



# Thomas Cook India Investor Presentation

May 2012

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# India's Leading Integrated Forex And Travel Operator

## ■ Leading integrated foreign exchange and travel services company

- 2011 revenue of Rs. 4,027m (up 18.3% from 2010)
- 2011 EBITDA of Rs. 1,177m (up 19.0% from 2010)
- Operations in India since 1881

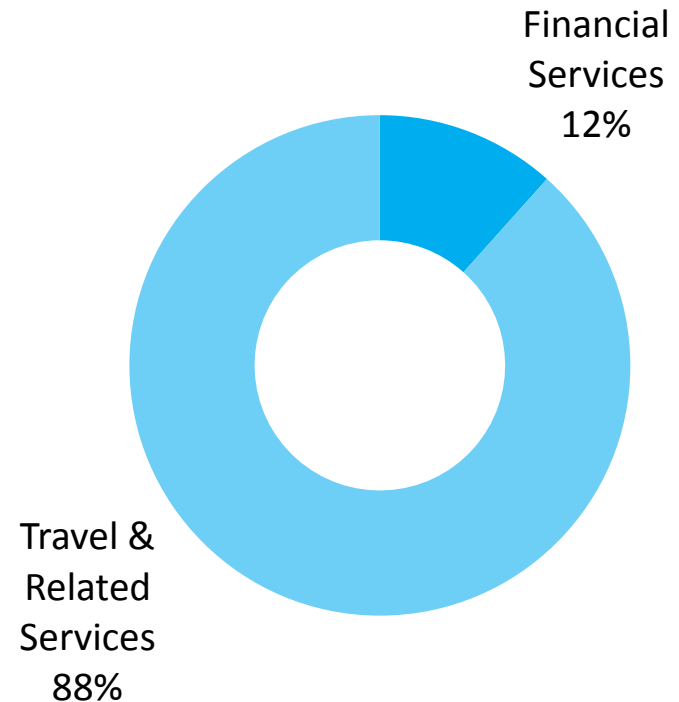
## ■ Strong franchises

- Forex
- Leisure Travel Inbound
- Leisure Travel (Outbound & MICE/Domestic)
- Corporate Travel

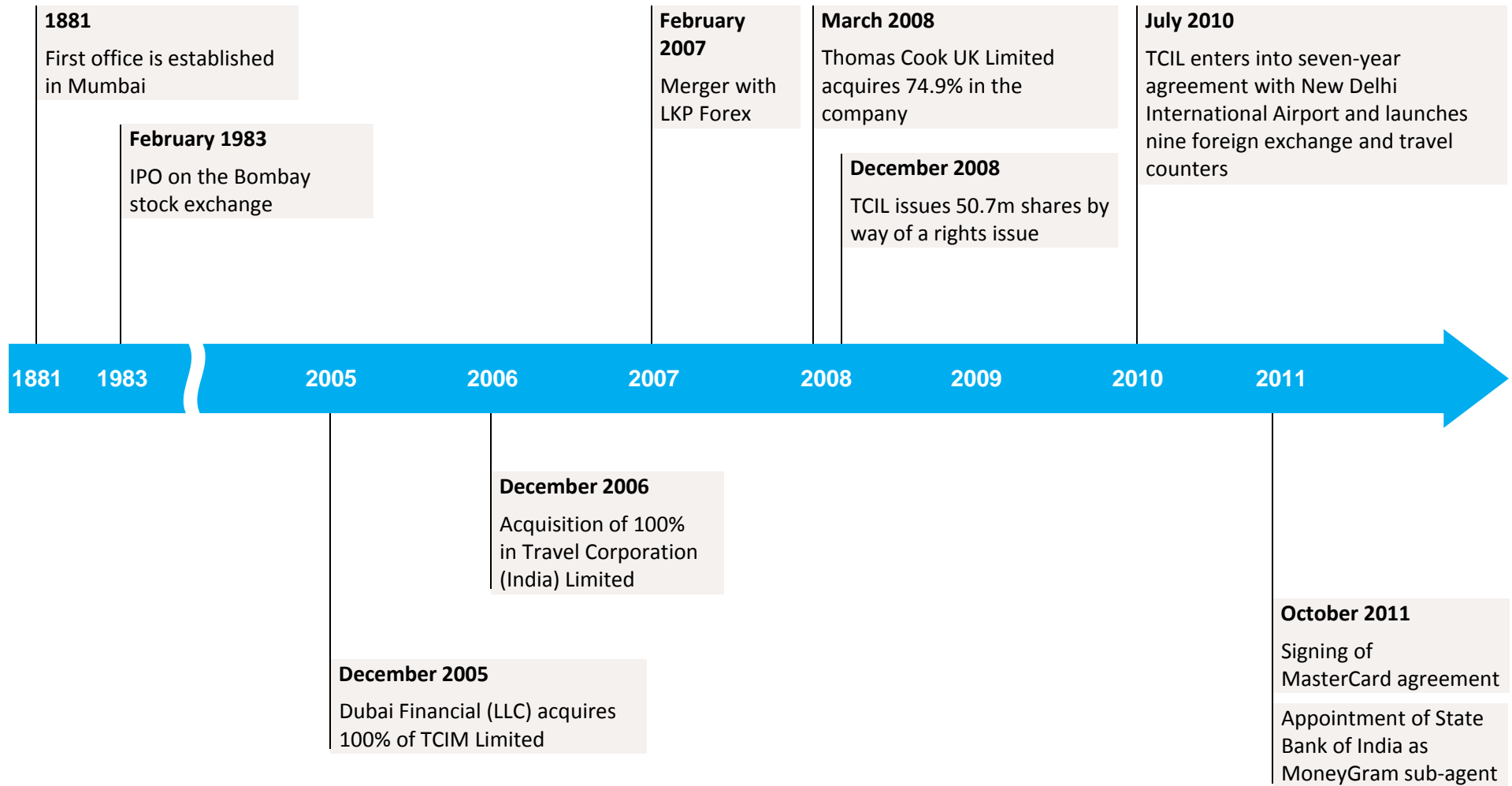
## ■ Expansive retail distribution network

- 151 own stores, 117 franchises, 166 preferred sales agents and 29 extension counters across India
- 16 locations in Mauritius and 2 locations in Sri Lanka airport

## Segment Revenue (2011A)



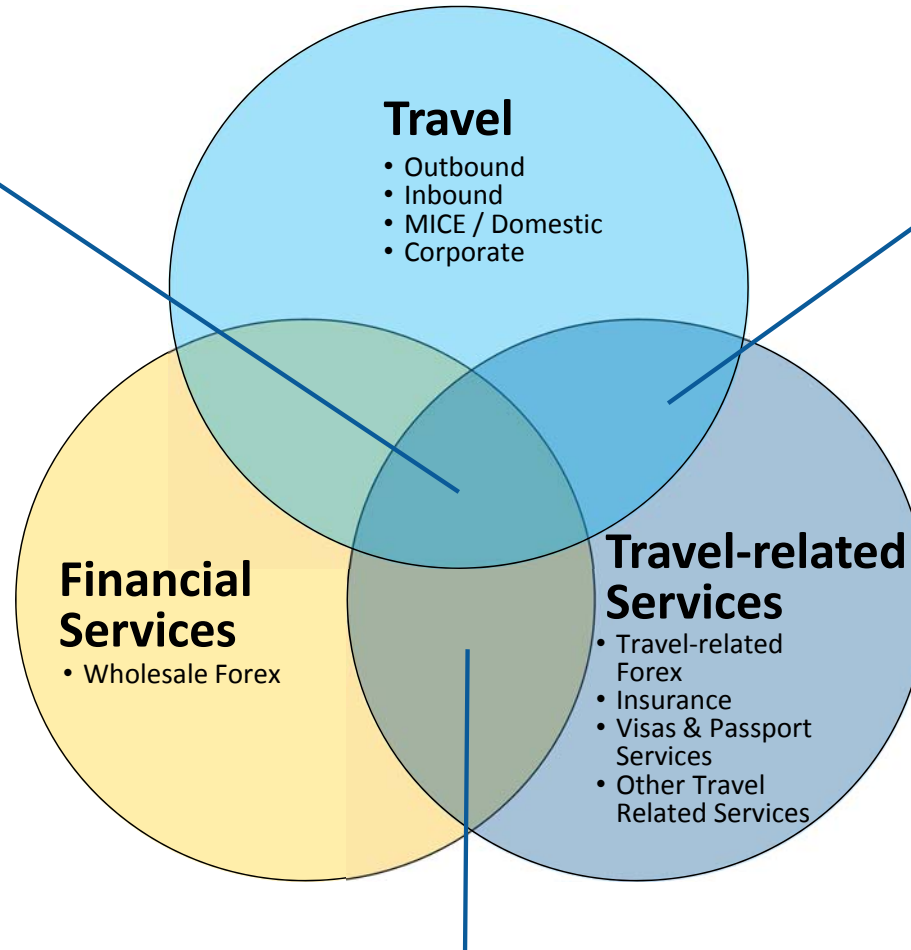
# Company History



# Benefits Of Operating A Fully Integrated Forex And Travel Platform

## Intra-Group Synergies

- Marketing & brand
- Distribution network
- Operating and infrastructure costs
- Customer access



## Cross-Selling

- Leverage footfall
- Leverage online platform

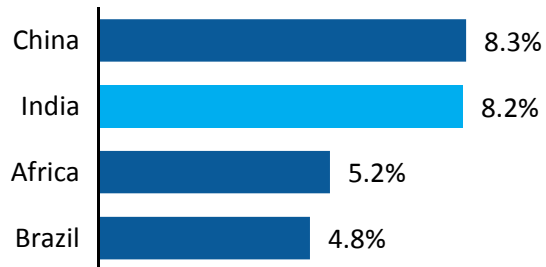
## Forex Scale Benefits

- Note consolidation more economical
- Dealing room and ability to hedge

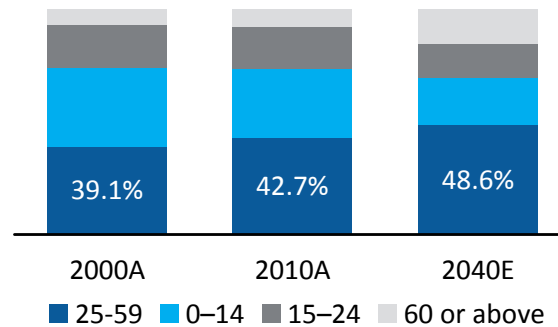
# Attractive Market With Strong Growth Characteristics

Supportive macro backdrop and dynamics...

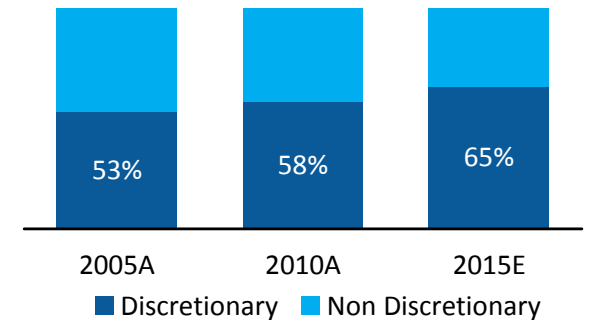
## Strong Real GDP Growth (2011-2015E)



## Young Population

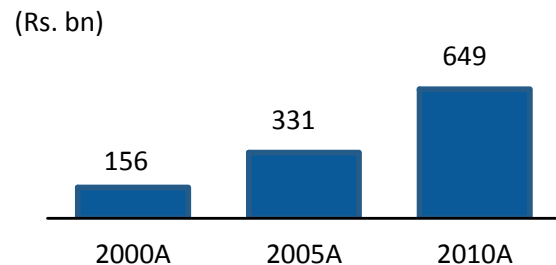


## Increase in Discretionary Spending

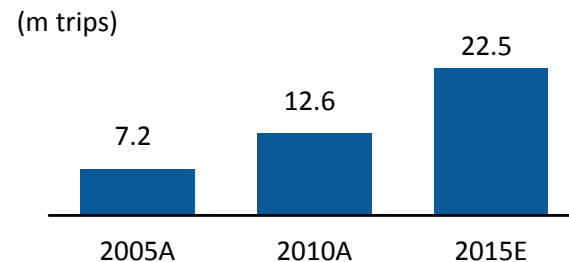


...stimulate growth in our areas of operation

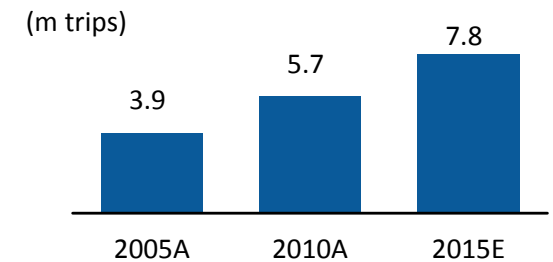
## FX Earnings from Tourism



## Outbound Travel from India



## Inbound Travel in India



Source: Global Insight, UN Population Statistics; Euromonitor, Ministry of Tourism annual report 2011  
 Note: Non discretionary spend only includes housing, food and non-alcoholic beverages

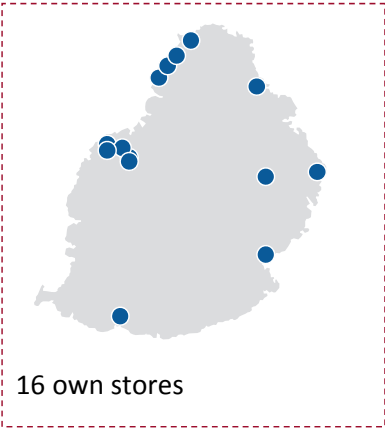


# Our Broad Distribution Network Ensures We Are Well Positioned To Capture This Growth

- Own stores
- Franchises
- PSAs
- Extension counters

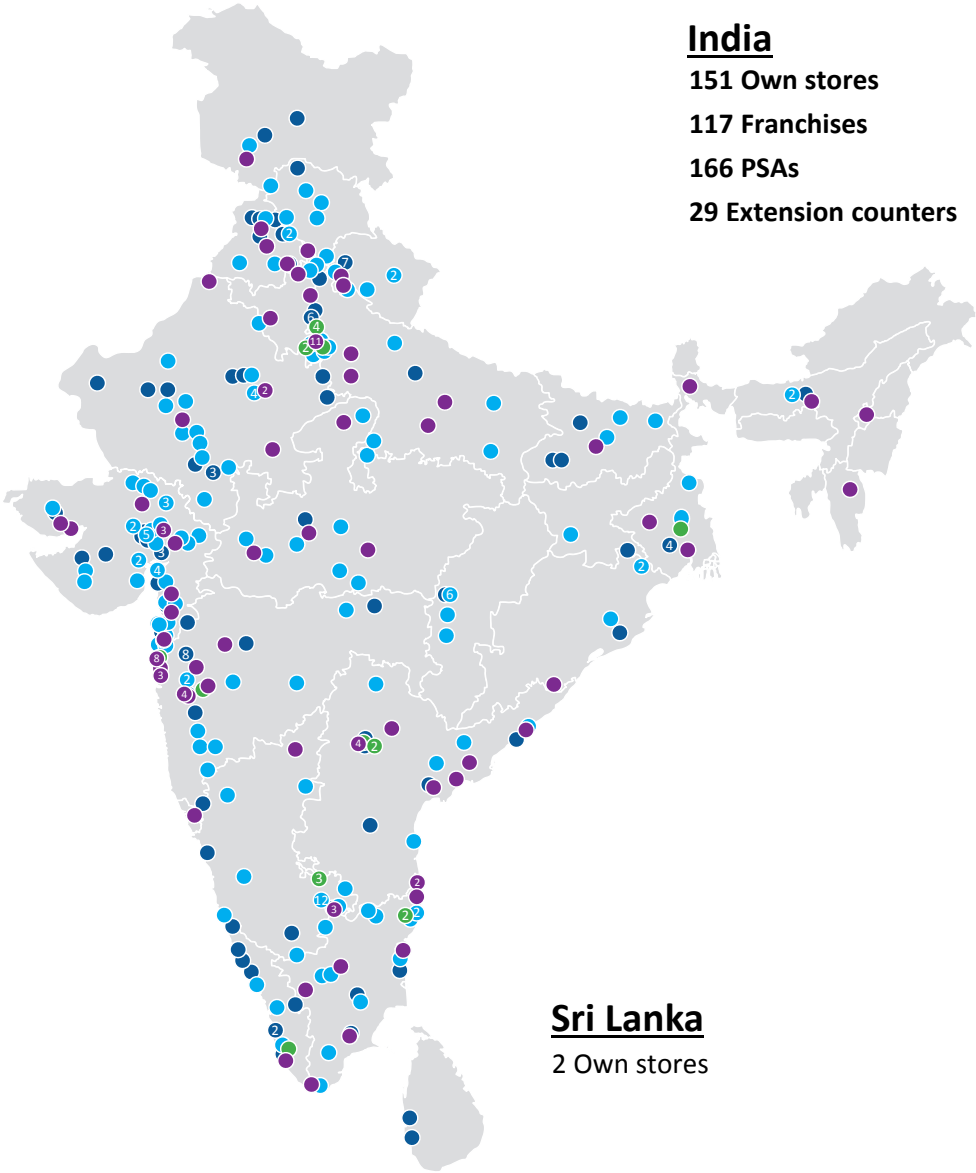
**India**  
 151 Own stores  
 117 Franchises  
 166 PSAs  
 29 Extension counters

**Mauritius**



**India - Key properties**

- D N Road (Owned & Leased)
- Gurgaon (Owned)
- Chembur (Owned)
- Nariman Point (Owned)



**Sri Lanka**  
 2 Own stores



# Presence In Wholesale, Retail And Corporate Forex

## Segments

## Characteristics

### Wholesale

Institutions  
(Banks, Full Fledged Money  
Changers, Restricted Money  
Changers)

- Purpose: bulk note consolidation and bulk sale
- High volume and low margin business
- Extremely sensitive to market movements and pricing

### Retail

Individuals  
(Walk-ins at Shops &  
Airports, Agents)

- Purpose: leisure, education, remittances, migration
- Relatively price inelastic at airports<sup>(1)</sup>; some degree of elasticity at non-airport outlets

### Corporate

Corporate Houses  
(Travelling Employees)

- Purpose: business travel
- Typically corporates are from IT, manufacturing and fast moving consumer goods sectors
- Sensitive to global economic conditions

Note: (1) Company has presence in Mumbai, Bangalore, Chennai, Cochin and Delhi Airports





# Broad Product And Service Offering For Retail And Corporate Forex Customers



## Bank Notes

- Buying / selling
- Export
- Services provided in 26 currencies



## Traveller Cheques

- American Express traveller cheques
- Provided in six currencies: USD, GBP, Euro, AUD, JPY, CAD



## Pre-paid Cards

- Re-loadable and accepted at 1 million ATMs
- Denominated in USD, GBP, Euro, AUD, CAD, JPY, CHF and SGD



## Pay Orders

- Foreign currency pay orders, available in 8 currencies



## Wire Transfers

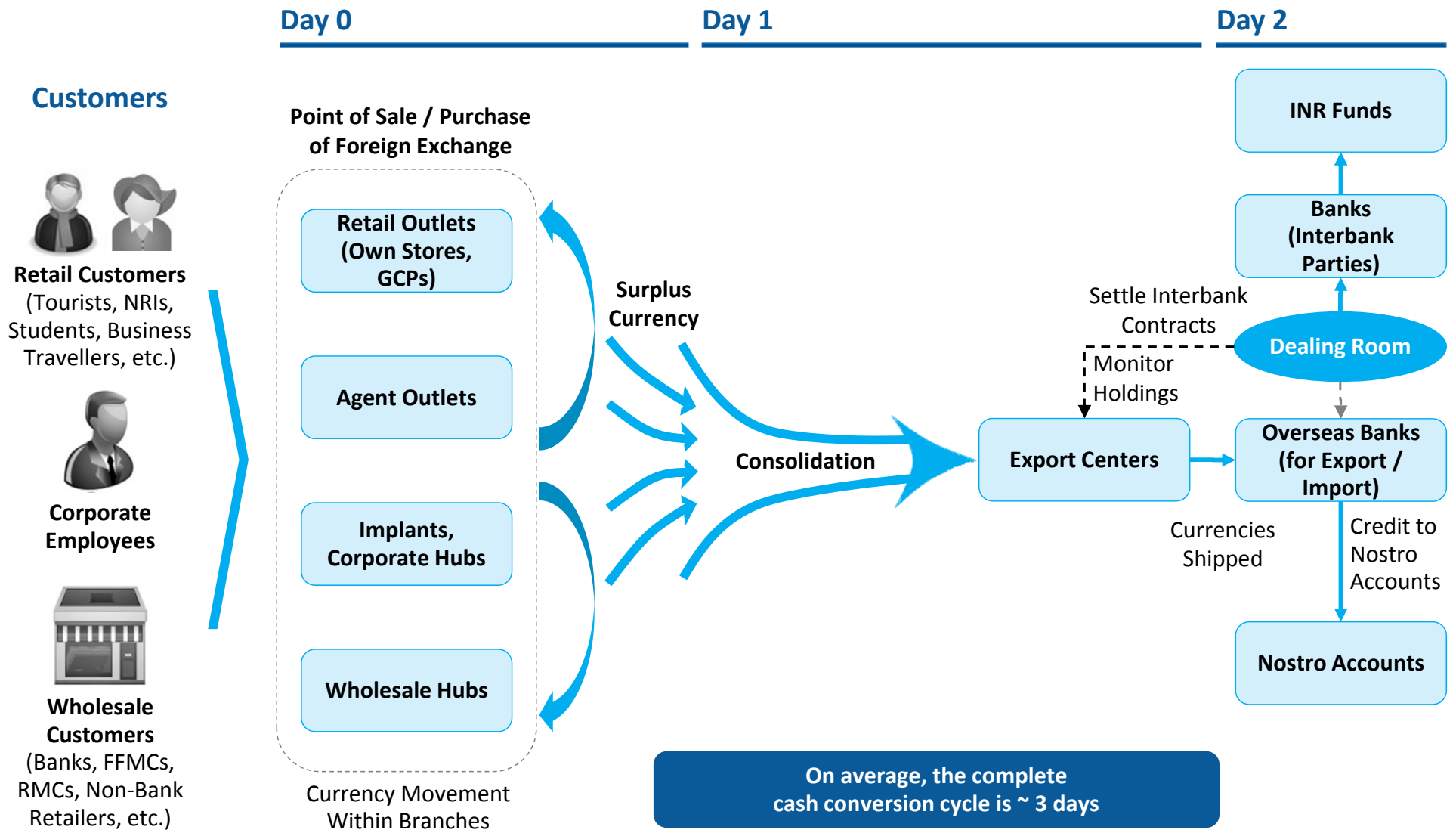
- Available in 10 currencies



## Money Gram Transfer

- Person-to-person money transfer service

# Forex Operational Overview



- We have been granted Authorized Dealer (AD Category II) license by the RBI



# Leisure Outbound Overview

- Leading outbound tour operator by sales and passengers
  - Offers outbound tour packages consisting of numerous components to c. 50 countries
  - Also act as a sales agent for other travel operators
- Distribution through multiple channels
- Focus on long-haul routes enables higher margins
- Product innovation
  - New destinations
  - Products at various price points
  - Fusion holidays – flexible tour packages
  - Luxury products

## List of Products & Services

- Air tickets
- Cruises
- Rail tickets
- Airport transfers
- Hotel accommodation
- Sightseeing
- Tour guides
- Packages
  - Fully independent Tours
  - Group inclusive tours



# MICE & Domestic Travel Overview

## MICE

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- Leading MICE player by sales
- Comprehensive MICE solutions provided
- Usual sales process involves pitches, followed by competitive bidding
- Key customer sectors include pharmaceuticals, consumer durables, automotives and financial services
- Corporate arrangements with a number of event management companies

## Domestic Travel

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- Domestic offers tour packages and individual tour components to domestic travellers
- Distribution through multiple channels (own stores, GCPs, travel agents, website)
- Special air inclusive fixed departure tours for small and large groups; innovative weekend packages; travel partner for unique events
- Tie-ups with local agents, hotels, guides to provide destination management services



# Inbound Travel Overview

- Top three inbound player in India by sales<sup>1</sup>

- Two brands:



- Key markets: Europe, Japan and the US
- Broad network of travel agents and tour operators worldwide

## List of Products & Services

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- Individual tours
- Group escorted tours
- MICE
- Emergency medical assistance
- Airport transfers
- Excursions

## Strategy

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- Development of Comprehensive Product Portfolio
- Improved Customer Reach & Service Delivery
- Margin Improvement
  - Leveraging scale
  - Increased operating efficiency
- Increased promotion
  - Online presence

(1) Ministry of Tourism, Government of India.



# Corporate Travel Overview

- Amongst top 3 corporate travel players in India
- Provides both travel products and travel budget management services
- Distribution through stores, Service Excellence Centre and “implants”
- Over 700 clients
- Predominantly Indian multi-nationals

## List of Products & Services

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- Air tickets
- Hotel accommodation
- Car rental
- Transfers
- Meet and assist
- Passport and visa services
- Foreign exchange services
- Insurance

## Strategy

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- Increased focus on non-air revenue streams
- Improved Service Delivery
  - Consolidation of service delivery
  - Improved online ticketing platform
  - Assessing customer satisfaction
- Portfolio Diversification



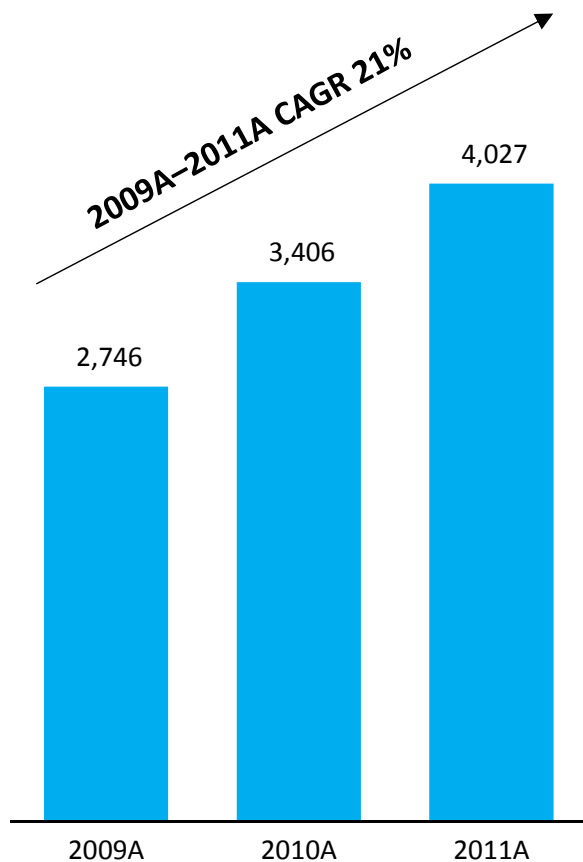
# Business Drivers

	Travel	Travel-related Services
<b>Product Offering</b>	<b>Outbound Destinations</b>	Introduce new destinations for GIT and FIT
	<b>Outbound Packages</b>	Packages for niche holidays (e.g. cultural tours, religious tours, etc.)
	<b>MICE Destinations</b>	Develop offerings in new destinations to differentiate
	<b>Source Markets</b>	Geographic expansion to cover all regions of India for MICE sales
<b>Distribution</b>	<b>Pre-paid Cards</b>	Increase penetration, in particular retail pre-paid cards
	<b>Remittances</b>	Increase retail product penetration
	<b>Money Transfer</b>	Introduce products and services of additional providers
	<b>ATM Services</b>	Potential to tie-up with local bank and setup ATM network
	<b>Retail</b>	Expand into second and third tier cities; Increase footprint in strategic locations
	<b>Online</b>	Continue to develop website functionality and content; Leverage online platform for B2C and B2B distribution

# Track Record Of Growth And Profitability

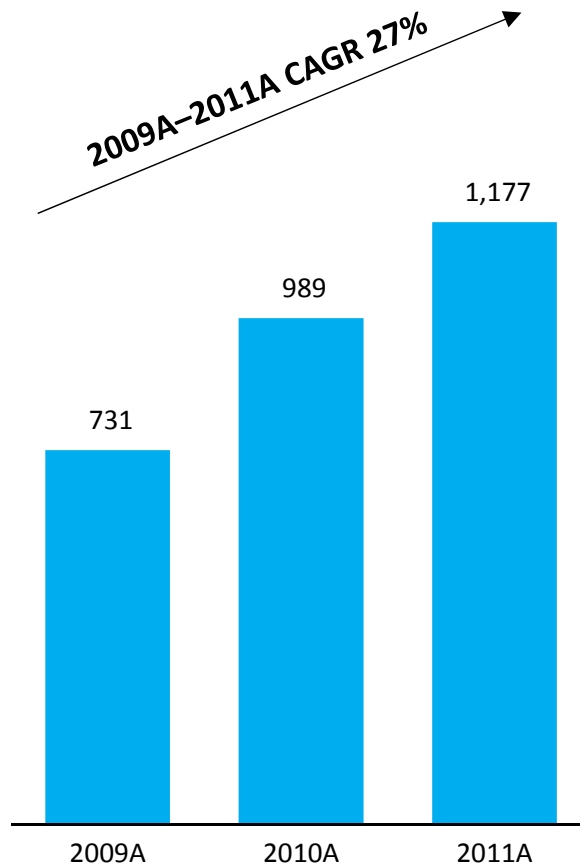
## Net revenues (2009A–2011A)

(Rs. m)



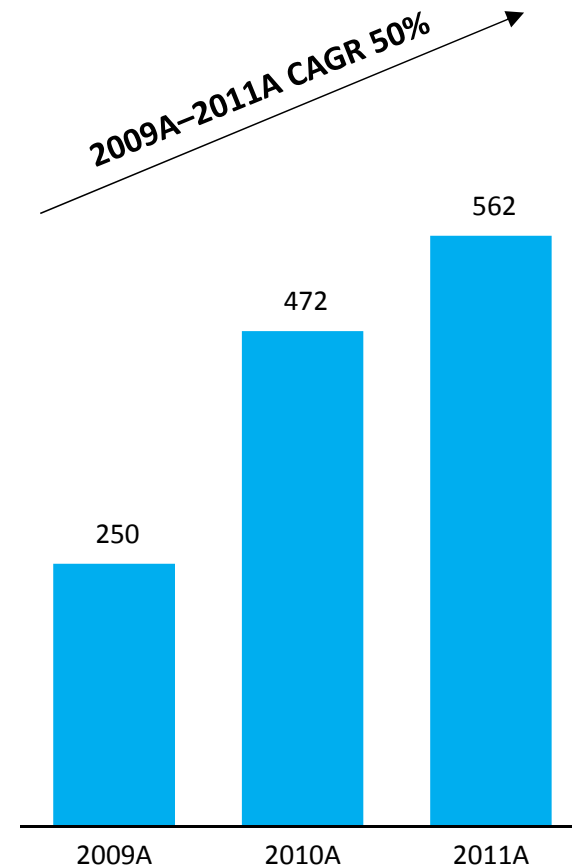
## EBITDA (2009A–2011A)

(Rs. m)



## Net income (2009A–2011A)

(Rs. m)



Note: Net Revenues and EBITDA includes other income





# Key Financials

(Rs m)	2009	2010	2011
<b>Sources of Funds</b>			
Shareholders' Funds			
Common Equity	211	212	212
Preference Capital <sup>(1)</sup>	6	6	6
Reserves & Surplus	2,803	3,190	3,705
Loan Funds	1,700	2,016	2,286
Deferred Taxation (Net)	29	76	50
<b>Total</b>	<b>4,750</b>	<b>5,499</b>	<b>6,259</b>
<b>Application of Funds</b>			
Fixed Assets (including WIP)	2,192	2,475	2,491
Investments	356	156	383
Current Assets, Loans and Advances			
Sundry Debtors	2,071	2,225	2,264
Cash & Bank Balance	1,501	1,601	2,735
Loans & Advances	1,087	1,440	1,358
Less: Current Liabilities & Provisions			
Liabilities	2,306	2,279	2,848
Provisions	151	118	123
Net Current Assets	2,202	2,869	3,386
<b>Total</b>	<b>4,750</b>	<b>5,499</b>	<b>6,259</b>

- (1) Include 319,765 Class 'B' and 271,800 Class 'C' 0.001% Cumulative Convertible / Redeemable Preference Shares of INR10/- each, convertible into an equivalent number of Equity Shares, if the EPS of the Company exceeds 3.03 and 3.64 per share, respectively. These would be redeemed within a period of six months if the said EPS of the Company is not achieved based on the audited accounts of the Company as at the end of 31st December, 2013.

(Rs m)	2009	2010	2011
<b>Cash Flow</b>			
Cash Flow from Operations	810	82	1,460
Cash Flow from Investing	(513)	8	(300)
Cash Flow from Financing	(615)	18	(50)



# Segmental Performance

## Travel & Related Services

(Rs. m)	2009	2010	2011	CAGR
Net Revenues	2,235	2,720	3,303	21.6%
Growth	(16.8%)	21.7%	21.4%	
Segment result	767	1,129	1,286	29.5%
Margin	34.3%	41.5%	38.9%	
Segment Capital employed	1,995	2,275	2,570	13.5%

## Financial Services

(Rs. m)	2009	2010	2011	CAGR
Net Revenues	417	384	435	2.1%
Growth	0.6%	(8.0%)	13.2%	
Segment result	257	196	239	(3.6%)
Margin	61.7%	51.1%	55.0%	
Segment Capital employed	983	1,080	1,296	14.8%

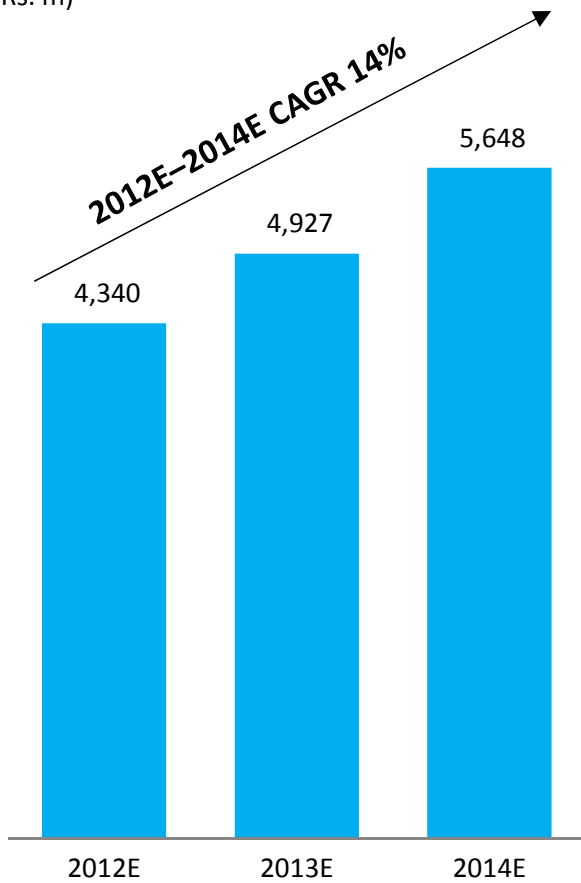
- In the travel business, 2009A saw a significant decrease in both leisure and business travellers given the overall difficult macro-economic backdrop
- Resurgence in economic activity spurred a recovery in the corporate travel and leisure outbound segments in 2010A
- Underlying factors such as increased appetite of Indians to travel abroad remained supportive in 2011A and led to a strong result in the leisure outbound segment
- TCIL's foreign exchange operations were negatively impacted by rupee appreciation in 2009A
- Challenging environment in 2010A, due to a continued appreciation of the rupee, compensated by
  - increased demand for foreign currency from corporate and leisure travellers,
  - TCIL's ongoing expansion of the branch network and
  - higher remittances
- Strong growth in a more favorable market environment supported by a depreciation of the rupee in 2011A



# Potential For Growth

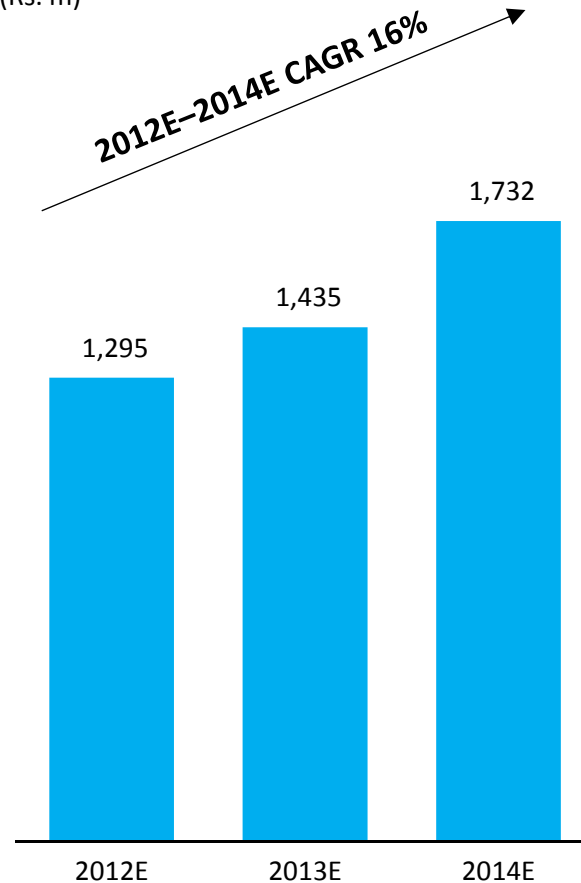
**Net revenues (2012E–2014E)**

(Rs. m)



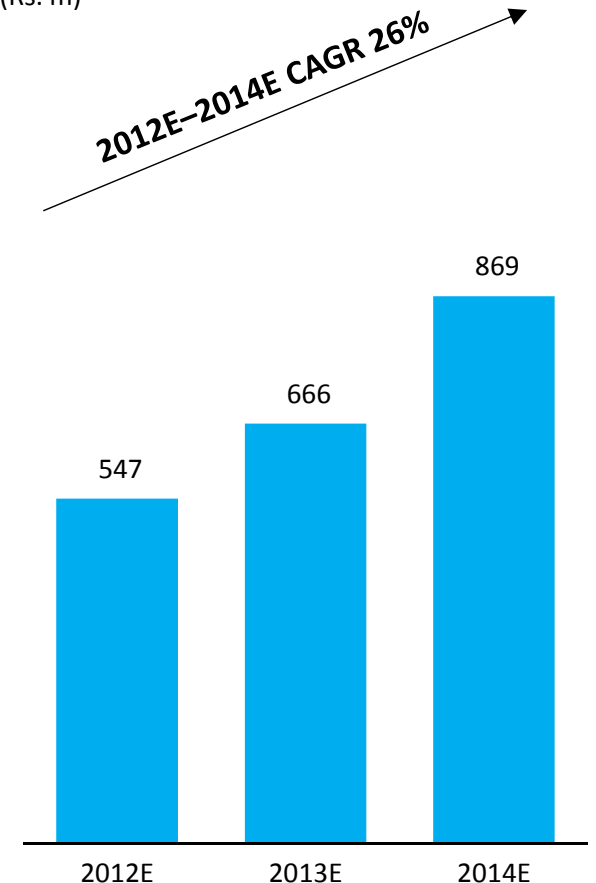
**EBITDA (2012E–2014E)**

(Rs. m)



**Net income (2012E–2014E)**

(Rs. m)



- Leisure Travel<sup>(1)</sup> and MICE account for 33% of total revenues (2011A) and are expected to be the key growth drivers for the company going forward

(1): Includes Outbound, Inbound and Domestic Travel

