
- Trading to expectations (early days)

Merger and Acquisition Discipline

Eight successful acquisitions and integrations to date including off-shore. Common themes across all targets:

- Strong discipline in selection criteria – looking for the “1 in 100”
- Alignment - “Skin in the game” for leader and/or senior Management
- Weighted focus on financial and people due diligence for cultural match
- Robust transition process that enhances effectiveness of people & systems
- Focus on scalability with integration of key business functions
- EPS accretive

= creating better business acumen and discipline in team for better results

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FY14 Guidance

FY14 guidance 15%-20% underlying EBITDA growth on p.c.p. (circa $24.2-$25.2m EBITDA):

Basis of Guidance:

- Subject to no further erosion in the broader ANZ economy.
- Integration of Travelcorp USA with existing business
- Any acquisitions will be in addition to the above profit forecast

July-Aug13 trading update:

- USA transition in line with expectations & scalability, translating into improved buying power
- ANZ ATP has since steadied, but Federal election may be a factor weighing on client activity
- Trading is **in line with EBITDA forecast growth range,** despite tough and uncertain economic conditions, particularly in ANZ

FY14 Initiatives

Vision

FY14 STRATEGY

CLIENT WIN AND RETAIN

Strategic goals

- Enhance client service and experience through technology development
- SME expansion due to FY13 success
- Cross-sell brands and countries
- Allure- high-end leisure brand (Aust/USA)
- Sales team expansion (Aust /USA)
- Continual enhancement of ROI through BI tool in all ctm countries

ACQUISITION

Strategic goals

- Leverage USA scale for organic and profit growth
- Bed down Travelcorp acquisition (USA)
- Continue to look at additional EPS accretive acquisitions in line with 5 year plan

REVENUE PER FTE

Strategic goals

- Extend productivity project to USA
- Create time to service & eliminate non productive workflow
- Enhance client service and experience

STAFF AND CLIENT SATISFACTION

Strategic goals

- Continued high client service
- Continued staff engagement
- Feedback to innovation process for continuous improvement

FY14 Technology

FY14 continued investment in CTM Technology:

- Business Intelligence Global rollout
- Client Portal X – Next generation
- Travel Forecaster
- Enhanced Traveller Tracking
- Hotel Review System
- Taxi Solution
- Globalfares

Total investment in future technology circa $1m.

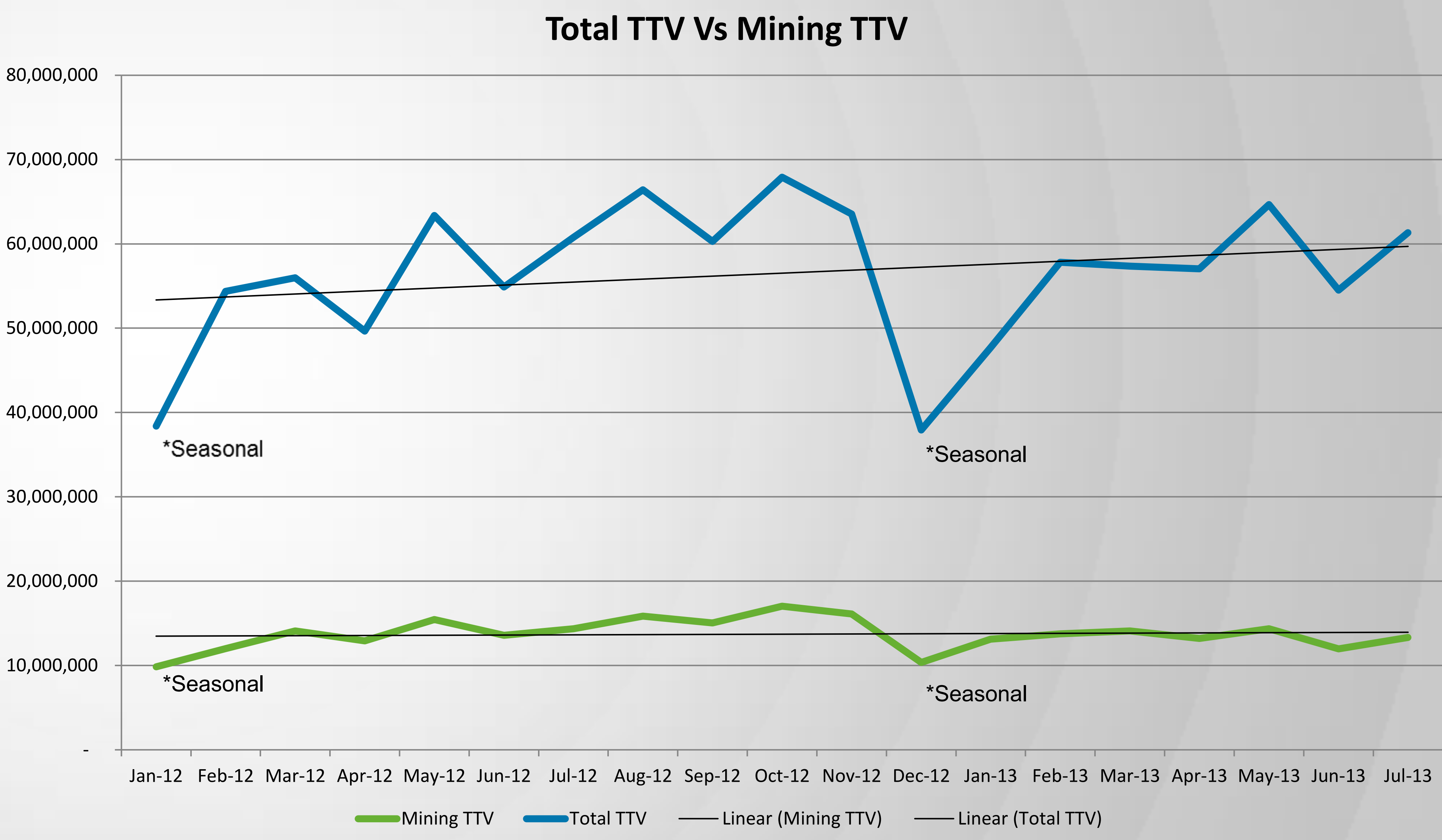
FY14 Exposure to Currency and Mining Sector

Currency Effect on corporate activity/CTM:

- No correlation to currency movements and client activity.
- Corporate sentiment and local GDP a very strong correlation (explains activity decline).
- Growth in relative size of US profits coupled with a decline in AUD from parity is expected to have a positive impact on FY14 EBITDA

Mining Exposure (ANZ):

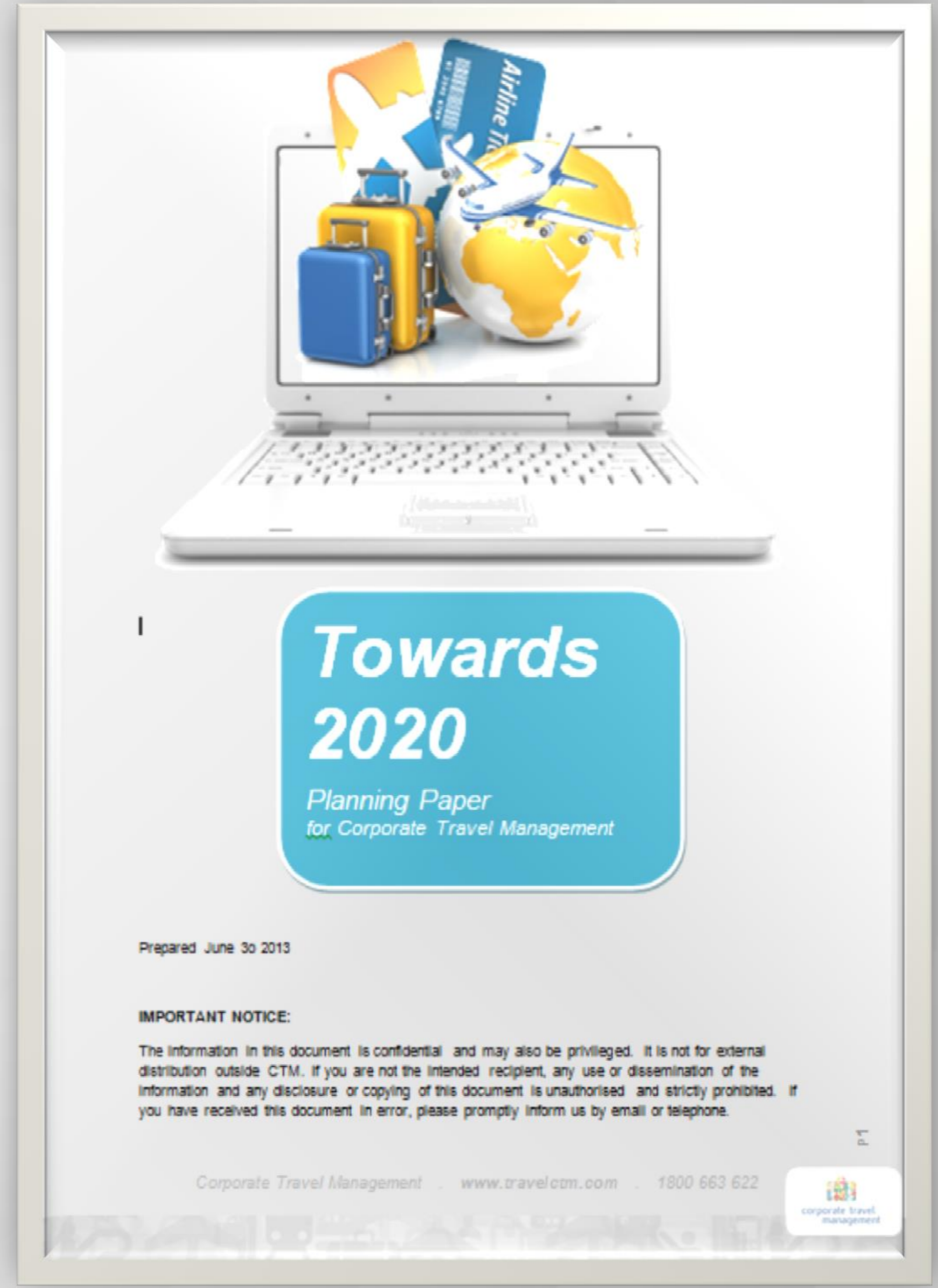
- Sector represents 25% of ANZ client base
- Mining spend has since flat lined
- Softening is broad based and not confined to mining



5 Year Plan

Aspirations:

- 5 year forward planning for ANZ, to ensure it continues to be a "fortress" of continued growth and high profitability that underpins global expansion strategy
- To be in every major region (Asia, Europe, North America, ANZ) with potential for emerging markets where suitable
- To organically grow in all operations and win regional and global clients via a client friendly multi-regional solution
- 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 TMC in every region we operate by retaining CTM's highly differentiated service model and high staff engagement, underpinned by technology solutions that add client value
- **To ultimately be a truly global company where substantial profit is derived off-shore**


Towards 2020

Planning Paper
for Corporate Travel Management

Prepared June 30 2013

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