

PayPoint plc

Results for 53 weeks ended
31 March 2013



23 May 2013

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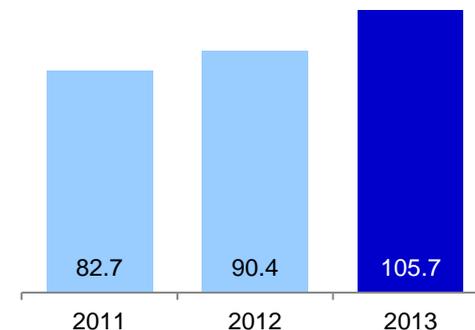
Results summary

- A set of strong results with progress across all parts of the business in line with our strategy
- Record transaction volumes of 739m up 12%, and operating profit up 8% to £42.0m
- Continued retail growth, with transactions up 10%
 - UK and Ireland (UK & I) retail network transactions up 9% (net revenue up 19%)
 - Romanian retail network continues to grow profit, with 30.7m transactions (up 28%)
 - Improved retail yield underpinned by 22% transaction growth in retail services (net revenue up 22%)
 - Parcel service¹ profitable and starting to scale with transactions doubled
- e&m commerce channels delivering top line growth with transactions up 27%, net revenue up 8%
 - Internet payment transactions up by 26%
 - PayByPhone transaction growth of 29%
- Dividend of 30.4p per share, up 15% plus a special dividend of 15p per share

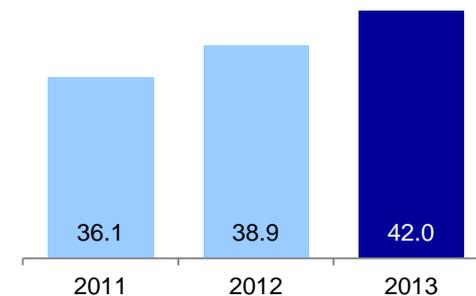
1. Comprises of our share of JV loss and UK retail network parcels net revenue less direct costs
2. The 2013 results cover a period of 53 weeks (2012 & 2011: 52 weeks) and as a consequence percentage increases are flattered by an additional week of trading. Percentage increases on a pro-rata basis would be lower than those shown
3. Excludes special dividend in 2013

Period ended March²

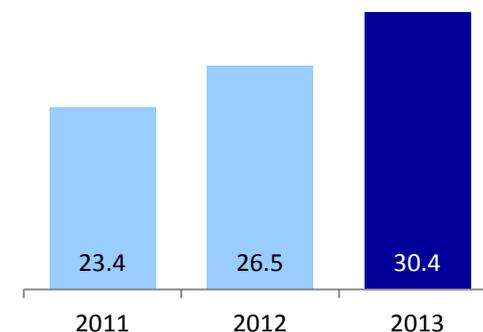
Net revenue £m



Operating profit £m



Dividends per share pence³



Results summary continued

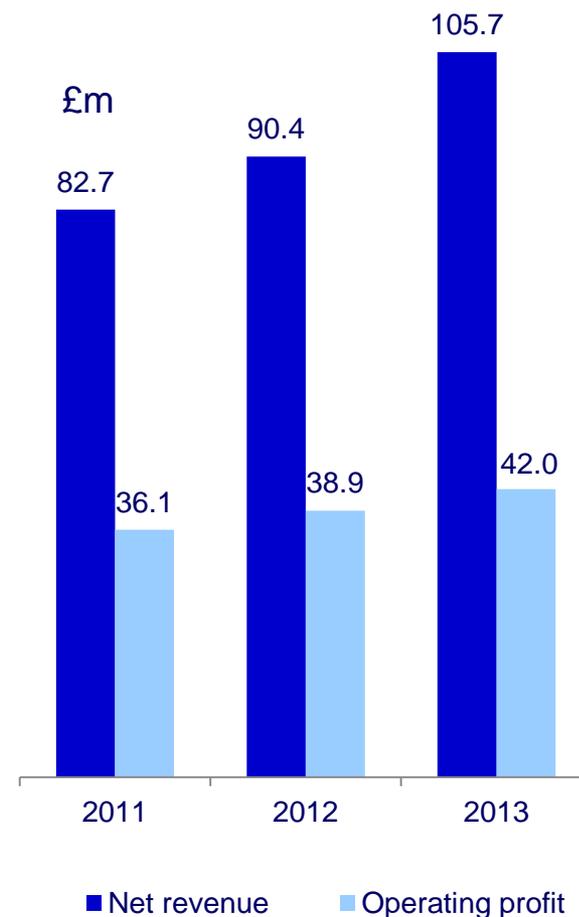
- We have delivered strong growth, leveraging our assets and driving new revenue streams
- Retail
 - Improved yield through retail services justifies further site growth in the UK, leveraging payments, ATMs, credit and debit functionality and parcels
 - Our CashOut capability continues to extend, underpinned by the roll out of the Simple Payment service (SPS), but further enhanced by many local authority contracts
 - Selected by EoN to replace the Post Office in one county in Romania
- e&m
 - Our e&m commerce businesses are developing well in fast growing markets, with transactions up 27%, though they are not yet at scale
 - Now under single management, we intend to position our capability for profitable growth in this fast expanding market
- We are increasing integration between technology platforms to improve our capability, efficiency and scalability
 - Infrastructure developments focus on a single group architecture
 - Consolidation of data centres over time
 - Launch of single daily settlement to UK retailers
 - Reviewing technology consolidation opportunities within our e&m commerce business

Financial review



Strong business momentum

Period ended March	2011	2012	2013
	£m	£m	£m
Net revenue ¹	82.7	90.4	105.7
Other cost of sales	(12.0)	(12.1)	(16.0)
Administrative expenses	(34.6)	(39.4)	(47.7)
Operating profit	36.1	38.9	42.0
Share of Collect+ JV	(1.5)	(1.8)	(1.0)
Investment income & finance cost	(0.1)	0.1	0.3
Profit before taxation	34.5	37.2	41.3
Tax	(10.6)	(10.3)	(10.3)
Diluted earnings per share	35.1p	39.8p	45.3p
Dividend per share ²	23.4p	26.5p	30.4p



1. Net revenue is revenue less commissions paid to retail agents, the cost of mobile top-ups and SIMs where PayPoint is principal, card scheme sponsors' charges and out sourced call centres.

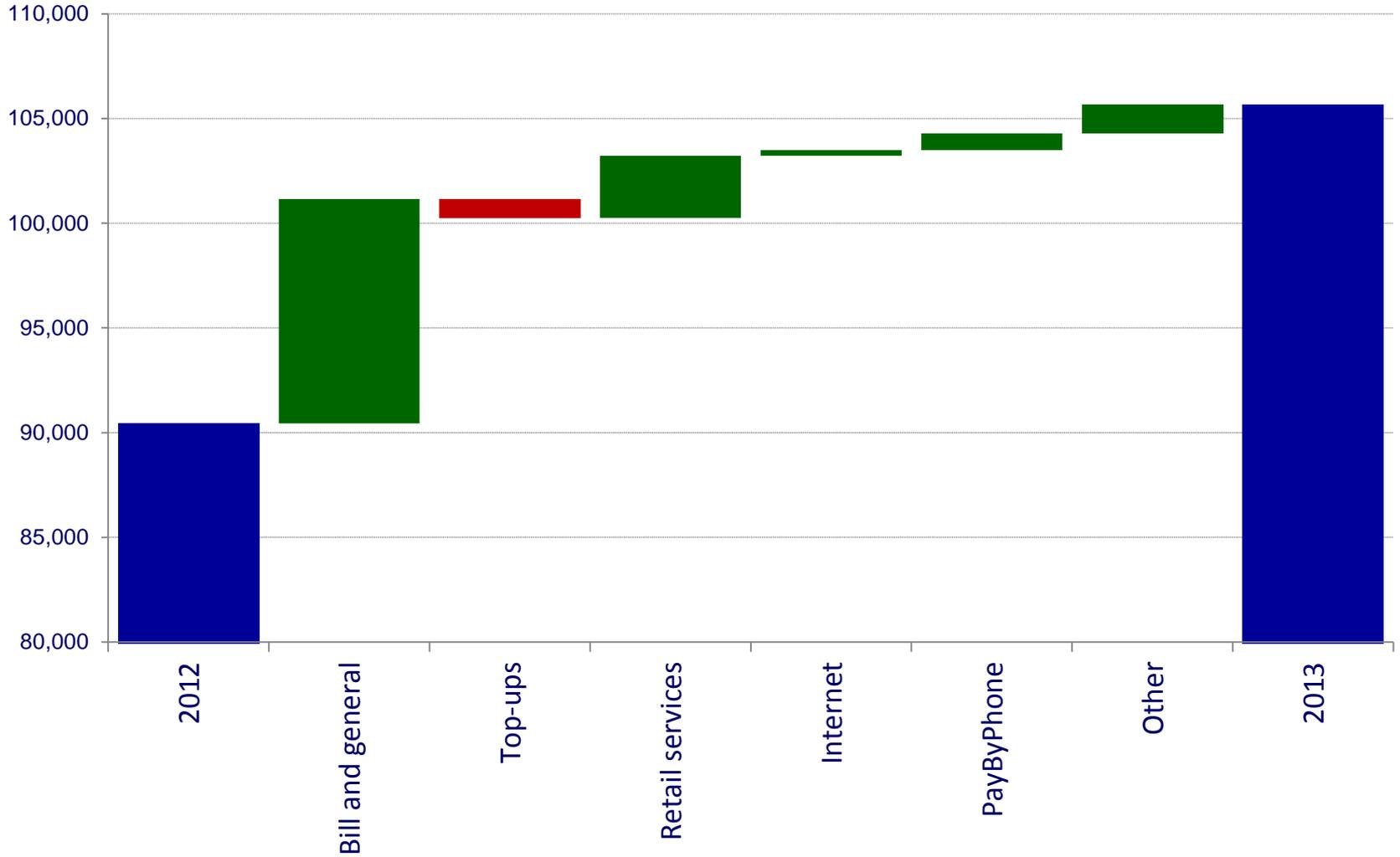
2. Excludes special dividend in 2013



Net revenue bridge

Period ended March 2013

£000



Cash generation and use

Period ended March	2011	2012	2013
	£m	£m	£m
Operating cash flows	40.8	43.3	47.4
Working capital	1.4	0.0	3.3
Cash generated by operations	42.1	43.3	50.7
Tax paid	(11.0)	(10.4)	(10.6)
Net cash inflow from operating activities	31.1	32.9	40.1
Net cash used in investing activities	(4.4)	(7.0)	(10.4)
Bank loan	(6.0)	-	-
Equity dividends	(15.0)	(16.5)	(19.0)
Net cash used in financing activities	(21.0)	(16.5)	(19.0)
Net increase/(decrease) in cash	5.7	9.4	10.7
Cash at beginning of year	20.8	26.5	35.5
Effects of foreign exchange rate changes	0.0	(0.4)	0.4
Cash at end of year	26.5	35.5	46.6

Key messages

- Net revenue and profit growth
- Excellent cash conversion
- Ongoing investment to secure future growth
- Balance sheet strong

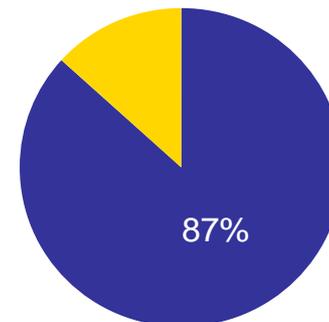
Operational review



Retail (UK, Ireland & Romania)

Period ended March 2013

Group net revenue



- Strongly differentiated over the counter payment proposition
- The network:
 - Over 32,000 convenience stores open early until late
 - Servicing most major utilities and service companies with long term contracts, some with exclusivities
 - In the UK, a good mix of major chains, buying groups and independents with low churn (c. 3% pa)

- Offering a variety of services:
 - *Cash in*: household bill payments, mobile top-ups and e-money loads
 - *CashOut*: Simple Payment service, energy company rebates, local authority payments
 - *Retail services*: Parcels, ATMs, broadband, money transfer, SIMs, debit/credit processing, receipt advertising
 - Parcels service profitable ahead of expectations
- Leading technology partner:
 - Market leading point of sale for payments and services
 - Single daily settlement system to UK retailers
 - Largest provider of contactless technology in stores

	2012	2013
Transactions (m)	569	625
Average spend per transaction (£)	14.5	14.9
Transaction value (£m)	8,256	9,281
Net revenue (£m)	77.5	91.6

UK multiple retail partners include:



UK clients include:



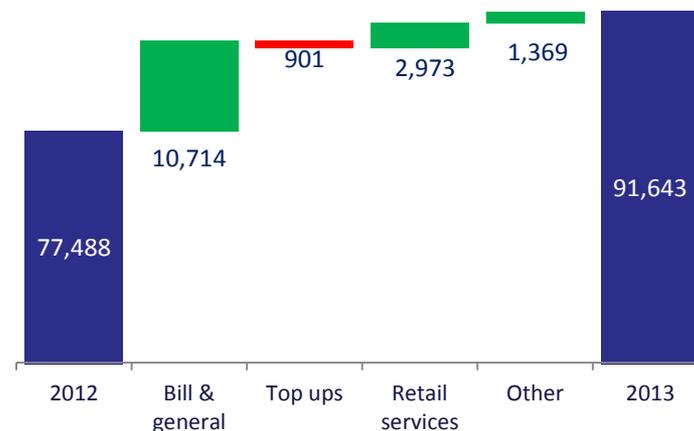
Retail

UK & Ireland

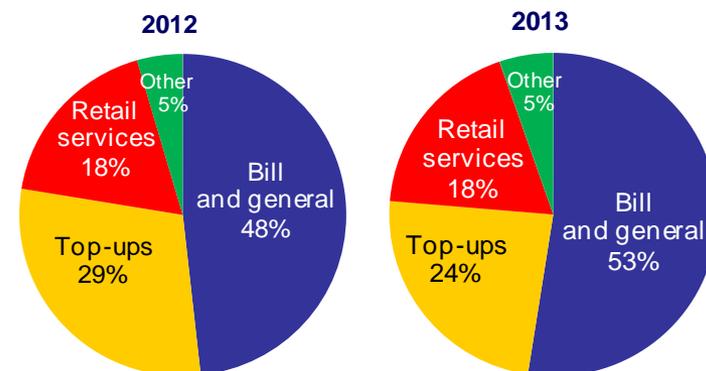
- Bill and general payment revenues continue showing growth, enhanced by the DWP's Simple Payment service
- Mobile decline mitigated by Health Lottery and e-money revenues
- Net revenue growth across all retail services products
 - ATMs +1%, debit and credit +30%, SIM sales +16% and parcels volume has doubled
- Continued retail service innovation
 - Roll out of virtual terminals to key multiples continues
 - Broadband connectivity currently in almost 4,500 sites
 - Single daily settlement to benefit retailers
- Almost 1 in 5 UK adults have used a PayPoint UK Retail product or service in the last 12 months*
- Strong consumer advocacy
 - 98% Customer satisfaction - very satisfied (86%) or satisfied (12%)**
 - High Net promoter score of 71 (comparable to Apple and Virgin)*

Period ended March

Retail net revenue bridge £000



Retail net revenue by service



Other net revenue includes fees for SBI charging, software development, configuration and settlement of claims

*TNS Omnibus survey March 2013 ** IpsosMORI Customer Exit Poll December 2012

Retail

Romania

- Bill payment transactions increased by 35% and top-ups by 2%
- Bill payment market share now 12% with significant growth opportunities supported by national TV advertising campaigns to increase awareness
- In addition to national clients there is a fast growing list of local clients; water, financial, refuse collection, providing further differentiation
- Retail network continues to grow through special project initiatives with clients, with focus on yield management
- Selected by EoN to replace the Post Office in the county of Iasi with the remainder of the region of Moldova likely to follow suit

Period ended March	2012	2013
Transactions (m)	24.0	30.7
Transaction value (RON m)	1,832	2,804
Terminal sites	6,730	7,339

Romanian clients include:



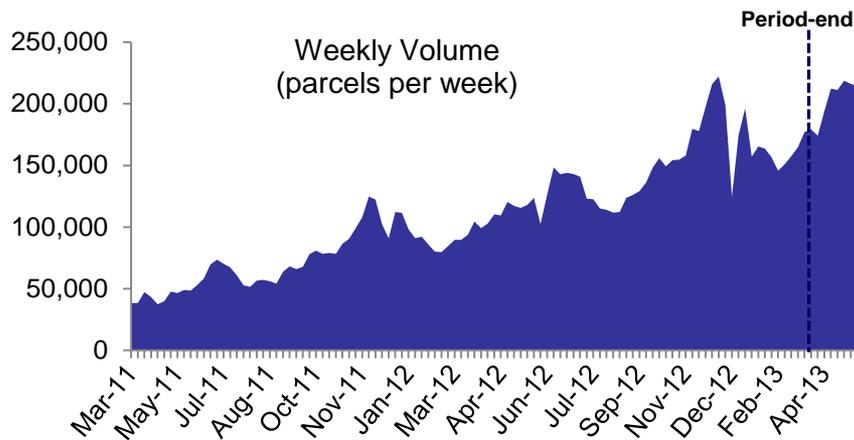
Collect+

- JV with Yodel to transform shopping fulfilment for consumers
- Pioneer and clear market leader in parcel collection and returns through local shops, as convenient alternatives to home delivery or Post Offices
- C2C and B2C parcel services have experienced strong growth
 - 5,255 sites (+11% net growth)
 - 212 participating brands (+68% growth)
 - Total volume growth 2.0x ; revenue growth 2.2x

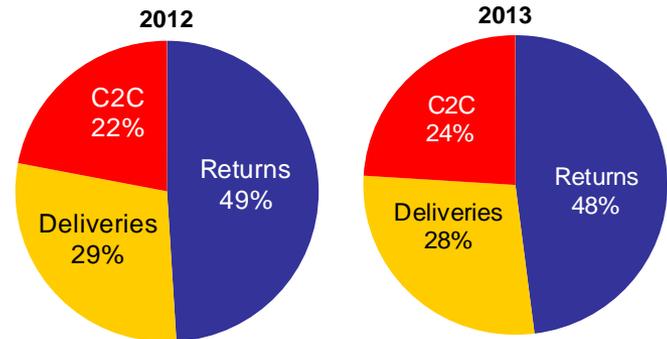
Period ended March

Collect+ at 100%	2012	2013
Transactions (millions)	3.8	7.7
Collect+ revenue (£m)	8.0	17.8
JV loss* (£m)	(3.7)	(1.9)

* JV loss at 100%. PayPoint reports 50% of this loss in the Consolidated Income Statement as well as the net revenue and direct costs from parcels in the UK retail channel results.



Revenue by service



Collect+ is reported in the Consolidated Income Statement on a loss after tax basis only and therefore its revenue and net revenue are not included in the consolidated revenue and net revenue.

Corporate customers include:





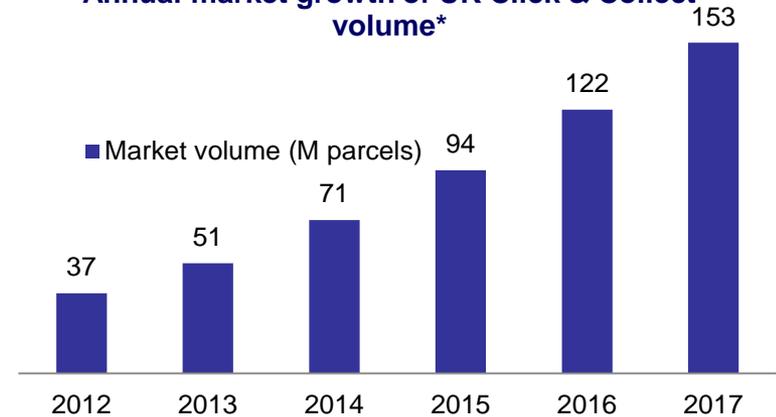
Collect+

- Collect+ solves the retailer challenge to provide consumers with a more convenient and flexible delivery and returns service
- The click and collect market is anticipated to grow strongly as consumers adapt to alternative delivery locations
- Collect+ is the largest operator in this space and is well positioned for further growth
 - New client additions, to include new sectors such as technology, general merchandise as well as fashion/clothing
 - Launch more flexible offer with inbuilt loyalty scheme relative to the Post Office
 - Enhance current offer with launch of a faster service
 - Increase the size of the collection store footprint from within the PayPoint estate
- Collect+ success is attracting competition

Corporate customers include:

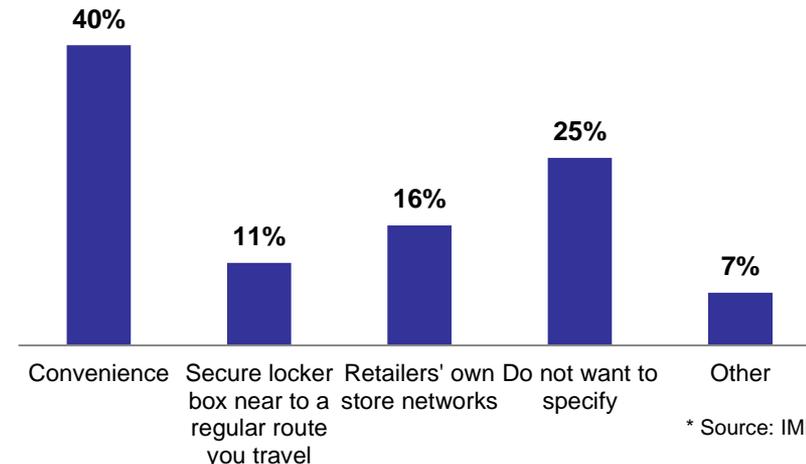


Annual market growth of UK Click & Collect volume*



* Source: IMRG

If customers could choose alternative delivery locations, 40% would select locations consistent with the PayPoint/Collect+ network (2012 = 37%)*

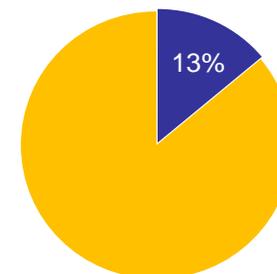


* Source: IMRG

- Core to group strategy to provide clients with multi-channel payment capability
- Accesses fast growing markets and acts as a bridge for the eventual migration of cash to electronic payments
- Consists of internet and mobile payments capabilities, neither of which are scale businesses
- Businesses now under single management to better position our capability to secure profitable growth

Period ended March 2013

Group net revenue



Period ended March	2012	2013
Transactions (m)	90.1	114.1
Transaction value (£m)	3,864	4,814
Net revenue (£m)	13.0	14.0

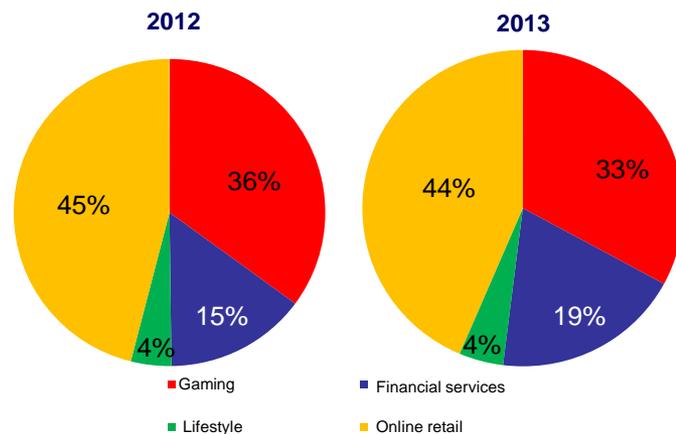
Web merchant partners include:



e&m commerce - Our Internet payment business (PayPoint.net)

- One of the largest independent PSPs in the UK, based on revenues
- Provides secure debit/credit card and other payments for web merchants as well as fraud screening and reporting systems
- Volumes growing (26%)
 - Includes 4.6m energy prepayment transactions from UK, up 60%
- Broad, stable portfolio:
 - No single customer represents more than 5% of revenues
 - 90% of revenues from customers using us for more than 1 year; 47% more than 5 years

Internet net revenue by service



Web merchant partners include:



FIREBOX

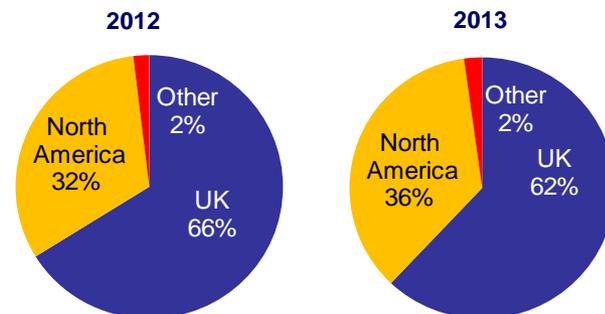


e&m commerce - Our mobile payment business (PayByPhone)

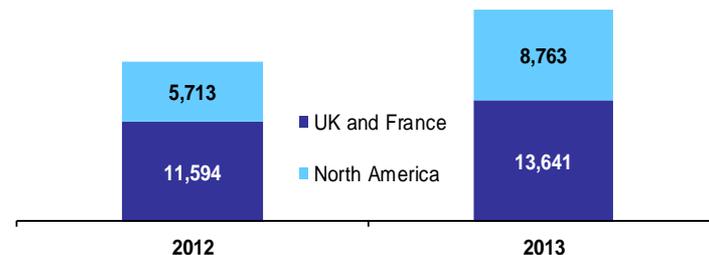
- Leader in mobile parking payments in UK, France, USA and Canada, and well placed in fast growing markets
- Over 5 million users have registered on our system since inception
 - Over 100,000 new users added every month
 - Over 250,000 individuals use the service every week
- Continued development
 - Apps
 - NFC (contactless) deployment
 - Focus on urban mobility; parking, toll payments, bicycle rental
 - New API to allow non parking payments
 - Les Taxis Bleus (2nd largest taxi operator in Paris) contracted to go live for mobile payments shortly
- Good sales success
 - 4 new London boroughs
 - New York City trial, Seattle, California state university
 - 11 new wins in France, including 5 additional suburbs in Greater Paris
- Path to profitability through
 - Continued revenue growth, but tenders remain slow to implement
 - New mobile payment revenues via API
 - Cost improvements e.g. call centre and text costs

Period ended March

PayByPhone net revenue by geography



PayByPhone transaction volume 000



PayByPhone clients include:



Summary and outlook



Summary and outlook

Current year trading is in line with the company's expectations with a strong foundation for future growth

We will continue to execute on our strategy:

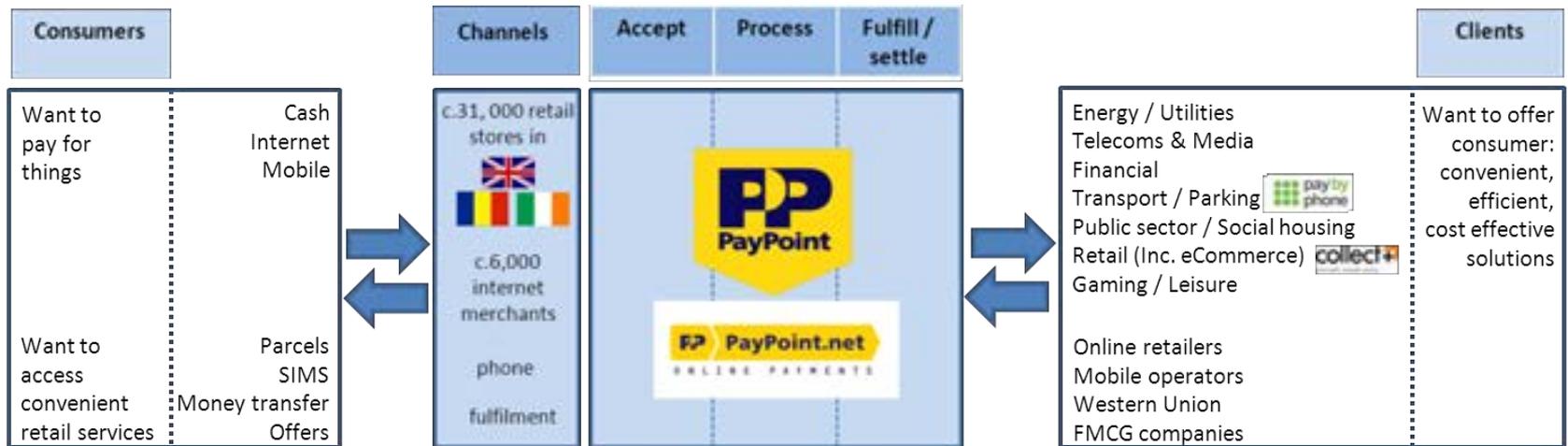
- Leverage and grow our retail business
 - payment revenue growth in UK and Romania
 - further enhance retail yield through the continued development of our retail services proposition
 - growth of the UK and Romanian retail networks
- Within e&m commerce increased levels of integration between our internet and mobile businesses will enhance our capability and opportunity for profitable growth in fast growing markets
- Continued investment into the group payments platform to drive greater multi channel capability and efficiencies
- PayPoint UK retail, Romania, PayByPhone and Collect+ are all market leaders and are getting stronger in their markets

The essence of what we do



The 'essence' of what we do

- We process high volume consumer transactions, for **multi-channel payments** and **retail services** (e.g. parcels) for clients in **vertical markets**, through **integrated flexible platforms**
- Payments are typically low value and cover retail, internet and mobile, with money flowing to and from clients and consumers
- The platform connects to retailers and internet merchants, across different geographies, to whom we add value by providing new services
- We aim to help our clients deliver greater convenience to their consumers

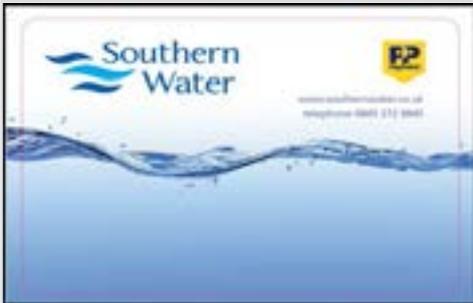
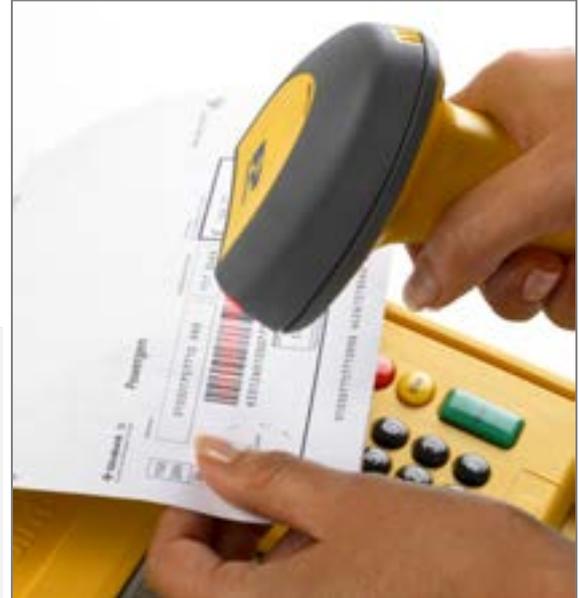


We aim to grow by leveraging our platform in targeting more clients, merchants and retailers, in turn attracting more consumers to use our services

Materials to support the consumer transaction



UK Retail: Client payment media



UK Retail: Retail store



UK Retail: Retailer external signage



UK Retail: PPOS merchandising



UK Retail: Terminals and ATMs



UK Retail: Terminal / PPOS receipts



Transport Ticketing

Sample SPAR Tag

PP
PayPoint 99999
 Demo
 Software
 Receipt
 BRITISH GAS HOME TRADING
 Gas Payment Plan (GPP)
 000005115
AMOUNT GBP 15.00
 06:58 22/05/07 :
 SN 023050001 TXN 3818
 GAS PAYMENT PLAN (GPP)
 PROVIDES THE FLEXIBILITY
 TO SPREAD YOUR PAYMENTS.

50p off **SPAR** **Gourmet Ready Meals**

Present this coupon at the till when buying a SPAR Gourmet Ready Meal in any Tates store in London to receive your 50p discount.

E Top-up

PP
PayPoint 20213
 TEST 1
 IN THE TESTROOM
 UGC
 ORANGE
 PAY-AS-YOU-GO
 8944129990323614957 :
 17:36 03/06/04 :
 SN 023050071 TXN 5258

PAYMENT SUCCESSFUL
 CLIENT SITE PPOTF0020213
 REF ETPPCC467842476
 Please Dial 2345 to link
 card with mobile phone
 For use of credit

E Voucher

PP
PayPoint 20213
 TEST 1
 IN THE TESTROOM
 UGC
 VODAFONE UK
 PAYT TOPUP VOUCHER
 9826134600001000009
AMOUNT GBP 5.00
 17:16 03/06/04 :
 SN 023050071 TXN 5247
 VODAFONE
 E-VOUCHER
 SCHEME

Payment Successful
 REF PEV155000247
 PIN 240860572939
 SN 800104161

Utility Payment

PP
PayPoint 31906
 TEST 3
 3 THE TESTROOM
 UGC
 Severn Trent Water
 Watercard Payment
 303075999338
AMOUNT GBP 50.00
 15:10 03/06/04 :
 SN 023050050 TXN 5230
 IF YOU HAVE DIFFICULTY
 IN PAYING YOUR WATERBILL
 PLEASE CALL 08457 500500

UK Retail: PPOS virtual terminal



PayByPhone: Parking payment: IVR, SMS, mobile web



TO PAY CALL:
0207 005 0055
Call charged at local rate
 OR VISIT:
paybyphone.co.uk
The rate of exchange for more payment details
LOCATION 12345



To pay call:
0207 005 0055
Call charged at local rate
 Or visit:
paybyphone.co.uk

Parking fees will be charged to your credit or debit card. License fees are charged at 20p per hour.
Visit our www.southcoast.gov.uk/parking
Location 12345



payez votre stationnement par mobile !

avec l'appli mobile

 ou par internet ou appel local
paybyphone.fr
01 74 18 18 18

suivez les instructions
 Munissez-vous du **code place** inscrit au sol à côté de votre stationnement. (ex:A-10)
1 entrez le **code tarif**
 Remplacez la lettre de l'emplacement par le code tarif. (ex: pour A-10, entrez 161)
A= 161
 résident 261
B= 162
 résident 262
2 entrez le **n° de place** puis **confirmez la durée**
 (ex: pour A-10 entrez 10)
Conditions générales et détails sur paybyphone.fr. La 1ère fois, se munir du n° immatriculation et d'une CB.

PayByPhone: Les Taxis Bleus



PAYEZ VOTRE TAXI PAR MOBILE !

scannez   **OU** connectez-vous **paybyphone.fr**

entrez le code taxi **3883** et validez

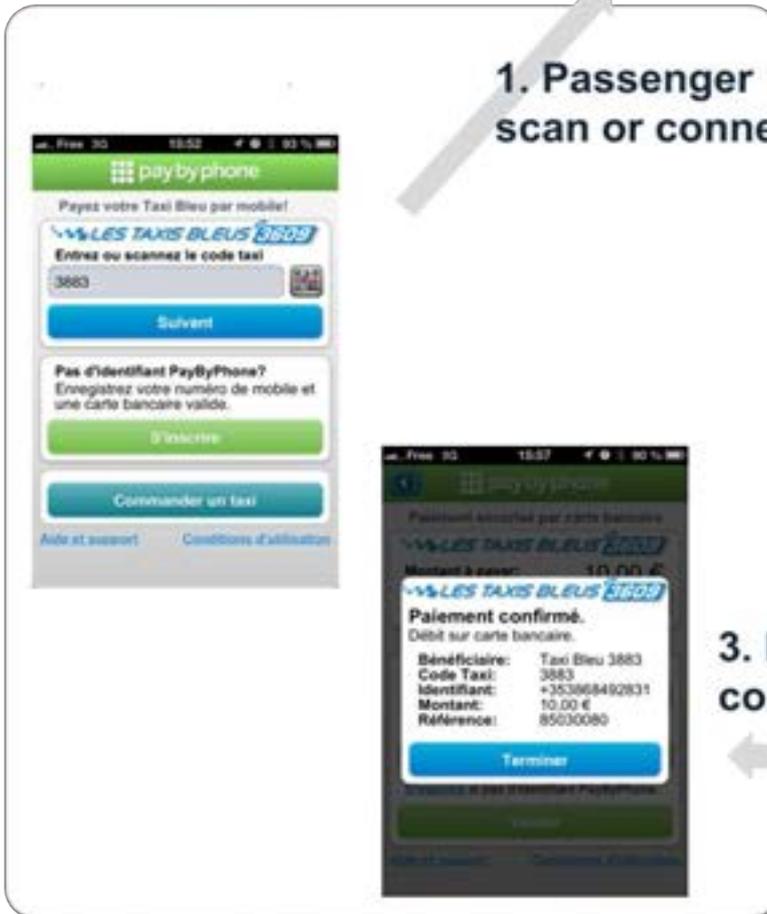
LES TAXIS BLEUS 3883

payby phone

la 1ère fois ?
clickez sur ce lien
pour créer votre compte

VISA Mastercard Apple Pay

1. Passenger scan or connect



The image shows a sequence of three mobile app screens. The first screen is the main interface with a "pay by phone" header, a "LES TAXIS BLEUS 3883" logo, and a field to "Entrez ou scannez le code taxi" with "3883" entered. Below are buttons for "Suivant", "Pas d'identifiant PayByPhone?", "S'inscrire", and "Commander un taxi". The second screen shows a confirmation message: " Paiement confirmé. Debit sur carte bancaire." with details: "Bénéficiaire: Taxi Bleu 3883", "Code Taxi: 3883", "Identifiant: +353968492831", "Montant: 10.00 €", "Référence: 85030080". A "Terminer" button is at the bottom. The third screen is a confirmation receipt with the same details as the second screen.

2. Driver enters amount

3. Passenger confirms payment



The image shows a sequence of two mobile app screens. The first screen is a driver profile page for "Lucas Poignant" with details: "Code Taxi: 3883", "Véhicule: Classe A", "Numéro de Mobile: 0696169050", "Intitulé du poste: L.M.N.N.". The second screen is a numeric keypad for "Saisir le montant de la course" with "10,00€" displayed. The keypad has buttons for digits 1-9, 0, and a decimal point, along with "Annuler" and "Envoi" buttons.



collect+
parcel made easy

for eBay | merchants | FAQs | news | contact

find your shop | return a parcel | send a parcel | track

create account | sign in

Parcels made easy - at your local corner shop!

- Send & collect parcels from early 'til late, 7 days a week
- Return items to many leading retailers FREE
- Send parcels to friends & eBay buyers from £3.99

find your local shop | return a parcel | send a parcel

Enter a place or postcode | Search

Select a retailer from the list | Select a retailer | Go

Enter a UK destination postcode | Send

- 1. Attach a label**
 - It's easy to print one online
 - We accept parcels up to 10kg
- 2. Drop off your parcel**
 - Over 5,000 corner shops nationwide
 - No more lost Saturdays or lunchtime queues
- 3. Relax**
 - Online tracking on all parcels
 - Compensation cover included

Return items to these leading brands with Collect+

ebay | evans | HOUSE OF FRASER | isme

You can even collect your parcels from a local shop. No more waiting in or stuck in parcel queues. **Discover More!**

Terms & Conditions | Terms of Use | Sign Privacy Policy

© 2011 Collect+ and Collect+ Ltd. Trading as Collect+ Registered Number: 09992222 | VAT Number: 9420 02071 Registered Address: Collect+, 24 Clarendon Road, Brighton, Hove, East Sussex, BN1 7 1JL

Supply Chain Winner | Retail Systems Awards 2011



The screenshot displays the 'collect+' website interface. On the left, there is a form titled 'Enter parcel details' with the following fields: Recipient's name, House No. or Company, Address line 1 (filled with 'Clarendon Road'), Town/City (filled with 'London'), County, Postcode (filled with 'W5 1AB'), and a dropdown menu for 'Regular Parcel (2-5kg) £4.99'. Below the form are navigation buttons: 'Checkout', 'Drop a parcel', 'Review & confirm', 'Pay', 'Print', and 'Drop the parcel at a shop'. The main area is a map of London with several red 'here' icons indicating delivery points. A central callout box for 'W5 1AB' states 'delivered to the door from £3.99'. At the bottom, a legend explains the pricing: 'Delivered to the door from £3.99' and 'Delivered to a local shop for the recipient to collect, just £3.49. We'll tell them when it arrives, ready for them to collect for up to 10 days'.

www.collectplus.co.uk – Parcel returns



collect+ parcels made easy

[find your shop](#)
[return a parcel](#)
[send a parcel](#)
[track](#)

[create account](#)
[sign in](#)

[hire ebay](#)
[merchants](#)
[FAQs](#)
[news](#)
[contact](#)

[Returns made easy - at your local shop](#)

- 1. Attach a Collect+ label**
 - You can easily print one online
 - Choose your retailer to begin
- 2. Drop off your parcel at a shop**
 - Over 5,000 shops open late, 7 days a week
 - No more lost Saturdays or lunchtime queues
- 3. Relax**
 - You'll receive proof of postage
 - Online tracking on all parcels

[Choose your retailer from the list below or try typing their name:](#)

	Book a return

- Additions - Very
- Alexon
- Amazon
- Andrew James
- Ann Harvey
- Apparel4Outdoors
- AquabyAqua
- Argos Outlet
- Artigiano
- ASDA Direct & George at Asda
- Asda Direct - Dyson Promotion
- ASOS
- Aspire Business Dress
- AtelierRun

[Terms & Conditions](#)
[Terms of Use](#)
[New Privacy Policy](#)

© 2011 One and Collect Ltd. Trading as Collect+ Registered Number: 08552221 VAT Number: 94230501 Registered Address: Collect+ 54 Clewer Road, Watlington, Northamptonshire, WD17

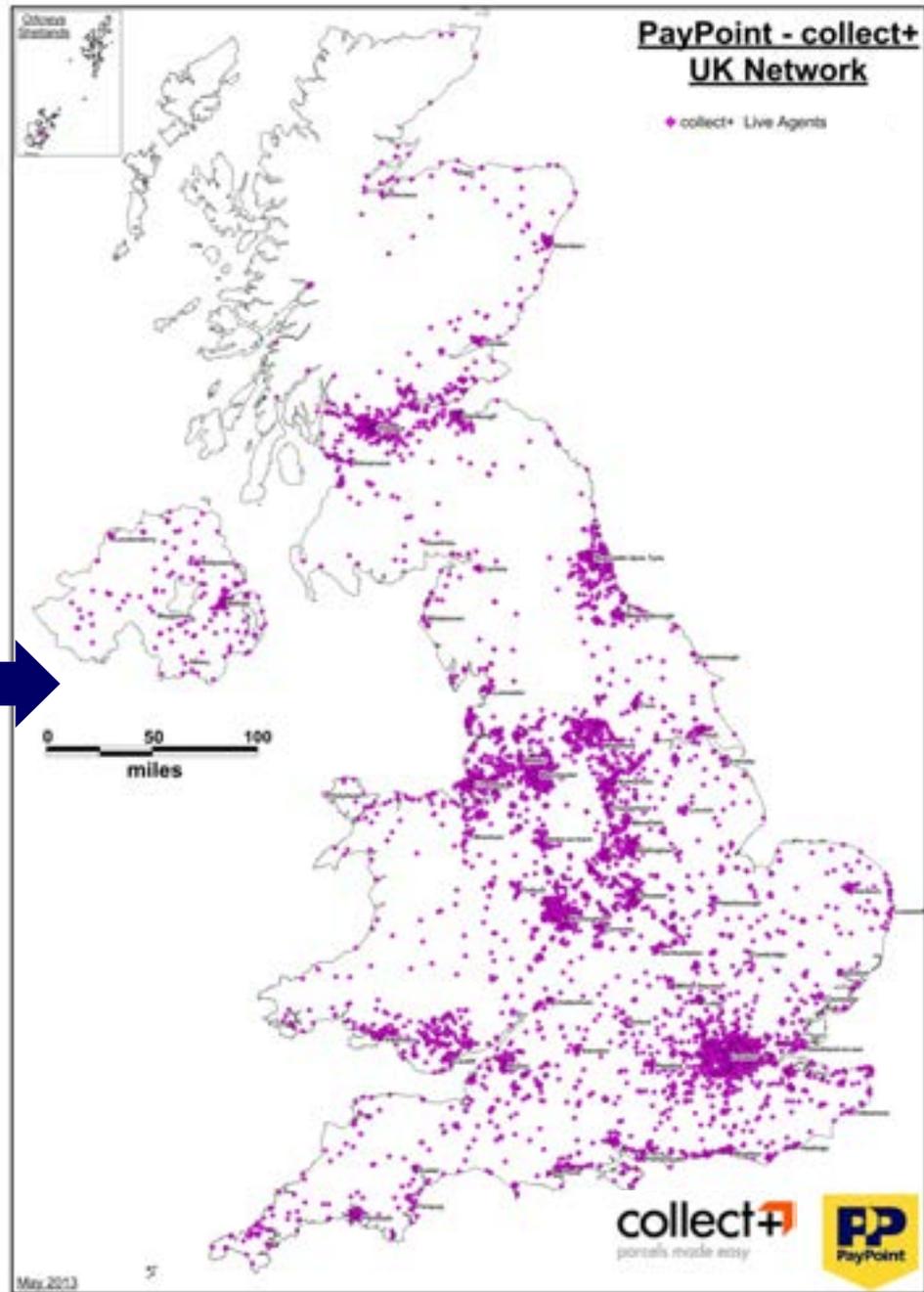
Collect+: Phone pick up barcode



Collect+: UK Network

- Target network density
 - 1 Mile urban
 - 5 Mile rural

**Over 5250
locations live**



PayCash – merchant’s website



Our Brands [Moonpig](#) [Photobox](#) [Invitations & Announcements](#)

moonpig.com Questions? Call 0845 4500 100 Hello Vivienne [Logout](#) [My Account](#) [Where's my order?](#) [Help](#) 1 item - £3.59 [View Basket](#)

[Cards](#) [Flowers](#) [Gifts](#) [Search](#)

Payment Options

Pay by card [Select](#)

Pay for your order with a credit or debit card

Add Prepay and Checkout [Select](#)

prepay club Save money and make ordering simple. Add £20 or more to your account and we'll add an extra 25% free.

Pay with PayCash [Select](#)

If you don't want to use a credit / debit card, pay for your order with cash at a PayPoint outlet

[Back](#)

Moonpig Products
[Greetings Cards](#)
[Flowers](#)

Helpful Links
[Delivery Information](#)
[FAQs](#)

About Moonpig
[About Us](#)
[Contact Us](#)

Our Apps
[iPhone](#) [Android](#)

PayCash – consumer voucher





Pay cash at PayPoint

Pay for your online purchase in cash at any one of nearly 20,000 PayPoint outlets across the UK!



moonpig .com

Thank you for your order, the details of which are as follows:

- Amount Payable: £10.76
- Order Number: ULWZR6

Please print out this invoice and take it to a PayPoint outlet. In the event that you are unable to print this invoice, please make a note of the 19 digit number below the barcode. When making payment, you must pay the full amount in order for your purchase to be confirmed.

To print this invoice, please [click here](#).

Please note, to achieve same day despatch from Monday to Friday, we'll need confirmation of your cash payment from the PayPoint retailer by 2pm. It will take up to 15 minutes for the PayPoint system to confirm the payment to Moonpig. Therefore, please ensure you pay by cash at a PayPoint outlet by 1.45pm at the latest to have your order despatched on the same day.

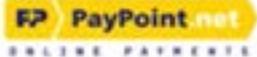
Nearest PayPoint Outlet?

Over 95 per cent of all UK households are within one mile in urban areas or five miles in rural areas of the nearest PayPoint outlet.

To find your nearest outlet simply [click here](#) or visit www.paypoint.com/locator



9826 1645 0267 3384 851
£10.76



ONLINE PAYMENTS

Pay cash at PayPoint: Your Order Invoice



Order ULWZR6
Expires on 05/06/2012

You can pay at any PayPoint outlet by taking this printed invoice and presenting it to the cashier. Your goods will be dispatched by the merchant once payment has been cleared. If you require any further assistance regarding this order, please contact the merchant.

Agent instructions: Take the customer's cash and scan the barcode on this invoice. If the barcode will not scan, type in the 19 digit code beneath the barcode and select 2+Barcode on the touch screen. Type in the invoice amount and press Enter. Select Confirm and hand the customer back their invoice and the PayPoint receipt.