



PayPoint plc

Preliminary Results Presentation

27 May 2010

Strictly private and confidential





Agenda

- Highlights & Strategy
- Operational Review
- Financial Review
- Summary and Outlook
- Q&A



Highlights & Strategy

Dominic Taylor

Chief Executive



Established and developing business streams

Established business streams:

- Generate the group's profits and cash flows
- Provide unique retail/internet proposition to clients
- Strongly differentiated to clients and retailers
- With significant barriers to entry

Developing business streams:

- In large markets that have strong growth potential, with opportunities to accelerate growth
- Core to PayPoint's strategy to broaden payment capability and extend differentiation
- Leverage established business streams
- On clear path to profitability
- Diversify risk across a broader and more balanced business



PayPoint highlights

- Established business streams delivered to plan:
 - Over 650 net additions to UK retail network, reinforcing our value to retailers
 - Strong growth in retail services (transactions 23% up)
 - 22% transaction growth in internet payments
 - New value added services
- Investment in developing business streams:
 - 3,400 Collect+ sites; 13 clients with many more interested
 - 900 new Romanian bill-pay sites
 - Six-fold increase in bill pay transactions in Romania
 - PayByPhone acquisition opens new geographies and capability
- Large growth markets for developing businesses



Camelot

What is proposed?

- Camelot seeking to enter our UK retail market
- Subject to NLC consent - decision pending
- Mobile top-up; bill payment; debit/credit card processing
- With 4 aggregators including Post Office
- Cross-subsidised by Lottery infrastructure; 80% profits to good causes

Our position:

- Robust response, underpinned by strong legal advice and counsel's opinion
- Client proposition designed around bespoke service for vulnerable consumers
- Our retail proposition drives a unique offer around footfall and services
- Strongly differentiated client and retail strategy, underpinned by long term client and retailer relationships



Changing landscape drives opportunity

Technology

High levels of internet penetration
Wireless communications
New payment media
New payment technology
EPOS integration

Market

Growth in new economy payments
Banks return to core business
Leap-frog technology in developing markets
Competitor specific issues

Regulatory

Banking regulations
Data security standards
Cross-border developments
Cheques being phased out

Consumer

New technology adoption
Reduced trust in banks
Choice and convenience
Control and transparency
Speed and information



- Creating new markets
- Opening markets previously dominated by banks



Consumer payments value chain

High Growth
New Economy

Consumers



Payment medium	Payment Channel	Transaction Processor	Financial settlement
Mobile money	Mobile	E-comm / mobile operator	E-comm / mobile
E-money		PSP	Acquirer
Bank transfer	Internet site		ISP / Terminal operator
Debit card	Telephone	Cash / cheque processing agent	
Credit card	Retail/ branch network		Bank
Cash	Post		
Cheque			

Businesses

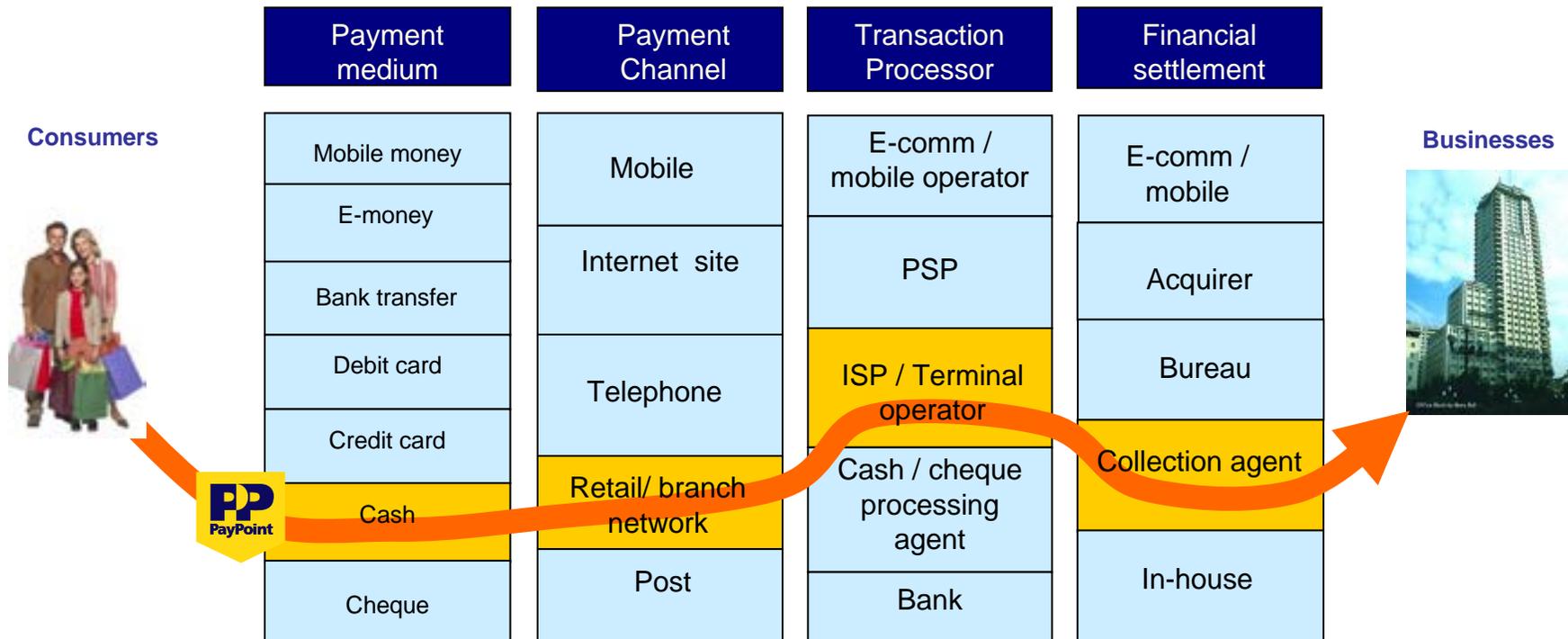


Traditional high
volume but low
Growth

- Consumers can pay using multiple payment media, through multiple channels
- A wide range of organisations act as intermediaries



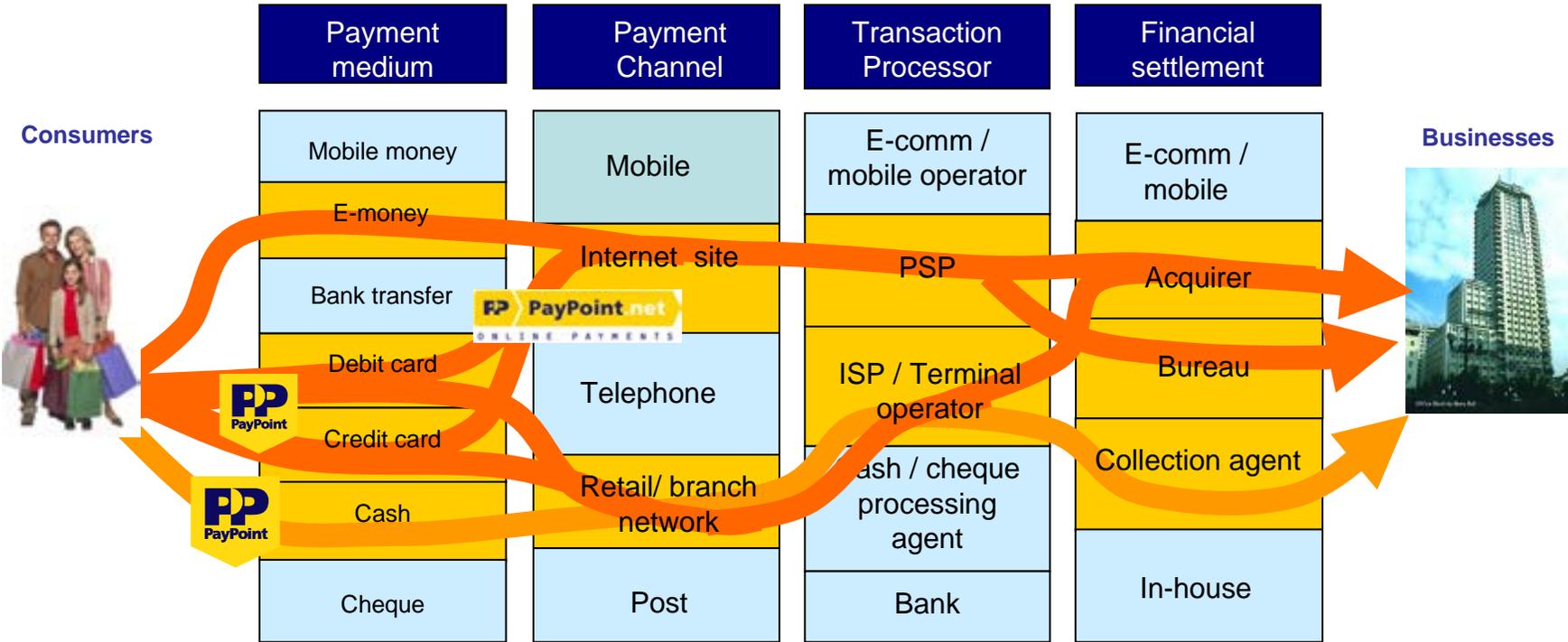
PayPoint at float



- Narrow capability in limited vertical markets
 - Single payment medium through a single channel



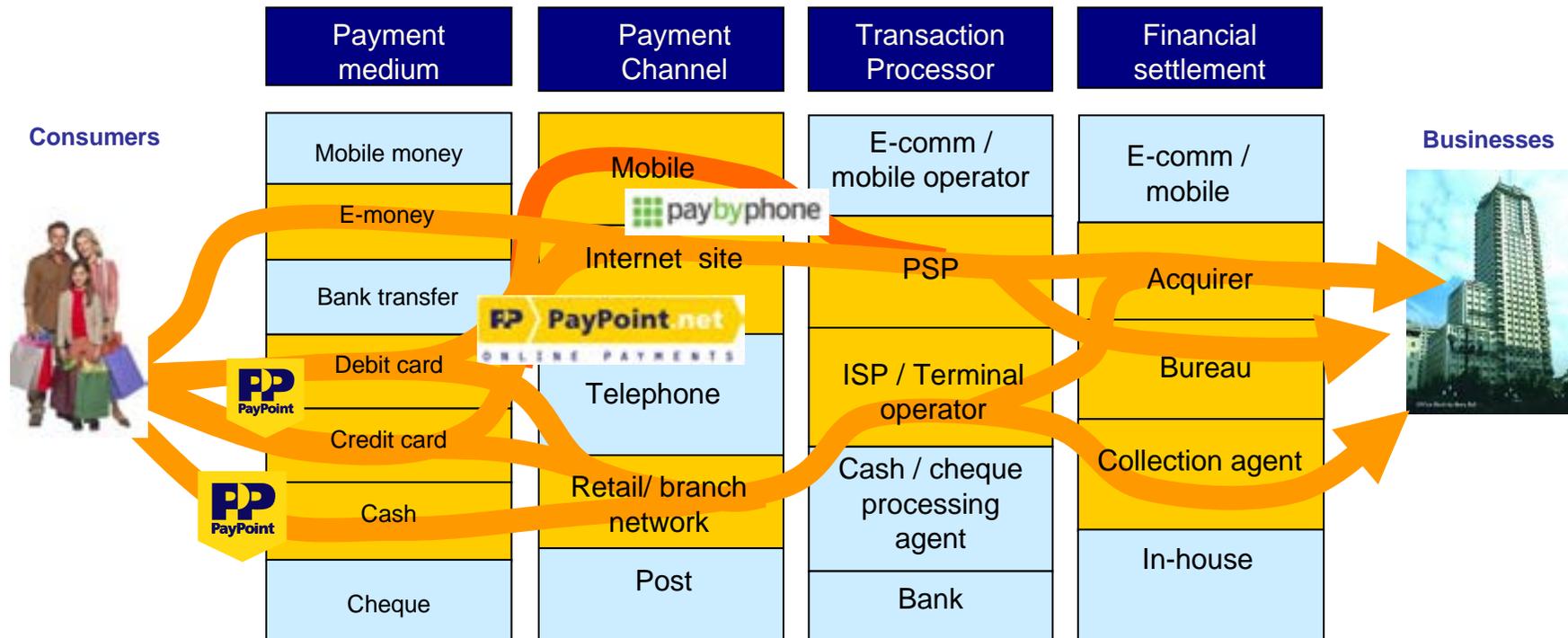
PayPoint with internet payments



- Added credit and debit card payment capability within retail
- Acquired internet payment capability via our own Payment Service Provider (PSP)



PayPoint today



- Multiple capability for consumer payments
- Enabled from acquisitions and organic development
- New high volume sectors



Four elements of strategy

Payments capability

Multiple payment media
Multiple payment channels



Selected vertical markets

High volume recurring payments
Ability to add value

Energy
Telecoms
Household Bills
eCommerce/Gaming
Transport
Parking

Value added services / content

Differentiation to channel through products & services
Deeper role in payments value chain



Geographic reach

Ability to import know how and replicate UK strategy





Progress and opportunity

← Vertical markets →

	Energy	Telecoms	Other Household bills	Transport	eCommerce / Gaming	Parking	Others ...
Terminal networks	✓	✓	✓	✓	✓	✓	□
Internet	✓	□	✓	□	✓	✓	□
Mobile Phone	✓	□	□	✓	□	✓	□

✓ Existing capability ✓ New □ Opportunity

- Developing cross functionality in selected markets
- Aim to translate capability into commercial success



Operations review



Established business streams

Bill and general payments

- Core to our bespoke client proposition and our unique market positioning
- Improved retail coverage (with continued strong demand), high customer satisfaction and good brand awareness
- Growth in energy prepaid volumes and local authority/housing sector
- Introduction of energy home vending
- British Gas contract removes Payzone from 2011
- Continued gains from competitors

Top-ups

- Strong growth in e-money transactions (43%)
- Offset by mobile market volumes down in all countries
- PayPoint top-up volumes down 10% but net revenue of £24.3m down 6%
- Over 650 net new UK terminals installed have increased PayPoint's share within the retail sector



Established business streams

Retail services

- Our retailers, whether multiple or independent, are at the heart of our delivery capability and are trusted by consumers
- Continued strong retail demand for PayPoint with low churn
- Opportunity to drive further revenues from retail services, with much potential from our base of 22,600 retailers (UK and Ireland)

Retail services penetration

Retail Service	Sites	UK Market Size (per annum)
ATMs	2,360	63,000 ATMs / 25,000 surcharge / 2.7bn withdrawals
Credit/debit card	5,000	650,000 EFTPOS terminals / 7.7bn txns
Parcels (Collect+)	3,400	11,500 PO's / 550m parcels
SIM cards	2,900	30,000 outlets / 10m SIM only packs
Money transfer	370	32,000 sites / 34m payments

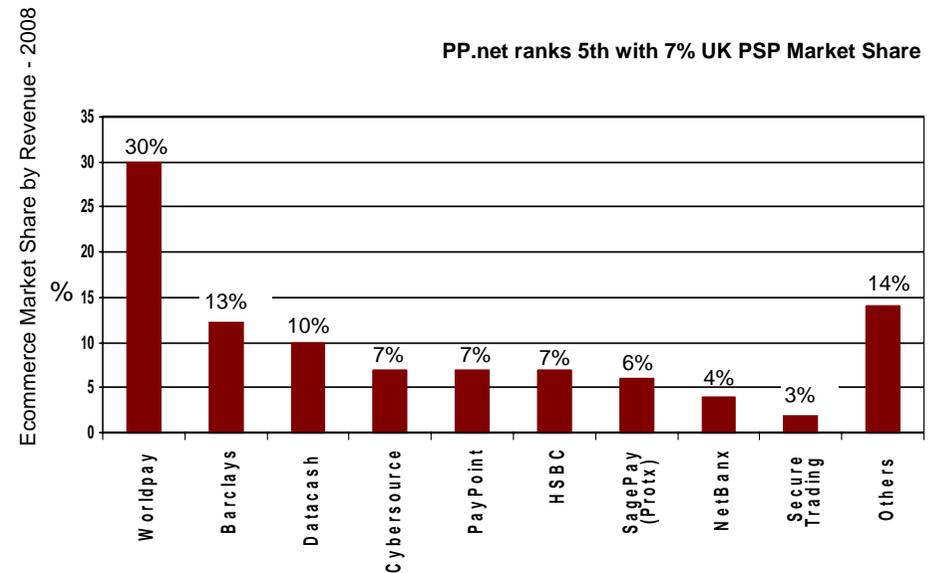
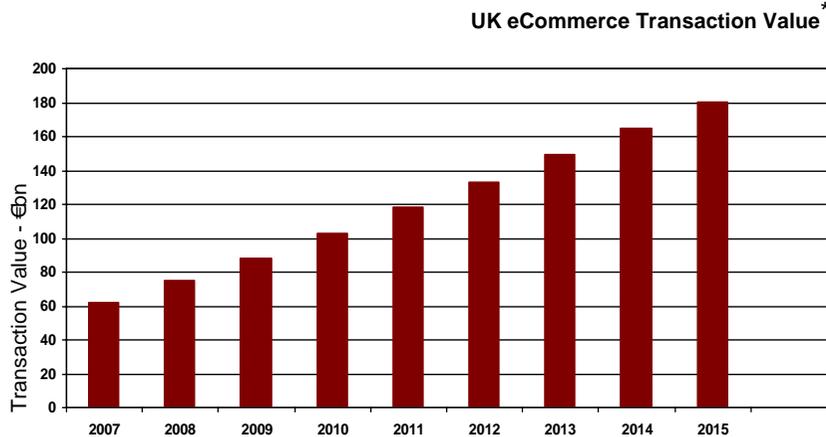
- Continued investment in technology to drive services and enhance differentiation
- Similar retail services have potential in Romania



Established business streams

Internet

- PayPoint.net processes payments from consumers to web merchants via acquiring banks



- Performance in the year
 - Merchants up 458 to 5,618 in total
 - Transactions up 22% to 44 million
 - Net revenue down 7% to £7.5 million
 - Trading profitably in a growing market

* Source: APACS; ECB 2008 Blue Book Data; Coy Accounts, PSE analysis



Established business streams

Internet

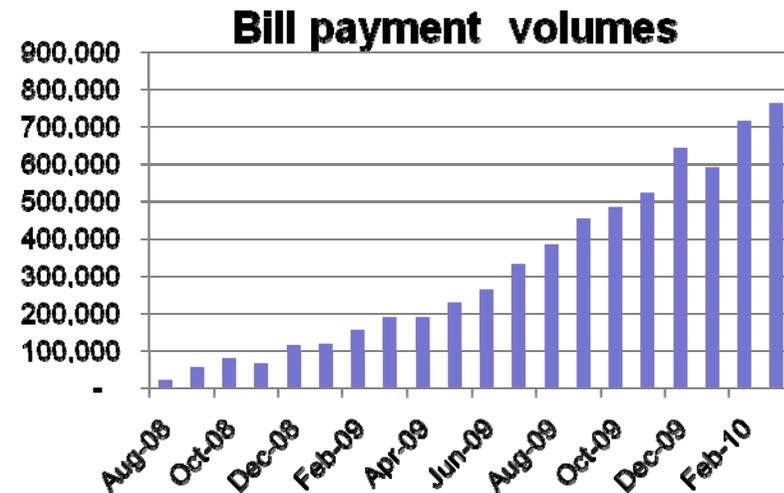
- Internet proposition core to our payments hub proposition to clients in our various vertical markets
- Differentiation achieved through:
 - leveraging our UK retail proposition:
 - PayCash – generating much interest amongst existing and prospect clients (incl. Moonpig, PKR, Firebox, Parcel2Go)
 - Successful sales to UK clients as part of payment hub proposition (Severn Trent Water, BG and Npower homevend; plus 4 in pipeline)
 - Promotion of Collect+
 - establishing new acquiring relationships:
 - B&S has replaced Pago with more acquirers to be live this year
 - extending consumer payment choices:
 - PayCash and PayPal now live
 - driving value added services to merchants (such as better MIS & fraud protection)



Developing business streams

Romania

- Entry into Romania through acquisition of mobile top up network
- Bill payment proposition launched in August 2008 with 4 clients
 - 22 clients now live
 - > 5.5m payments processed in year (6x increase)
- Mobile market down
- Accelerated retail network growth
 - remaining c.1,900 top up only sites to be removed or converted to full service
 - a further 1,800 full service sites to be deployed to reach c.6,900 by April 2011, delivering an optimised client network across Romania
- Potential for retail services





Developing business streams

Collect+

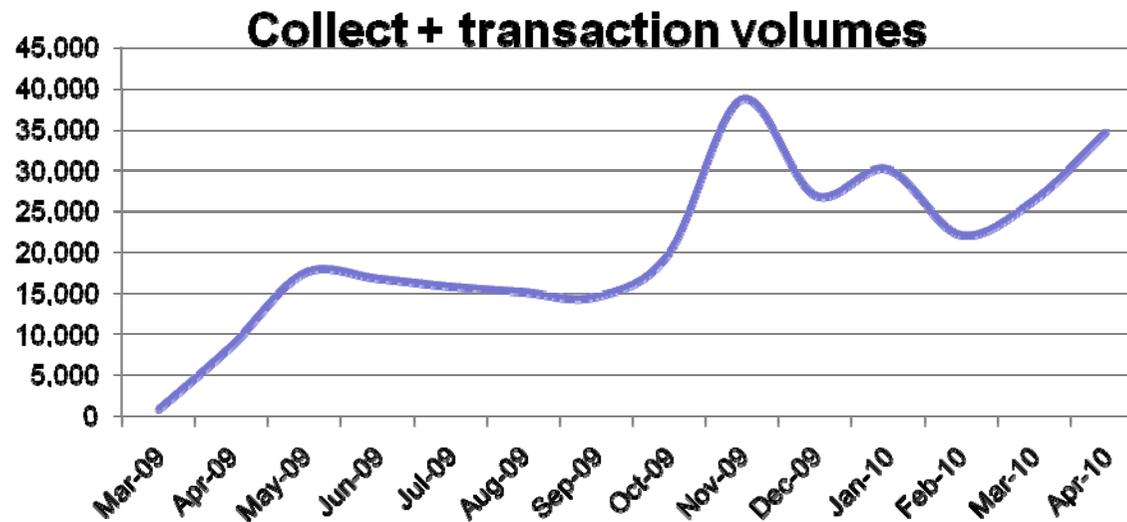
- **collect+** JV formed in Feb 2009 and business launched in May
- Dream team JV to create new consumer parcels offer
 - PayPoint providing retail network expertise and technology
 - Home Delivery Network provides parcel logistics and distribution capability along with mail-order and internet client portfolio
- c.550m parcels to be delivered to consumer homes in the UK in 2010, of which 10% will fail, costing e-retailers £240m pa.
- 44% of consumers admit to having abandoned an online purchase because of lack of trust in the delivery options
- Our proposition allows consumers to collect and return internet or mail-order purchases from local shops, with full track and trace
- JV and PayPoint retail services both earn transaction income



Developing business streams

Collect+

- Ebay UK MD announced as CEO of Collect+
- Good progress in our first year:
 - Increased to 3,400 Collect+ sites
 - Large internet merchants showing considerable interest
 - Clients include: Choice, Empire stores, Envirofine, Great Universal Kays, Littlewoods, Marshall Ward, M&M, Mobile Phone Exchange Sarenza, Very, Virgin Media, Woolworths
 - Encouraging transaction growth





Developing business streams

PayByPhone

- Acquisition of Verrus UK Limited and Verrus Mobile Technologies Inc (PayByPhone) on 9 March
- Leading provider of mobile phone payments for parking
- Established in North America 9 years ago; based in Vancouver, Canada
- UK business set up as independent licensee in 2004
- UK and Canadian founders remain in the business
- Exciting and meaningful deal for PayPoint (£29m cash, including £4m deferred, up to a maximum of £33m, dependent on performance to March 2013)





Developing business streams

PayByPhone major contracts

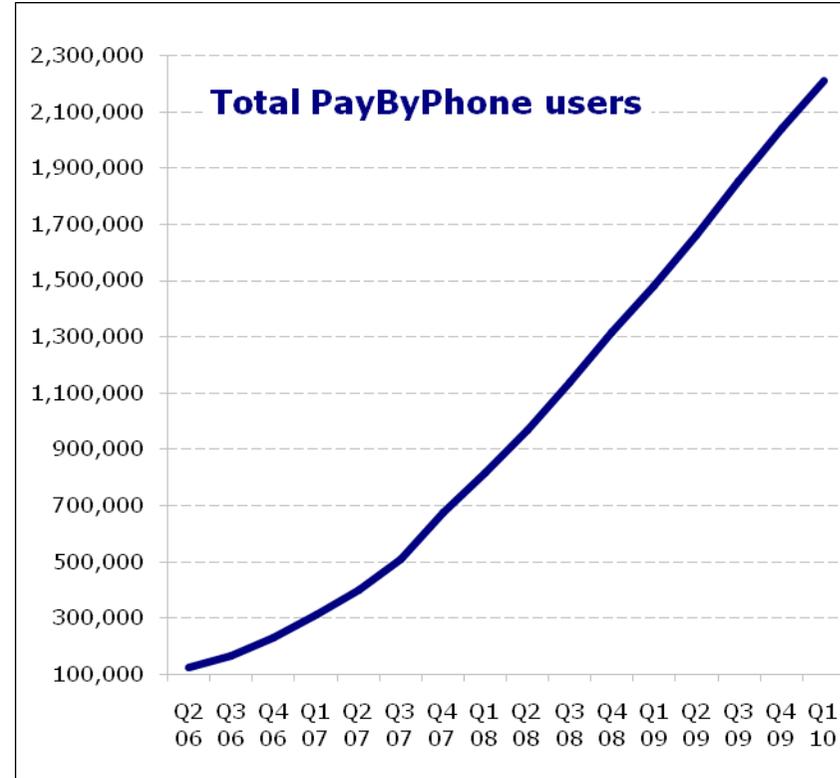
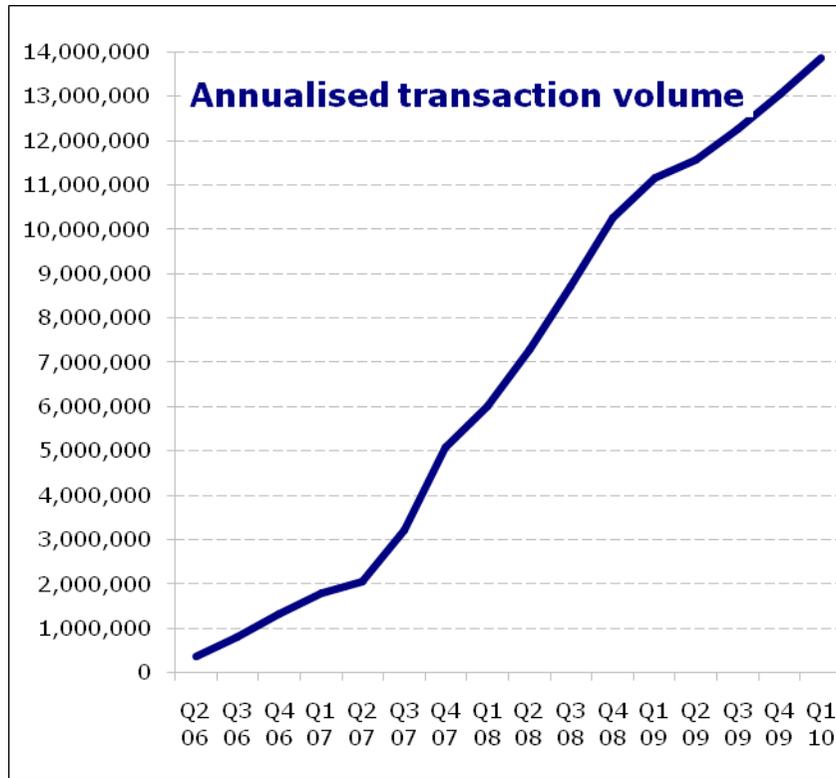


- International business: currently in North America, UK and France



Developing business streams

PayByPhone growth



- Business has been growing rapidly year on year
- Success in Westminster has been fundamental to credibility around the world



Developing business streams

PayByPhone market opportunities

- Mass market application for mobile payments
 - North American and European parking markets \$65bn pa.
 - Internationally scalable
- Compelling attractions to parking operators
 - Significant financial benefits: Westminster costs down 20% and revenue up 45% since implementation
 - Consumer choice
 - Improved enforcement
 - Availability of parking data
- Substantial attractions to consumers
 - Convenience: no coins, no need to return to car
 - Reduced fines through reminders and remote top-ups
 - Account management
- Natural extension into new applications where consumer or payee is on the move



Developing business streams

PayByPhone strategic fit

- Builds on our payment hub philosophy, adding mobile payment
- Adds a new high volume consumer payment vertical
- Ability to create value added services around existing applications
- PayPoint will benefit from
 - Substantial growth in market for PayByPhone parking
 - Extension of PayByPhone into other applications
 - Synergies from broadening PayPoint's service offering
 - International expansion in multi-channel payment services on the back of PayByPhone presence
 - Internet business offering to parking authorities for credit/debit settlement
 - Enhanced PayByPhone service offering cash loading of prepaid cards



Developing business streams

	Established business streams	Developing business streams	Total	Adjust Collect+	As reported
Transactions (million)					
2010	540	12	552	-	552
2009	535	10	545	-	545
Throughput £000					
2010	9,560,776	127,647	9,688,423	-	9,688,423
2009	8,845,846	35,291	8,881,137	-	8,881,137
Revenue £000					
2010	171,933	24,875	196,808	(205)	196,603
2009	188,870	35,482	224,352	(1)	224,351
Net revenue £000					
2010	74,589	2,981	77,570	(164)	77,406
2009	74,922	2,477	77,399	(1)	77,398

- The developing business streams are growing
- We expect the developing business streams to contribute substantial profits in the future



Financial review

George Earle
Finance Director



Transactions

	09/10 million	08/09 million	Increase / decrease)
Retail networks			
Bill and general	339	334	1.5%
Top-ups	129	143	(9.7%)
Retail services	39	32	23.4%
Internet	44	36	22.1%
PayByPhone	1	-	-
	552	545	1.3%

- Bill and general increase from Romanian bill payment
- Decline in mobile top-ups by 15.1 million transactions offset by e-money growth
- Retail services increase from debit and credit card transactions and internet growth
- Organic growth contributes to increase in internet transactions



Throughput

	09/10 £million	08/09 £million	Increase / (decrease)
Retail networks			
Bill and general	5,925	5,549	6.8%
Top-ups	1,167	1,199	(2.7%)
Retail services	377	379	(0.4%)
Internet	2,216	1,754	26.3%
PayByPhone	3	-	-
	9,688	8,881	9.1%

- Bill and general throughput reflecting the increase in higher value local authority and housing transactions
- Impact of reduced mobile top-up transactions mitigated by positive mix of e-money
- Internet throughput increase ahead of transaction growth through increase in average transaction value.



Revenue

	09/10 £000	08/09 £000	Increase / (decrease)
Retail networks			
Bill and general	58,564	60,566	(3.3%)
Top-ups	108,508	135,013	(19.6%)
Retail services	16,168	14,527	11.3%
Internet	9,968	11,798	(15.5%)
PayByPhone	283	-	
Other	3,112	2,447	27.2%
	196,603	224,351	(12.4)%

- Bill and general revenues decline on lower agent commission
- Mobile top-ups reflect revenue impact of PayPoint as principal in the declining sale of top-ups in Romania and Ireland and commission reduction
- SIM sales and credit and debit card transactions increased retail services revenue
- Internet revenue suffered from migration of merchants to lower margin products and change of bureau sponsoring bank
- Other includes £0.9 million of long outstanding claims settlements



Revenue to net revenue

	09/10 £000	08/09 £000	Increase /(decrease)
Revenue	196,603	224,351	(12.4%)
Agent commission	(73,178)	(83,891)	12.7%
Mobile top-ups and SIM cards	(43,520)	(59,317)	27.0%
Acquiring bank charges	(2,499)	(3,745)	33.3%
Net revenue	77,406	77,398	-

- Agent commission reduction reflects lower mobile top-up sales which pay higher than average commission and new British Gas contract
- 4.4 million fewer mobile top-ups in Romania and Ireland reduce cost of top-ups
- Acquiring bank charges reduce (on lower Bureau sales), as sales migrate to lower margin products where acquiring bank charges are billed directly to merchants by the acquiring bank.



Net revenue

	09/10 £000	08/09 £000	Increase /(decrease)
Retail networks			
Bill and general	33,586	33,653	(0.2%)
Top-ups	24,272	25,692	(5.5%)
Retail services	8,684	7,553	17.9%
Internet	7,469	8,053	(7.3%)
PayByPhone	283	-	
Other	3,112	2,447	27.2%
Revenue	77,406	77,398	-

- Bill and general flat as gains offset by margin reduction on energy clients migration to individual payments networks
- Increase in e-money top-ups and larger than average reductions in multiple retailers for mobile top-ups, where we earn less than average net revenue, mitigates the decline in net revenue compared to revenue
- Retail services net revenue benefits from SIM sales and credit/debit income
- Other includes £0.9 million of long outstanding claims settlements



Costs

	09/10 £000	08/09 £000	Increase / (decrease)
Net revenue	77,406	77,398	0.3%
Depreciation/ amortisation	(4,820)	(5,698)	15.4%
Other cost of sales	(9,093)	(7,845)	(18.7%)
Operating costs	(29,421)	(30,171)	2.5%
Operating profit	34,072	33,684	1.2%

- Depreciation lower as terminals and ATMs reach end of depreciable lives and intangibles become fully amortised.
- Other cost of sales increased through rechargeable development costs, restructuring of the field, parcel roll out and SIM card distribution costs offset by lower telecom and transaction costs
- Operating costs were reduced in Romania



Profit before tax

	09/10 £000	08/09 £000	Increase /(decrease)
Operating profit	34,072	33,684	1.2%
Share of loss on JV	(1,601)	(323)	
Interest	174	1,241	
Profit before tax	32,645	34,602	(5.7%)
Tax	10,513	10,818	
Profit after tax	22,132	23,784	(6.9%)

- Collect + loss as expected
- Interest income reduced on lower rates
- Tax charge at 32.2% effective rate from unrelieved losses in Romania and write off of deferred tax asset in respect of share based payments which are unlikely to be released in June 2010.



Cash flow

	09/10	08/09
	£000	£000
Operating profit	34,072	33,684
Add back non cash items	5,759	6,457
Changes in working capital	(1,103)	446
Capital expenditure	(2,607)	(9,118)
Net investment income	181	1,164
Bank loan	6,000	0
Tax paid	(13,702)	(7,940)
Acquisition and investment in subsidiaries	(30,722)	(2,608)
Dividends paid	(12,856)	(11,077)
Other payments	(598)	(2,390)
Total (decrease) / increase in cash	(15,576)	8,618
Cash at March 2009 (including client cash £8m)	36,345	27,727
Cash at March 2010 (including client cash £7m)	20,769	36,345



Summary & outlook

Dominic Taylor

Chief Executive



Summary & outlook

- In current financial year trading is in line with company expectations
- Our established business streams are strong, with further opportunities to grow
- Our developing business streams have substantial growth potential, with profitability in sight
- Together, they are a solid foundation to deliver long term shareholder value



Q & A



Appendices

1. PayPoint management team
2. Five year trading record
3. Background information on PayPoint
4. Consumer transaction
 - UK retail
 - PayByPhone
 - Collect+



Appendix I

Management team

- **David Newlands** (Non Executive Chairman) formerly GEC, Deputy Chairman of Standard Life and currently Chairman of Tomkins and KESA
- **Dominic Taylor** (Chief Executive) formerly Vodafone, Granada
- **George Earle** (Finance Director) formerly Centrica, GEC, Saatchi, Deloitte & Touche
- **Tim Watkin-Rees** (Business Development Director) formerly Lloyds Bank, KPMG, Atos
- **Experienced non-executives** – Andrew Robb (Chair – Remuneration), Roger Wood, David Morrison, Nick Wiles, Eric Anstee (Chair - Audit) and Steve Rowley.



Appendix 2

Five year trading record



Appendix 2

Five year trading record

March year end		2006	2007	2008	2009	2010
Transactions	million	322.1	414.1	503.3	544.6	551.9
Revenue	£ million	120.0	157.1	212.1	224.4	196.6
Net revenue⁽¹⁾	£ million	46.1	57.7	69.9	77.4	77.4
Net revenue per transaction ^(1,2)	p	14.3	13.9	13.9	14.2	14.0
Costs ⁽³⁾	£ million	(24.5)	(28.7)	(35.0)	(38.3)	(40.1)
EBITDA⁽⁴⁾	£ million	21.6	29.0	34.9	39.1	37.3
EBIT ⁽⁴⁾	£ million	19.3	25.2	29.2	33.4	32.5
Profit before taxation ⁽⁴⁾	£ million	20.3	26.6	30.4	34.6	32.6

⁽¹⁾ Net revenue is revenue less commissions paid to retail agents, the cost of mobile top-ups where PayPoint is principal and acquiring bank charges

⁽²⁾ Based on internal, unaudited PayPoint data

⁽³⁾ Costs include share of loss on joint venture (2009: £323k, 2010: £1,601k)

⁽⁴⁾ After deducting loss on share of joint venture



Appendix 2

Five year cash flow

March year end £'m	2006	2007	2008	2009	2010
Operating profit	19.3	25.2	29.2	33.7	34.1
Adjustments for depreciation and amortisation	2.3	3.8	5.7	5.7	4.8
Share based payment reserve	-	-	1.1	0.8	0.9
Operating cash flows before movements in working	21.6	29.0	36.0	40.1	39.8
Movement in working capital	(5.9)	5.2	(0.2)	0.5	(1.1)
Cash generated by operations	15.7	34.2	35.8	40.6	38.7
Corporation tax paid	(1.4)	(6.0)	(6.4)	(7.9)	(13.7)
Interest paid	(0.0)	(0.0)	(0.0)	-	-
Net cash inflow from operating activities	14.3	28.2	29.435	32.7	25.0
Investment income	1.1	1.3	1.3	1.2	0.2
Purchases of property, plant and equipment	(6.3)	(6.5)	(5.5)	(9.1)	(2.6)
Acquisition of subsidiaries & investment	-	(19.8)	(8.6)	(2.6)	(29.0)
Purchase of own shares	-	-	(3.5)	(2.5)	(0.5)
Loan to joint venture	-	-	-	-	(1.8)
Net cash used in investing activities	(5.3)	(24.9)	(16.3)	(13.1)	(33.6)
Financing	(0.2)	(0.1)	(0.0)	(0.1)	(0.0)
Bank loan	-	-	-	-	6.0
Equity dividends paid and consortium relief	(5.5)	(8.2)	(9.7)	(11.1)	(12.9)
Net cash used in financing activities	(5.7)	(8.3)	(9.7)	(11.1)	(6.9)
Net increase/(decrease) in cash and cash equivalents	3.3	(4.9)	3.4	8.5	(15.5)
Cash and cash equivalents at beginning of year	25.9	29.3	24.3	27.7	36.3
Cash and cash equivalents at end of year	29.3	24.3	27.7	36.3	20.8



Appendix 2

Balance sheet

March year end £'m	2007	2008	2009	2010
Non-current assets				
Goodwill	18.2	27.4	27.6	56.9
Other intangible assets	2.8	2.7	2.0	1.4
Property, plant and equipment	11.8	13.5	16.1	14.8
Deferred tax asset	1.6	1.6	1.6	1.2
Investment	-	-	0.6	0.7
	<u>34.5</u>	<u>45.2</u>	<u>47.9</u>	<u>74.9</u>
Current assets				
Inventories	1.7	1.3	1.2	1.6
Trade and other receivables	20.7	28.3	26.3	23.5
Cash and cash equivalents	24.3	27.7	36.3	20.8
	<u>46.6</u>	<u>57.3</u>	<u>63.8</u>	<u>45.8</u>
Total assets	<u>81.1</u>	<u>102.5</u>	<u>111.7</u>	<u>120.8</u>
Current liabilities				
Trade and other payables	36.2	45.3	40.8	37.9
Current tax liabilities	4.1	7.2	9.7	5.7
Borrowings	-	-	-	6.0
Obligations under finance leases	-	0.1	-	0.0
	<u>40.3</u>	<u>52.6</u>	<u>50.5</u>	<u>49.6</u>
Non-current liabilities	0.4	0.3	0.3	0.4
Net assets	<u>40.4</u>	<u>49.6</u>	<u>60.9</u>	<u>70.7</u>
Equity				
Share capital	0.2	0.2	0.2	0.2
Investment in own shares	(0.0)	(0.9)	(0.9)	-0.4
Share premium	-	-	0.0	0.0
Share based payment reserve	1.7	2.3	2.5	2.7
Translation reserve	-	0.3	0.5	0.5
Retained earnings	38.4	47.7	58.6	67.6
Total equity attributable to equity holders of the parent company	<u>40.4</u>	<u>49.6</u>	<u>60.9</u>	<u>70.7</u>



Appendix 3

Background information on PayPoint



Appendix 3

Trading in economic downturn

- Resilient performance
 - We help consumers to budget
 - 97% customer satisfaction (82% very satisfied)
 - Most payments are for essential services (non discretionary)
 - Local shops still needed for top up shopping
 - Long term client and retail contracts

BUT

- Inevitably some unpredictability in consumer/supplier behaviour (evident in the Top-ups sector)
- Energy tariff changes and temperatures affect volumes



Appendix 3

Our development

Grow transaction volumes:

More Clients

More Services

More Consumers

- 1996 - Founded by client investors
- 1998 - Refinanced and new management team appointed
- 1999 - National network completed
- 2002 - Turned profitable and cash generative
- 2003 - Congestion charging and ATMs
- 2004 – Listed on the London Stock Exchange
- 2005 – New terminal introduced
- 2006 – Sole provider to BBC TV licensing
- 2006/7 – Acquired Metacharge & SECPay
- 2008 – Acquired Pay Store SRL
- 2009 – Joint venture Collect+ launched
- 2010 – Acquired PayByPhone

A LEADING UK BASED PAYMENT COLLECTION NETWORK



Appendix 3

Retail business overview



Comprehensive scope

- Brand
- Technology/know-how
- Financial controls
- Relationship management
- Service development



Appendix 3

The PayPoint UK network



- 22,643 Retail Agents including 4,813 with Epos connections and 2,360 ATM sites
 - commission more than £3,000 per annum per agent
 - footfall (c.450 transactions per week)
 - 32% multiple outlets, remainder independent
-
- Network optimised for Client service and efficiency - extensive agent modelling

OVER **99%** COVERAGE OF UK HOUSEHOLDS



Appendix 3

UK Clients

- Many quality clients, many long term contracts, generally 3 – 5 years
- Top 12 clients deliver 70% of transactions

Energy	Telecoms/Media		Water	Transport	Other
British Gas	BT	O2	Dee Valley Water	System One	O2 Money
EdF	Eircom	Orange	Yorkshire Water		PayPal
Northern Ireland Electricity	Lebara	“3”	Northumbrian Water	Metrocoastlines (Blackpool Transport)	Pre Pay Solutions
Npower	Lycamobile	T-Mobile	Severn Trent		Ukash
Phoenix Gas	Virgin Media	Tesco Mobile	South Staffs	Lothian Buses	Home Technology Finance
E.On	Virgin Mobile		South West		
Scottish Power	BBC		Thames Water	Arriva	Intrum Justitia
Scottish & Southern		Vodafone	Three Valleys	First	Littlewoods/Shop Direct
Siemens (for Quantum)	Vectone	IDT	Southern Water		Parent Pay
Bord Gais	Asda Mobile		DWR Cymru Welsh Water	Metrolink (GMPTE)	
ESB	Talk Mobile	Icard		Nottingham Tram	172 Local authorities ⁽¹⁾
					493 Housing associations ⁽¹⁾
					57 Credit unions ⁽¹⁾

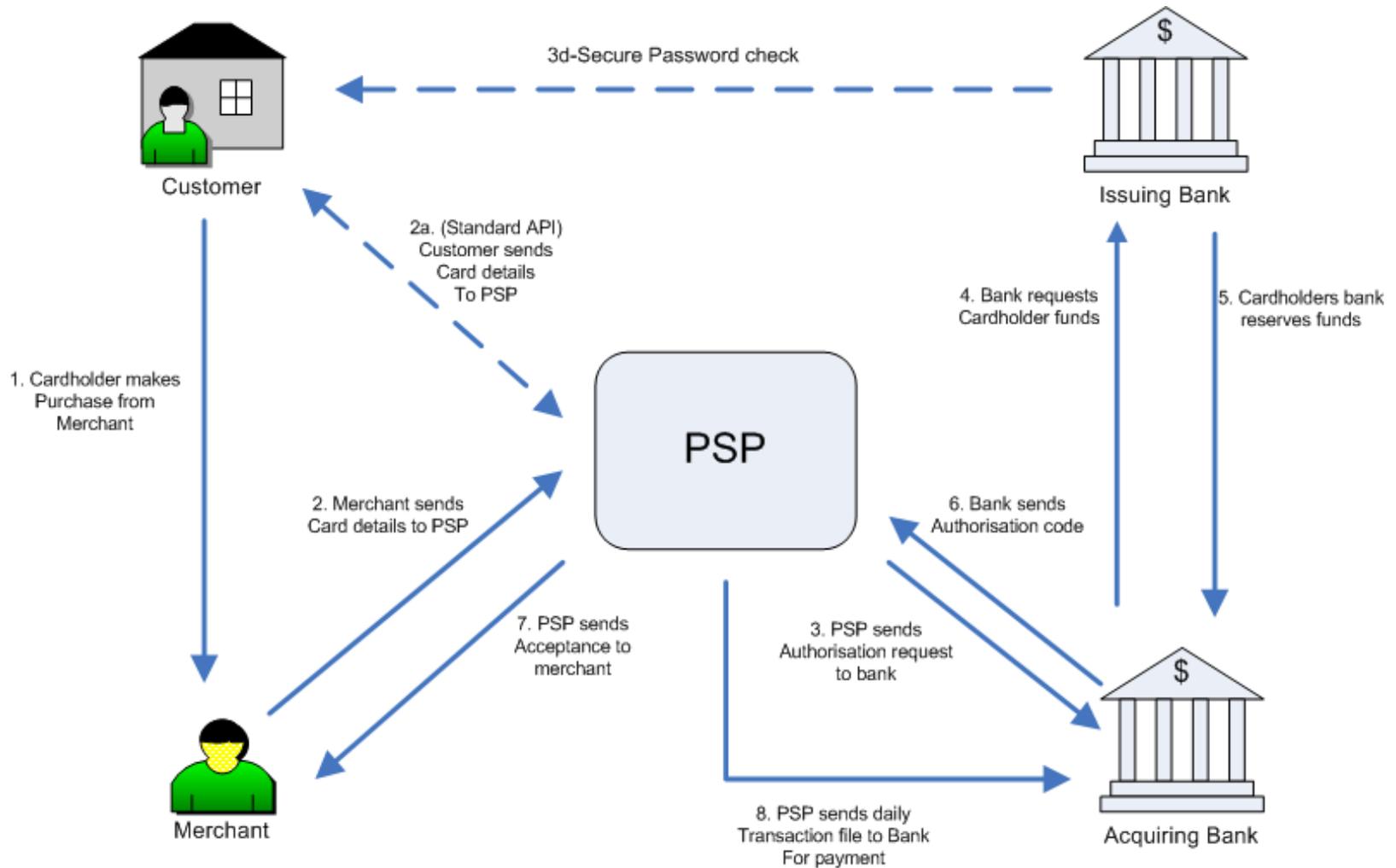
HIGH QUALITY AND GROWING CLIENT LIST

Contractual terms includes exclusivity (fully exclusive or alongside Post Office network only) or commercial incentives to encourage the same effect

⁽¹⁾ Managed through re-seller agreements with Cooperative Bank & Allpay



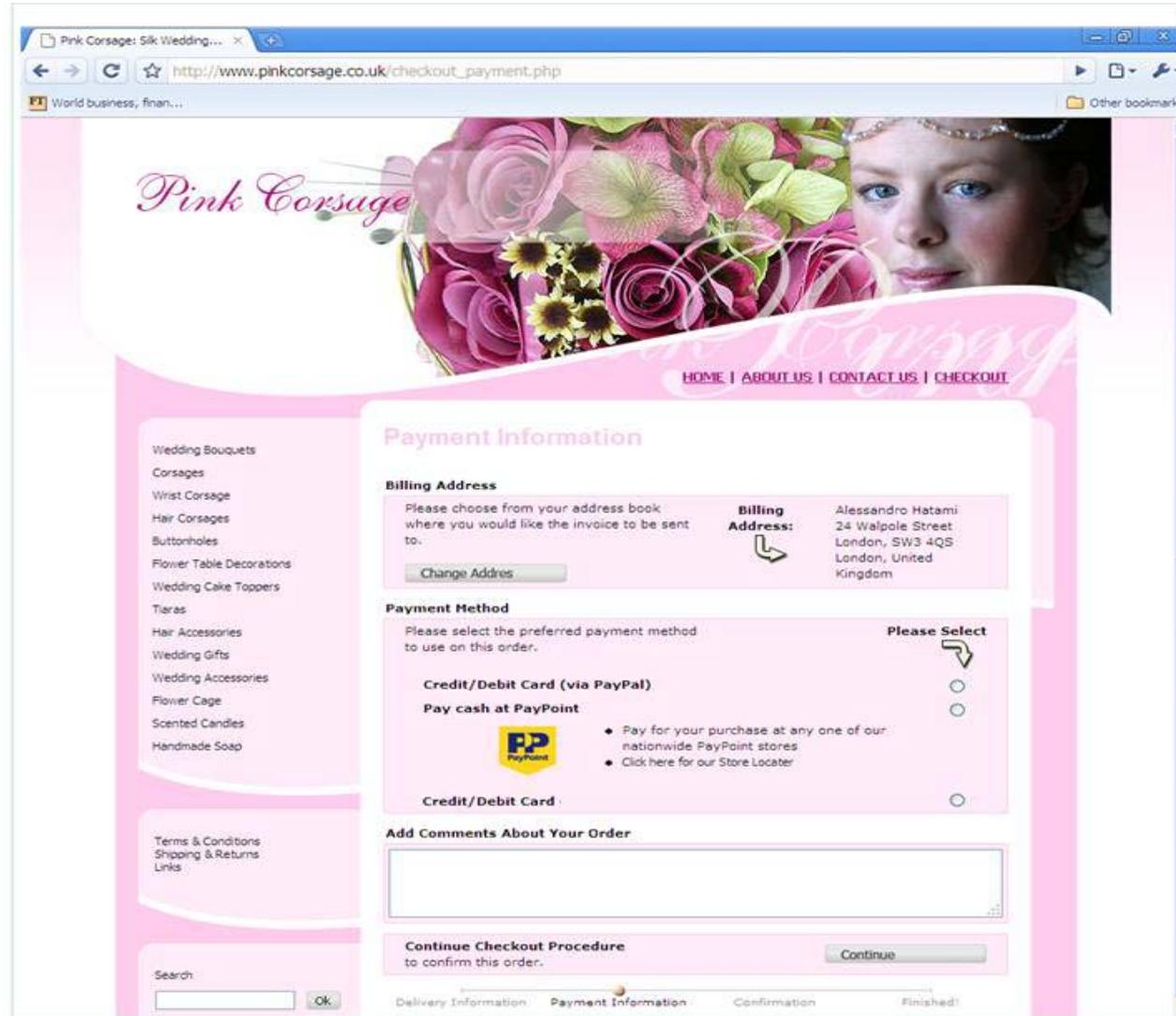
Appendix 3 PSP transaction flow





Appendix 3

PayCash – merchant's website





Appendix 3

PayCash – consumer voucher

Your order invoice

Thank you for your order. Please print off this invoice and take it to a PayPoint retailer. In the event of you not being able to print this off then make a note of the 19 digit number below the barcode now. When making payment, you must pay the full amount shown in order for your order to be dispatched.

Amount payable: **£41.15**
Order Number: **ZynC7B1WB0eB9dEtf07IRKQKnHp10Jsl**



Pay cash at PayPoint



9826 1645 0165 7915 599
£41.15

Expires on: 26/11/2008

You can pay at any PayPoint outlet by taking your printed invoice and presenting it to the cashier. You can find your nearest payment outlet at <http://www.paypoint.co.uk/locator.htm>

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.



Cashier instructions:

Take the customers 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.



Appendix 4

Materials to support the consumer transaction



Appendix 4

UK Retail: PayPoint's value to retailers

- Bill pay consumers visit store 20% more frequently than average shoppers¹.
- 78% retailers recognise footfall benefit ².
- Bill pay consumer spends 50% more per week than average shopper (excluding bill value) ¹.
- PayPoint facility increases in-store spend across all categories by approx. 10%³.
- Strategic focus on adding value to retailers by growing retail services delivering increased revenue and footfall

1. Source: Harris International Marketing (him!) convenience store tracking research on shoppers and shopping, - >24k shopper interviews; 4.5k retailer staff interviews May 2010

2. Source PayPoint agent questionnaire > 1000 respondents - June 2009

3. Source: Harris International Marketing (him!) convenience store tracking research on shoppers and shopping, - >27k shopper interviews; 4.5k retailer staff interviews May 2008



Appendix 4

UK Retail: Client payment media



Telewest

As this late stage it is advisable to make your payment only by Debit / Credit Card or through a Pay Point outlet - further details are on the reverse of this bill.

If you are experiencing problems paying your bill, please call us immediately.

Page 1 of 2

Girobank bank giro credit **ABC**

Reference (customer number) 337911903001
Clear account number 125 0205
Amount due £ 47.97

Customer's name and address
2700 000000
Mr & Mrs Dean
222 Longheath Gardens
Croydon, Cro 77r

20-13-42

BILL
Following methods:
DEBIT CARD

or bill by Mastercard (Eurocard), Visa, or one of the following methods, using one of the following methods, your card number and card details. If paying by card, you also need to quote your card issue address below and pay with your card in order and detach the slip, returning it in sealed envelope.

DIFFICULTIES
If you are having problems paying your bill, then please call our Customer Services on 190. We can suggest ways we may be able to help you. Please quote your account number as shown above.

SERVICES DEPARTMENT

Customer Services are available to take your call 8.30am to 8.30pm Monday - Friday and 9.30am - 5.30pm Saturday and Sunday. Staff are available to deal with any queries or problems you may have. Simply call us on 190.

Any correspondence should be sent to the following address and

of your cheque or postal order. Cheques should be made payable to:
Telewest Communications
and sent in the envelope provided together with your payment slip to the following address:
Telewest Communications, P.O. Box 19103, London E1 8TW



Appendix 4

UK Retail: Retailer external signage





Appendix 4

UK Retail: POS merchandising





Appendix 4

UK Retail: Terminals and ATMs





Appendix 4

UK Retail: Terminal receipts



Sample SPAR Tag



Transport Ticketing

E-TopUp



E Voucher



Utility Payment





Appendix 4

PayByPhone: Parking payment: IVR, SMS, mobile web

PAY BY PHONE & GO!

1 CALL VERRUS 2 ENTER LOCATION # 3 ENTER TIME

1-866-234-PARK
(7275)

POWERED BY
verrus
MOBILE PAYMENT

LOCATION #
4719

pts For questions call
303-492-7384





Appendix 4

PayByPhone: Consumer value proposition



All you need is your mobile phone



Be automatically reminded when time is almost up



Extend your time from any phone



Stay safe & comfortable while paying



View & print parking transactions online



Appendix 4

Collect+: Easy Store Locator

find your Collect+ store | send a parcel | return a parcel | about Collect+ SHARE

Enter a full UK Post Code:

Find a Collect+ store

There are over 3500 Collect+ stores in our national network.
Most stores are open from early morning until late, 7 days a week.

To find a store, please enter a full UK Post Code:

track your parcel
Enter a tracking code:

VeriSign Secured

Brought to you by

powered by

Map Satellite Hybrid

The map shows the 20 nearest Collect+ stores

A Costcutter
(Distance from this Post Code: 1.24 miles)
2-4 Thorne Road
Bawtry
Doncaster
South Yorkshire
DN10 6QH
Opening Times:
Mon - Fri: 0800-2100
Sat: 0800-2100
Sun: 0800-2000

Send a parcel FROM

B Spar Bawtry
(Distance from this Post Code: 1.47 miles)
14a Station Road
Bawtry
Doncaster
South Yorkshire
DN10 6PT
Opening Times:
Mon - Fri: 0700-2100
Sat: 0700-2100
Sun: 0700-2100



Appendix 4

Collect+: Online Label Solution



info@collectplus.co.uk
0845 270 9888
(local rate)
Monday to Friday, 8am-8pm
Saturday, 8am-12pm (Noon)

[find your Collect+ store](#) | [about Collect+](#)

Your Hotter Shoes returns label

06 PRES		Hotter Returns Comfort Concept Skelmersdale Lancashire	
WNB 9PT		99G	
Box: 1	Of: 1	Weight: <10kg	Creation Date: 15-Mar-2010
Sender's name & Reference: lee jackson 12345		72 R 72HR E T	
Delivery Instructions:			
815Y200000410006			

You are now ready to return your item:

1. Print this page by clicking 'File' then 'Print' on your PC/Mac. Or, try 'CTRL' & 'P' on your keyboard ('cmd' & 'P' on a Mac)
2. Cut out the label and attach it securely to your parcel. Make sure you do not obscure the information.
3. Take your parcel to ANY Collect+ store
4. You will be given a receipt. Keep this as proof of postage.
5. The receipt will also contain a Collect+ reference code. Use this to [track your parcel](#) to HotterShoes

You have also been sent an email with a link to this label

[Print](#)

[Find a Collect+ store](#)

[Contact us](#) [Terms & Conditions](#)

© 2009 Drop and Collect Ltd, trading as Collect+



Appendix 4

Collect+: UK Network

- Target network density
 - 1 Mile urban
 - 5 Mile rural
- Target 5,000 locations

3,500 locations live

