Travelex Bond Exchange

Travelex PLC

Securities and Exchange Commission
Amendment 3
Registration Statement

Part 2
Optional Redemption

Prior to August 1, 2003

At any time prior to August 1, 2003, we may on any one or more occasions redeem up to 35% of the aggregate principal amount of new notes at a redemption price of 110.5% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date with the net proceeds received by us from one or more Equity Offerings; provided, that:

(1) at least 65% of the aggregate principal amount of new notes initially issued remains outstanding immediately after the occurrence of such redemption; and

(2) that notice of each such redemption is mailed within 60 days of each such Equity Offering.

Prior to August 1, 2005

At any time prior to August 1, 2005, we also may redeem all or part of the new notes at our option upon not less than 30 nor more than 60 days' prior notice at a redemption price of 100 per cent of the principal amount thereof, plus the Make Whole Premium, plus accrued and unpaid interest, if any, to the redemption date. Our redemption is subject to the right of holders of record on the relevant regular record date that is prior to the redemption date to receive interest due on an interest payment date.

On or after August 1, 2005

At any time on or after August 1, 2005 and prior to maturity, we may redeem all or a part of the new notes at our option upon not less than 30 nor more than 60 days' prior notice at the following redemption prices (expressed as percentages of principal amount) plus accrued and unpaid interest, if any, to the redemption date, if redeemed during the 12-month period commencing August 1 of the years set forth below. Our redemption is subject to the right of holders of record on the relevant regular record date that is prior to the redemption date to receive interest due on an interest payment date.

<table>
<thead>
<tr>
<th>Year</th>
<th>Redemption Price</th>
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<tbody>
<tr>
<td>2005</td>
<td>105.25%</td>
</tr>
<tr>
<td>2006</td>
<td>103.50%</td>
</tr>
<tr>
<td>2007</td>
<td>101.75%</td>
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<tr>
<td>2008 and thereafter</td>
<td>100.00%</td>
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</tbody>
</table>

Selection

If less than all of the new notes are to be redeemed at any time, the trustee will select the new notes (or portions of new notes) for redemption as follows:

(1) in compliance with the requirements of any securities exchange or regulated securities market, if any, on which the new notes are then listed or,

(2) if the new notes are not listed or quoted on a securities exchange or a regulated securities market, on a pro rata basis, by lot or by such other method as the trustee in its sole discretion shall deem to be fair and appropriate; provided that no new note of £1,000 in principal amount or less shall be redeemed in part.

If any new note is to be redeemed in part only, the notice of redemption relating to such new note shall state the portion of the principal amount of such new note to be redeemed. A replacement for the new note in principal amount equal to the unredeemed portion of such original note will be issued in the name of the holder of such new note upon cancellation of the original note.
Optional Tax Redemption

In addition, we may, at our option, redeem the new notes in whole, but not in part, at 100% of their principal amount at maturity, plus accrued interest, if any, to the redemption date, in the event we have become or would become obligated to pay, on the next date on which any amount would be payable with respect to the new notes, any additional amounts as a result of a change in laws (including any regulations promulgated thereunder) of the Relevant Taxing Jurisdiction, or change in any official position regarding the application or interpretation of such laws or regulations, and this change is announced or becomes effective on or after the closing date, provided that we determine in good faith that the obligation to pay such additional amounts cannot be avoided by the use of reasonable measures available to us.

Repurchase of New Notes upon a Change of Control

The Company shall commence, within 30 days of the occurrence of a Change of Control, and consummate an Offer to Purchase for all new notes then outstanding, at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest (if any) to the Payment Date.

The Company may not have sufficient funds available at the time of any Change of Control to make any debt payment (including repurchases of new notes) (as well as any debt payment covenant that may be contained in other securities of the Company which might be outstanding at the time). The covenant described above, requiring the Company to make an offer to repurchase the new notes, will, unless consents are obtained, require the Company to repay all indebtedness then outstanding which by its terms would prohibit such new note repurchase, either prior to or concurrently with such new note repurchase.

Covenants

The indenture will contain the following covenants:

Limitation on Indebtedness

(A) The Company will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (other than the notes issued in this old notes offering and Indebtedness existing on the closing date) or issue any Redeemable Stock to any person; provided that the Company may Incur Indebtedness if, after giving effect to the Incurrence of such Indebtedness and the receipt and application of the proceeds thereof, the Interest Coverage Ratio would be greater than 2 to 1; and provided further that the Company may Incur Senior Indebtedness if, after giving effect to the Incurrence of such Senior Indebtedness and the receipt and application of the proceeds thereof, the Consolidated Leverage Ratio would not be greater than 3.5 to 1.

Notwithstanding the foregoing, the Company and (except as specified below) any Guarantor may incur or issue each and all of the following

(1) Indebtedness of the Company or any Guarantor under the Revolving Credit Facility in an aggregate principal amount at any one time outstanding not to exceed £15.0 million (or the foreign currency equivalent thereof), less the aggregate amount of all Net Cash Proceeds of Assets Sales that have been applied since the date of the indenture to repay Indebtedness under the Revolving Credit Facility pursuant to the covenant described under the caption "Limitation on Asset Sales";

(2) Indebtedness owed to the Company or to any of the Guarantors; provided that any event which results in any such Guarantor ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Company or another Restricted Subsidiary) shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (2);

(3) Indebtedness of the Company or any Guarantor issued in exchange for, or the net proceeds of which are used to refinance or refund, Indebtedness permitted by clause (1) of this paragraph and other Indebtedness Incurred in compliance with this covenant "Limitation on Indebtedness" (other than Indebtedness Incurred under
clause (2) of this paragraph), and any refinancings thereof in an amount not to exceed the principal amount so refinanced or refunded (plus premiums required to be paid in connection with such refinancing or refunding pursuant to the terms of the Indebtedness so refinanced or refunded or the amount of any premium reasonably determined by the Company as necessary to accomplish such refinancing or refunding by means of a tender offer or privately negotiated repurchase, accrued interest, and reasonable fees and expenses incurred in such refinancing or refunding; provided that Indebtedness, the proceeds of which are used to refinance or refund the new notes (in part but not in whole) simultaneously upon the Incurrence thereof or Indebtedness that is Senior Indebtedness shall only be permitted under this clause (3) if

(a) in a case where the new notes or any Guarantees thereof are refinanced in part or the Indebtedness to be refinanced is other Senior Indebtedness, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is outstanding, is expressly made equal in right of payment with, or subordinated in right of payment to, the remaining new notes and the Guarantees thereof;

(b) in a case where the Indebtedness to be refinanced is subordinated in right of payment to the new notes or any Guarantees thereof, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the new notes and the Guarantees thereof at least to the extent that the Indebtedness to be refinanced is subordinated to the new notes or such Guarantees; and

(c) such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the Stated Maturity of the Indebtedness to be refinanced or refunded, the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced or refunded and does not permit redemption or other retirement (including pursuant to an offer to purchase) of such Indebtedness at the option of the holder thereof prior to the date any redemption or other retirement of the Indebtedness being refinanced would have been permitted;

(4) Indebtedness

(a) in respect of performance, surety or appeal bonds, bankers' acceptances or letters of credit for the account of the Company or any Restricted Subsidiary in connection with self-insurance payment obligations, workers' compensation claims or similar requirements in the ordinary course of business in a customary manner and which do not secure other Indebtedness; or

(b) under Currency Agreements and Interest Rate Agreements; provided that such agreements

(i) are designed solely to protect the Company or its Restricted Subsidiaries against fluctuations in foreign currency exchange rates or interest rates with respect to Indebtedness Incurred or anticipated to be Incurred and which shall have a notional amount no greater than the payments due with respect to the Indebtedness being hedged thereby. or, in the case of Currency Agreements, (x) against currency
exchange rate fluctuations in the ordinary course of the Company's and the Restricted Subsidiary's business (A) relating to their existing financial obligations, (B) relating to the value of currency held as stock, or (C) anticipated financial results or (y) related to transactions with customers of the Company or any Restricted Subsidiary in the ordinary course of business, and, in each such case, not for the purpose of speculation, and

(ii) do not increase the Indebtedness of the Company or any Restricted Subsidiary outstanding at any time other than as a result of fluctuations in foreign currency exchange rates or interest rates or by reason of fees, indemnities and compensation payable thereunder;

(5) Indebtedness of the Company, to the extent the net proceeds thereof are promptly:

(a) used to purchase new notes tendered in an Offer to Purchase made as a result of a Change in Control or

(b) deposited to defease the new notes as described below under "— Defeasance";

(6) Indebtedness under the new notes, Guarantees of the new notes by the Guarantors, and Guarantees of Indebtedness of the Company or any Restricted Subsidiary by the Company or any other Restricted Subsidiary provided the Indebtedness was permitted to be Incurred by another provision of this covenant;

(7) Acquired Indebtedness, less any amount of such Indebtedness permanently repaid as provided under the covenants described below under the caption "— Limitation on Asset Sales";

(8) the accrual of interest on Indebtedness (other than interest capitalised or otherwise included in the principal amount of any Indebtedness or paid through the issuance or Incurrence of other Indebtedness) or the accretion or amortisation of original issue discount with respect to Indebtedness permitted to be Incurred by another provision of this covenant;

(9) Indebtedness Incurred by the Company or any Restricted Subsidiary and arising from an agreement providing for indemnification, adjustment of purchase price or similar obligations, in each case Incurred or assumed in connection with the disposition of any business, assets or a Subsidiary other than Guarantees of Indebtedness Incurred by any person acquiring all or a portion of such business, assets or a Subsidiary for the purpose of financing such acquisition, provided that (a) such Indebtedness is not reflected on the balance sheet of the Company or any Restricted Subsidiary (contingent obligations referred to in a footnote to financial statements and not otherwise reflected on such balance sheet will not be deemed to be reflected on such balance sheet for purposes of this clause (9)) and (b) the maximum liability in respect of such Indebtedness shall at no time exceed the gross proceeds including non-cash proceeds (the fair market value of such non-cash proceeds being measured at the time received and without giving effect to any subsequent changes in value) actually received by the Company or its Restricted Subsidiaries in connection with such disposition; and

(10) Indebtedness (in addition to Indebtedness permitted under the covenants described in clauses (1) through (9) above) in an aggregate principal amount outstanding at any time not to exceed £10 million, less any amount of such indebtedness permanently repaid as provided under the covenants described below under the caption "— Limitation on Asset Sales."

(B) Notwithstanding any other provision of the covenant described in this "— Limitation on Indebtedness" section, the maximum amount of Indebtedness or Senior Indebtedness that the Company or a Restricted Subsidiary may Incur pursuant to the covenant described in this "— Limitation on Indebtedness" section shall not be deemed to be exceeded, with respect to outstanding Indebtedness or outstanding Senior Indebtedness, due solely to the result of fluctuations in the exchange rates of currencies.

(C) For purposes of determining any particular amount of Indebtedness or Senior Indebtedness under the covenant described in this "— Limitation on Indebtedness" section,

(1) Guarantees, Liens or obligations with respect to letters of credit supporting Indebtedness or Senior Indebtedness otherwise included in the determination of such particular amount shall not be included and
any Liens granted pursuant to the equal and rateable provisions referred to in the covenant described below under the caption "— Limitation on Liens" shall not be treated as Indebtedness.

For purposes of determining compliance with the covenant described under this "— Limitation on Indebtedness" section, in the event that an item of Indebtedness or Senior Indebtedness meets the criteria of more than one of the types of Indebtedness described in the above clauses, the Company, in its sole discretion, shall classify such item of Indebtedness or Senior Indebtedness and only be required to include the amount and type of such Indebtedness in one of such clauses.

The indenture will also provide that neither the Company nor any Restricted Subsidiary will incur any Indebtedness that is contractually subordinated in right of payment to any other Indebtedness of the Company unless such Indebtedness is also contractually subordinated in right of payment to the new notes on substantially identical terms. provided that no Indebtedness of the Company or any Restricted Subsidiary shall be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Company solely by virtue of being unsecured.

Limitation on Liens

(A) The Company will not, and will not permit any Restricted Subsidiary to, create, incur, assume or suffer to exist any Lien on any of its assets or properties of any character now owned or hereafter acquired, or any shares of Capital Stock or Indebtedness of any Restricted Subsidiary, without making effective provision for all of the new notes and all other amounts due under the indenture to be directly secured equally and ratably with (or, if the obligation or liability to be secured by such Lien is subordinated in right of payment to the new notes, prior to) the obligation or liability secured by such Lien.

(B) The foregoing limitation does not apply to:

(1) Liens granted after the closing date on any assets or Capital Stock of the Company or its Restricted Subsidiaries created in favour of the holders of the new notes;

(2) Liens with respect to the assets of a Restricted Subsidiary granted by such Restricted Subsidiary to the Company or a Wholly Owned Restricted Subsidiary to secure Indebtedness owing to the Company or such other Restricted Subsidiary;

(3) Liens securing Indebtedness which is Incurred to refinance Senior Secured Indebtedness which is permitted to be Incurred under clause (3) of the second paragraph of "— Limitation on Indebtedness": provided that such Liens do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets securing the Indebtedness being refinanced;

(4) Liens securing Indebtedness Incurred under the Revolving Credit Facility;

(5) Liens to secure Capitalised Lease Obligations and Purchase Money Indebtedness permitted by clause (10) of the covenant "— Limitation on Indebtedness" above covering, in each such case, only the assets acquired with such Indebtedness;

(6) Liens securing Senior Indebtedness provided that after giving effect to the Incurrence of such Senior Indebtedness, the Secured Leverage Ratio would not be greater than 2 to 1; and

(7) Permitted Liens.

Limitation on Restricted Payments

(A) The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly,

(1) declare or pay any dividend or make any distribution (including any payment in connection with any merger or consolidation derived from assets of the Company or any Restricted Subsidiary) on or with respect to its Capital Stock or to the holders thereof (in their capacity as such) other than
(a) dividends or distributions by the Company or any Restricted Subsidiary payable solely in shares of its Capital Stock (other than Redeemable Stock) or in options, warrants or other rights to acquire shares of such Capital Stock (other than Redeemable Stock); and

(b) pro rata dividends or distributions on Common Stock of non Wholly-Owned Restricted Subsidiaries, provided that dividends paid to a person who is a minority stockholder of a non Wholly-Owned Restricted Subsidiary does not in the aggregate exceed such person's pro rata share of such Restricted Subsidiary's net income from January 1, 2000;

(2) purchase, redeem, retire or otherwise acquire for value (including any payment in connection with any merger or consolidation derived from assets of the Company or any Restricted Subsidiary) any shares of Capital Stock (including options, warrants or other rights to acquire such shares of Capital Stock or any securities convertible or exchangeable into Shares of Capital Stock of the Company or any Restricted Subsidiary) of (x) the Company held by any person or (y) any Restricted Subsidiary held by any person other than the Company or a Guarantor;

(3) make any principal payment, or redemption, repurchase, defeasance, or other acquisition or retirement for value prior to any scheduled maturity of Indebtedness of the Company that is subordinated in right of payment to the new notes or any Guarantee of the new notes; or

(4) make any Investment, other than a Permitted Investment, in any person (such payments or any other actions described in clauses (1) through (4) being collectively "Restricted Payments") if, at the time of, and after giving effect to, the proposed Restricted Payment;

(a) a Default or Event of Default shall have occurred and be continuing or would result from such Restricted Payment;

(b) the Company could not Incur at least £1.00 of Indebtedness under the covenant described in the first paragraph under "— Limitation on Indebtedness;" or

(c) the aggregate amount of all Restricted Payments (the amount, if other than in cash, to be determined in good faith by the Board of Directors, whose determination shall be conclusive and evidenced by a Board of Directors resolution filed with the Trustee) made after the closing date shall exceed the sum of

(i) 50% of the aggregate amount of the Adjusted Consolidated Net Income (or, if the Adjusted Consolidated Net Income is a loss, minus 100% of the amount of such loss) accrued on a cumulative basis during the period (taken as one accounting period) beginning on the first day of the fiscal quarter immediately following the date of the indenture and ending on the last day of the last fiscal quarter preceding the Transaction Date for which quarterly or annual financial statements are available for the Company;

(ii) the aggregate Net Cash Proceeds received by the Company after the date of the indenture from the issuance and sale permitted by the indenture to a person who is not a Subsidiary of the Company of

(I) its Capital Stock (other than Redeemable Stock), and

(II) any options, warrants or other rights to acquire Capital Stock of the Company (in each case, exclusive of any Redeemable Stock or any options, warrants or other rights that are redeemable at the option of the holder, or are required to be redeemed, prior to the Stated Maturity of the new notes);

(iii) the amount by which Indebtedness of the Company or a Restricted Subsidiary is reduced upon exchange or conversion into Capital Stock of the Company (other than Redeemable Stock),

(iv) the amount of any Investment in a Restricted Subsidiary which Investment constituted a Restricted Payment and was made at the time the Subsidiary was an Unrestricted Subsidiary, and
(v) the amount equal to the Company's or any Restricted Subsidiary's portion (by reference to the Company's or such Subsidiary's equity interest) of the fair market value of the net assets of an Unrestricted Subsidiary on the date it becomes a Restricted Subsidiary.

(B) The covenant described in part (A) of this "Limitation on Restricted Payments" section shall not be violated by reason of:

(1) the payment of any dividend within 60 days after the date of declaration thereof if at said date of declaration, such payment would comply with the covenant described in part (A) above;

(2) the redemption, repurchase, defeasance or other acquisition or retirement for value of Indebtedness that is subordinated in right of payment to the new notes and any Guarantee of the new notes, including premium, if any, and accrued and unpaid interest, with the proceeds of, or in exchange for, Indebtedness Incurred under the covenant described in clause (3) of the second paragraph of part (A) under the caption "— Limitation on Indebtedness":

(3) the repurchase, redemption or other acquisition of Capital Stock of the Company or any Restricted Subsidiary (or options, warrants or other rights to acquire such Capital Stock) in exchange for, or out of the proceeds of a substantially concurrent offering of, shares of Capital Stock (other than Redeemable Stock) of the Company (or options, warrants or other rights to acquire such Capital Stock) other than to a Subsidiary;

(4) repurchases of Subordinated Indebtedness upon the occurrence of a Change of Control to the extent required by the terms of such Indebtedness provided that no such repurchases shall be made prior to the Company's repurchase of such new notes as are required to be repurchased pursuant to the covenant described under the caption "— Repurchase of New Notes Upon Change of Control"; or

(5) other Investments otherwise constituting Restricted Payments in an aggregate amount not to exceed £1 million,

provided that, except in the case of clause (4), no Default or Event of Default shall have occurred and be continuing, or will occur as a consequence of the actions or payments set forth therein.

(C) For the purpose of calculating the total amount of each Restricted Payment made since the closing date for purposes of clause (4)(c) of part (A) of the covenant described in this "Limitation on Restricted Payments" section, all payments permitted pursuant to clauses (1), (4) and (5) of Clause B of such covenant shall be included in such calculation to the extent not otherwise included in such calculation.

**Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries**

(A) The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Restricted Subsidiary to

(1) pay dividends (in cash or otherwise) or make any other distributions permitted by applicable law on any Capital Stock of such Restricted Subsidiary owned by the Company or any other Restricted Subsidiary;

(2) pay any Indebtedness or other obligation owed to the Company or any other Restricted Subsidiary;

(3) make loans or advances to the Company or any other Restricted Subsidiary; or

(4) transfer any of its property or assets to the Company or any other Restricted Subsidiary.

(B) The covenant described in part (A) of this "Limitation on Dividend and Other Payment Restrictions Affecting Subsidiaries" section shall not restrict any encumbrances or restrictions:

(1) existing under the Revolving Credit Facility or the Acquisition Facility;
(2) imposed by applicable law;

(3) existing with respect to any person or the property or assets of such person acquired by the Company or any Restricted Subsidiary and existing at the time of such acquisition and not incurred in anticipation or in contemplation of such acquisition, which encumbrances or restrictions are not applicable to any person or the property or assets of any person other than such person or the property or assets of such person so acquired:

(4) in the case of clause (4) of part (A) of the covenant described in this "Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries" section,

   (a) that restrict in a customary manner in the ordinary course of business the subletting, assignment or transfer of any property or asset that is a lease, license, conveyance or contract or similar property or asset;

   (b) existing by virtue of any transfer of, agreement to transfer, option or right with respect to, or Lien on, any property or assets of the Company or any Restricted Subsidiary not otherwise prohibited by the indenture, or

   (c) arising or agreed to in the ordinary course of business, not relating to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of the Company or any Restricted Subsidiary in any manner material to the Company or any Restricted Subsidiary;

(5) with respect to a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, such Restricted Subsidiary, provided that consummation of such transaction would not result in a Default or an Event of Default, that such restriction terminates if such transaction is closed or abandoned and that the closing or abandonment of such transaction occurs within one year of the date such agreement was entered into; or

(6) pursuant to an agreement effecting a renewal, refunding or extension of Indebtedness Incurred pursuant to an agreement referred in clause (1) or (3) above, provided, however, that the provisions contained in such renewal, refunding or extension agreement relating to such encumbrance or restriction are no more restrictive in any material respect than the provisions contained in the agreement the subject thereof; or

(7) pursuant to liens permitted by covenant above entitled "— Limitation on Liens".

Nothing contained in the covenant described in this "Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries" section shall prevent the Company or any Restricted Subsidiary from creating, incurring, assuming or suffering to exist any Liens otherwise permitted in the covenant described under the caption "— Limitation on Liens".

**Limitation on the Issuance and Sale of Capital Stock of Restricted Subsidiaries**

The Company will not sell, and will not permit any Restricted Subsidiary, directly or indirectly, to issue or sell, any shares of Capital Stock of a Restricted Subsidiary (including options, warrants or other rights to purchase shares of such Capital Stock or securities convertible or exchangeable into such Common Stock) except:

(1) to the Company or a Wholly Owned Restricted Subsidiary,

(2) issuances of director's qualifying shares or sales to foreign nationals of shares of Capital Stock of foreign Restricted Subsidiaries, to the extent required by applicable law,

(3) if, immediately after giving effect to such issuance or sale, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any Investment in such person remaining after giving effect to such issuance or sale would have been permitted to be made under the covenant described under the "Limitation on Restricted Payments" section if made on the date of such issuance or sale; or
issuances or sales of Common Stock of a Restricted Subsidiary not described in clauses (1), (2) or (3) of this sentence, provided the Company or such Restricted Subsidiary applies the Net Cash Proceeds, if any, of any such sale in accordance with clauses (B)(1)(a) or (b) of the covenant described below under the caption "— Limitation on Asset Sales."

**Limitation on Transactions with Stockholders and Affiliates**

(A) The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into, renew or extend any transaction (including, without limitation, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with any Related Person of the Company (or any Affiliate of such Related Person) or with any Affiliate of the Company or any Restricted Subsidiary, except upon fair and reasonable terms no less favourable in any material respect to the Company or such Restricted Subsidiary than could be obtained, at the time of such transaction or, if such transaction is pursuant to a written agreement, at the time of the execution of the agreement providing therefor, in a comparable arm’s-length transaction with a person that is not a Related Person of the Company or an Affiliate or any Restricted Subsidiary or an Affiliate.

(B) The foregoing limitation does not limit, and shall not apply to:

1. transactions:
   1. approved by a majority of the disinterested members of the Board of Directors; or
   2. for which the Company or a Restricted Subsidiary delivers to the trustee a written opinion of a nationally recognised investment banking firm stating that the transaction is fair to the Company or such Restricted Subsidiary from a financial point of view;
2. any transaction solely between the Company and any of its Wholly Owned Restricted Subsidiaries or solely between Wholly Owned Restricted Subsidiaries;
3. any Restricted Payments not prohibited by the covenant described under the caption "— Limitation on Restricted Payments";
4. any issuance of securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock options and stock ownership plans approved by the Board of Directors of the Company;
5. transactions between or among the Company and its Wholly-Owned Restricted Subsidiaries;
6. the repurchase of Capital Stock of the Company from directors, officers or employees up to a maximum aggregate amount of £250,000;
7. payment of compensation and provision of benefits to and other transactions with, employees, officers, directors and consultants of the Company and its Subsidiaries in the ordinary course of business; and
8. transactions with Affiliates in connection with the Incurrence of Indebtedness otherwise permitted pursuant to the covenant "— Limitation of Indebtedness" above.

Notwithstanding the foregoing, any transaction or series of transactions covered by the first paragraph of this "— Limitation on Transactions with Stockholders and Affiliates" section and not covered by clauses (2) through (8) of this part (B), the aggregate amount of which exceeds £2.5 million in value must be determined to be fair in the manner provided for in clause (B)(1)(a) above and the aggregate amount of which exceeds £5.0 million in value must be determined to be fair in the manner provided for in clauses (B)(1)(b) above (other than transactions with RBS or its Affiliates relating to a Permitted Business and determined to be fair in the manner provided in clauses (B)(1)(a) above).
Limitation on Asset Sales

(A) The Company will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale, unless

(1) the consideration (including non-cash consideration) received by the Company or such Restricted Subsidiary is at least equal to the fair market value of the assets sold or disposed of (as determined by a Board of Directors resolution delivered to the trustee); and

(2) at least 75% of the consideration received consists of cash.

(B) With respect to the Net Cash Proceeds received by the Company or any of its Restricted Subsidiaries from one or more Asset Sales occurring on or after the closing date, the Company shall or shall cause the relevant Restricted Subsidiary to

(1) within 360 days after the date such Net Cash Proceeds are so received:

   (a) apply an amount equal to all such Net Cash Proceeds to permanently repay unsubordinated Indebtedness of the Company or any Indebtedness of any other Restricted Subsidiary, in each case owing to a person other than the Company or any of its Restricted Subsidiaries, or

   (b) invest an equal amount, or the amount not so applied pursuant to clause (a) (or enter into a definitive agreement committing to so invest within 360 days after the date of such agreement), in assets or other property of a nature or type used in a Permitted Business (other than goodwill) whether by directly acquiring such assets or acquiring all of the Capital Stock of a person who owns such assets and who becomes a Restricted Subsidiary at the time of acquisition; and

(2) apply (no later than the end of the 360 day period referred to in clause (1) of this sentence) such excess Net Cash Proceeds (to the extent not applied pursuant to clause (1) of this sentence) as provided in the covenant described in part (C) of this "Limitation on Asset Sales" section.

The amount of such excess Net Cash Proceeds required to be applied (or to be committed to be applied) during such 360 day period as set forth in clause (1) of the preceding sentence and not applied as so required by the end of such period shall constitute "Excess Proceeds."

(C) If, as of the first day of any calendar month, the aggregate amount of Excess Proceeds not subject to an Offer to Purchase pursuant to the covenant described in this " — Limitation on Asset Sales" section totals at least £5 million, the Company must commence, not later than the first business day of the next succeeding month, and consummate an Offer to Purchase from the holders on a pro rata basis an aggregate principal amount of new notes on the relevant Payment Date equal to the Excess Proceeds on such date, at a purchase price equal to 100% of the principal amount of the new notes on the relevant Payment Date, plus, in each case, accrued but unpaid interest (if any) to the Payment Date.

Business Activities

The Company will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Permitted Business, except to such extent as is immaterial to the Company and or such Restricted Subsidiary and is approved by a resolution of the Board of Directors of the Company.

Commission Reports and Reports to Holders

(A) Whether or not the Company is required to do so by the rules and regulations of the Commission, for so long as any of the new notes remain outstanding, the Company will furnish to the holders of the new notes and file with the Commission (unless the Commission will not accept such a filing):

(1) all annual financial information that would be required to be contained in a filing with the Commission on Form 20-F if the Company were required to file such form, including a "Management's Discussion and
Analysis of Financial Condition and Results of Operations" and a report of the Company's certified independent accountants;

(2) quarterly reports containing unaudited financial statements and financial information, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations", for each of the first three quarters of each fiscal year, which quarterly financial statements will be prepared in accordance with UK generally accepted accounting principles, reconciled to GAAP; and

(3) all reports that would be required to be filed with the Commission on Form 6-K if the Company were required to file such form.

(B) The Company will furnish to the holders of the new notes and will file with the Commission such annual financial information within 90 days after the end of each fiscal year and such quarterly reports within 60 days after the end of each of the first three fiscal quarters of each year.

(C) The Company shall supply to the trustee and each holder of the new notes or shall supply to the trustee for forwarding to each such holder of the new notes, without cost to such holders, copies of such reports and other information.

Events of Default

The following events will be defined as "Events of Default" in the indenture:

(A) default in the payment of principal of (or premium, if any, on) any new note when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;

(B) default in the payment of interest on any new note when the same becomes due and payable. and such default continues for a period of 30 days;

(C) default in the performance or breach of the provisions of the indenture applicable to mergers, consolidations and transfers of all or substantially all of the assets of the Company or the failure to make or consummate an Offer to Purchase in accordance with the covenants described under the "— Limitation on Asset Sales" or "— Repurchase of New Notes upon a Change of Control" sections;

(D) default in the performance of, or breaches of, any covenant or agreement of the Company or any Guarantor in the indenture, under the new notes (other than a default specified in clause (A), (B) or (C) above) or under any Guarantee of the new notes and such default or breach continues for a period of 30 consecutive days after written notice by the trustee or the holders of 25% or more in aggregate principal amount of the new notes;

(E) there occurs with respect to any issue or issues of Indebtedness of the Company, any Guarantor or any Significant Subsidiary having an outstanding principal amount of £5 million or more in the aggregate for all such issues of all such persons, whether such Indebtedness now exists or shall hereafter be created,

(1) an event of default that has caused the holder thereof to declare such Indebtedness to be due and payable prior to its Stated Maturity and such Indebtedness has not been discharged in full or such acceleration has not been rescinded or annulled within 30 days of such acceleration; and/or

(2) the failure to make a principal payment at the final (but not any interim) fixed maturity and such defaulted payment shall not have been made, waived or extended within 30 days of such payment default;

(F) Any final judgement or order (not covered by insurance) for the payment of money in excess of £10 million in the aggregate for all such final judgements or orders against all such persons (treating any deductibles, self-insurance or retention as not so covered) shall be rendered against the Company, any Guarantor or any Significant Subsidiary and shall not be paid or discharged, and there shall be any period of 60 consecutive days following entry of the final judgement or order that causes the aggregate amount for all such final judgements or orders outstanding and not paid or discharged against all such persons to exceed £10 million during which a stay of enforcement of
such final judgement or order, by reason of a pending appeal or otherwise, shall not be in effect: or

(G) certain events of bankruptcy, insolvency, reorganisation or administration affecting the Company, any Guarantor or any Significant Subsidiary.

If an Event of Default (other than an Event of Default specified in clause (G) above that occurs with respect to the Company or any Guarantor) occurs and is continuing under the indenture, the trustee or the holders of at least 25% in aggregate principal amount at maturity of the new notes then outstanding, by written notice to the Company (and to the trustee if such notice is given by the holders), may, and the trustee at the request of such holders shall, declare the principal amount of, premium, if any, and accrued interest on the new notes to be immediately due and payable.

Upon a declaration of acceleration, such principal amount of, premium, if any, and accrued interest shall be immediately due and payable. In the event of a declaration of acceleration because an Event of Default set forth in clause (E) above has occurred and is continuing, such declaration of acceleration shall be automatically rescinded and annulled if the event of default triggering such Event of Default pursuant to clause (E) shall be remedied or cured by the Company or the relevant Significant Subsidiary or waived by the holders of the relevant Indebtedness within 60 days after the declaration of acceleration with respect thereto.

If an Event of Default specified in clause (G) above occurs with respect to the Company, the principal amount of, premium, if any, and accrued interest on the new notes then outstanding shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the trustee or any holder of the new notes.

The holders of at least a majority in principal amount of the outstanding new notes, by written notice to the Company and to the trustee, may waive all past defaults and rescind and annul a declaration of acceleration and its consequences if:

(A) all existing Events of Default, other than the nonpayment of the principal amount of, premium, if any, and interest on the new notes that have become due solely by such declaration of acceleration, have been cured or waived; and

(B) the rescission would not conflict with any judgement or decree of a court of competent jurisdiction. For information as to the waiver of defaults, see "— Modification and Waiver."

The holders of at least a majority in aggregate principal amount of the outstanding new notes may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee. However, the trustee may refuse to follow any direction that:

(1) conflicts with law or the indenture;

(2) may involve the trustee in personal liability; or

(3) the trustee determines in good faith may be unduly prejudicial to the rights of holders of new notes not joining in the giving of such direction.

The trustee may take any other action it deems proper that is not inconsistent with any such direction received from holders of new notes.

A holder may not pursue any remedy with respect to the indenture or the new notes unless:

(A) the holder gives the trustee written notice of a continuing Event of Default;

(B) the holders of at least 25% in aggregate principal amount at maturity of outstanding new notes make a written request to the trustee to pursue the remedy;
(C) such holder or holders offer the trustee an indemnity satisfactory to the trustee against any costs, liability or expense;

(D) the trustee does not comply with the request within 60 days after receipt of request and the offer of an indemnity; and

(E) during such 60-day period, the holders of a majority in aggregate principal amount at maturity of the outstanding new notes do not give the trustee a direction that is inconsistent with the request.

However, such limitations do not apply to the right of any holder of a new note to receive payment of the principal of, premium, if any, or interest on, such new note or to bring suit for the enforcement of any such payment, on or after the due date expressed in the new notes, which right shall not be impaired or affected without the consent of the holder.

The indenture will require certain officers of the Company to certify, on or before a date not more than 90 days after the end of each fiscal year, that a review has been conducted of the activities of the Company and its Restricted Subsidiaries and the Company's and its Restricted Subsidiaries' performance under the indenture and that the Company and each Restricted Subsidiary has fulfilled all obligations thereunder, or, if there has been a default in the fulfillment of any such obligation, specifying each such default and the nature and status thereof. The Company will also be obligated to notify the trustee of any default or defaults in the performance of any covenants or agreements under the indenture.

Prescription

Claims against the Company and the guarantors for the payment of amounts due with respect to the new notes shall be prescribed 10 years after the applicable due date for payment thereof, except that claims against the Company and the guarantors for the payment of interest on the new notes shall be prescribed 5 years after the applicable due date for payment of interest.

Consolidation, Merger and Sale of Assets

Neither the Company nor any Guarantor shall consolidate with, merge with or into, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its property and assets (as an entirety or substantially an entirety in one transaction or a series of related transactions) to, any person or permit any person to merge with or into the Company unless:

(A) the Company or such Guarantor shall be the continuing person, or the person (if other than the Company or such Guarantor) formed by such consolidation or into which the Company or such Guarantor is merged or that acquired or leased such property and assets of the Company or such Guarantor shall be a corporation organised and validly existing under the laws of England and Wales or a State of the United States of America or the District of Columbia or (except in the case of the Company) any jurisdiction in which any Restricted Subsidiary is organised on the closing date, and shall expressly assume, by a supplemental indenture, executed and delivered to the trustee, all of the obligations of the Company on all of the new notes and under the indenture or all of the obligations of the Guarantor with respect to the Guarantee of the new notes and under the indenture, as the case may be;

(B) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing;

(C) immediately after giving effect to such transaction on a pro forma basis the Company or such Guarantor, or any person becoming the successor obligor of the new notes or the Guarantee of the new notes, as the case may be, would have a Consolidated Net Worth at least equal to the Consolidated Net Worth of the Company or such Guarantor immediately prior to such transaction;

(D) immediately after giving effect to such transaction on a pro forma basis the Company or such Guarantor, or any person becoming the successor obligor of the new notes or the Guarantee of the new notes, as the case may be,
would be able to incur an additional £1.00 of Indebtedness under the covenant described in the first paragraph under "— Limitation on Indebtedness";

(E) the Company delivers to the trustee an officers' certificate (attaching the arithmetic computations to demonstrate compliance with clauses (C) and (D)) and opinion of counsel, in each case stating that such consolidation, merger or transfer and such supplemental indenture comply with this provision. that all conditions precedent provided for herein relating to such transaction have been complied with and that the indenture and the new notes or such Guarantee, as the case may be, constitute legal, valid and binding obligations of the continuing person, enforceable in accordance with their terms.

Defeasance

Defeasance and Discharge. The indenture will provide that the Company will be deemed to have paid and will be discharged from any and all obligations in respect of the new notes (and each of the Guarantors will be discharged from any and all obligations in respect of its Guarantee of the new notes) on the first day following 123 days after the deposit referred to below, and the provisions of the indenture will no longer be in effect with respect to the new notes (except for, among other matters, certain obligations to register the transfer or exchange of the new notes, to replace stolen, lost or mutilated new notes, to maintain paying agencies and to hold monies for payment in trust) if, among other things:

(A) The Company has deposited with the trustee, in trust, money and/or Government Obligations (as defined in the indenture) that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the new notes on the Stated Maturity of such payments in accordance with the terms of the indenture and the new notes;

(B) The Company has delivered to the trustee

(1) opinion of counsels to the effect that holders will not recognise income, gain or loss for US federal or United Kingdom income tax purposes as a result of the Company's exercise of its option described under this "Defeasance" section and will be subject to US federal and United Kingdom income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge had not occurred, which opinion of counsel as to US federal income tax purposes must be based upon (and accompanied by a copy of) a ruling of the Internal Revenue Service to the same effect unless there has been a change in applicable federal income tax law after the closing date such that a ruling is no longer required; or

(2) a ruling directed to the trustee received from the Internal Revenue Service to the same effect as the aforementioned opinion of counsel; and

(C) immediately after giving effect to such deposit on a pro forma basis, no Event of Default, or Default shall have occurred and be continuing on the date of such deposit or during the period ending on the first day following six months after the date of such deposit, and such deposit shall not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound; and

(D) if at such time the new notes are listed on a national securities exchange, the Company has delivered to the trustee an opinion of counsel to the effect that the new notes will not be delisted as a result of such deposit, defeasance and discharge.

Defeasance of Certain Covenants and Certain Events of Default. The indenture further will provide that

(A) the provisions of the indenture will no longer be in effect with respect to clause (C) and (D) under "— Consolidation, Merger and Sale of Assets;" and

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(B) all the covenants described herein under "— Covenants," clause (D) under "— Events of Default" with respect to such covenants and clauses (E) and (F) under "— Events of Default" shall be deemed not to be Events of Default upon, among other things,

(1) the deposit with the trustee, in trust, of money and/or Government Obligations (as defined in the indenture) that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the new notes on the Stated Maturity of such payments in accordance with the terms of the indenture and the new notes.

(2) the satisfaction of the provisions described in clauses (B)(2), (C) and (D) of the preceding paragraph; and

(3) the delivery by the Company to the trustee of an opinion of counsel to the effect that, among other things, the holders will not recognise income, gain or loss for United States federal income tax purposes as a result of such deposit and defeasance of certain covenants and Events of Default and will be subject to US federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance of certain covenants and Events of Default had not occurred.

Defeasance and Certain Other Events of Default. In the event the Company exercises its option to omit compliance with certain covenants and provisions of the indenture with respect to the new notes as described in the immediately preceding paragraph and the new notes are declared due and payable because of the occurrence of any Event of Default that remains applicable, the amount of money and/or Government Obligations (as defined in the indenture) on deposit with the trustee will be sufficient to pay amounts due on the new notes at the time of the Stated Maturity but may not be sufficient to pay amounts due on the new notes at the time of the acceleration resulting from such Event of Default. However, the Company and the Guarantors will remain liable for such payments.

Modification and Waiver

The Company, the Guarantors and the trustee may amend the indenture, without the consent of any holder, to

(A) Cure any ambiguity, defect or inconsistency in the indenture, provided that such amendments to not adversely affect the interests of the holders of the new notes in any material respect.

(B) comply with the provisions described under "— Consolidation, Merger and Sale of Assets";

(C) comply with any requirements of the SEC in connection with the qualification of the indenture under the US Trust Indenture Act of 1939, or

(D) evidence and provide for the acceptance of appointment by a successor trustee.

The Company, the Guarantors and the trustee may make modifications and amendments of the indenture and waive compliance with certain covenants therein with the consent of the holders of not less than a majority in aggregate principal amount of the outstanding new notes; provided, however, that no such modification or amendment may, without the consent of each holder affected thereby,

(A) change the Stated Maturity of the principal of, or any instalment of interest on, any new note;

(B) reduce the principal amount of, or premium, if any, or interest on, any new note;

(C) change the place or currency of payment of principal of, or premium, if any, or interest on, any new note;

(D) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity (or, in the case of a redemption, on or after the Redemption Date) of any new note;

(E) reduce the above-stated percentage of outstanding new notes the consent of whose holders is necessary to modify or amend the indenture:
(F) waive a default in the payment of principal of, premium, if any, or interest on the new notes;

(G) modify the provisions described under "Additional Amounts" in any manner adverse to the holders; or

(H) reduce the percentage or aggregate principal amount at maturity of outstanding new notes the consent of whose holders is necessary for waiver of compliance with certain provisions of the indenture or for waiver of certain defaults.

Additional Amounts

(A) All payments made by the Company and any Guarantors under or with respect to the new notes and the Guarantee of the new notes will be made free and clear of and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment, or other governmental charge (including penalties, interest and other liabilities related thereto) (collectively, "Taxes") imposed or levied by or on behalf of any government or political subdivision or territory or possession of any government or authority or agency therein or thereof having the power to tax (each, a "Taxing Authority") in the Relevant Taxing Jurisdiction unless the Company or the Guarantor is required to withhold or deduct Taxes by law or by the interpretation or administration thereof.

If the Company or any Guarantor is required to withhold or deduct any amount for or on account of Taxes imposed by a Taxing Authority from any payment made under or with respect to the new notes or any Guarantee of the new notes, the Company or such Guarantor will pay such additional amounts ("Additional Amounts") as may be necessary so that the net amount received by each holder (including Additional Amounts) after such withholding or deduction will not be less than the amount the holder and beneficial owner would have received if such Taxes had not been withheld or deducted; provided that no Additional Amounts will be payable with respect to a payment made to a holder (an "Excluded Holder") with respect to any Tax which would not have been imposed, payable or due:

(1) to or on behalf of a holder who is subject to such Tax by reason of his being or having been connected with the Relevant Taxing Jurisdiction (or any political subdivision thereof) otherwise than merely by holding such new note or receiving principal or interest in respect thereof, or

(2) to or on behalf of a holder who would not be liable for or subject to such deduction or withholding by making a declaration of non-residence or other similar claim for exemption to the relevant taxing authority if, after having been requested to make such a declaration or claim, such holder fails to do so.

(B) In addition, Additional Amounts will not be payable:

(1) with respect to any estate, inheritance, gift, sales, transfer, personal property or any similar tax, assessment or other governmental charge; or

(2) with respect to any tax, assessment or other governmental charge which is payable otherwise than by deduction or withholding from payments of principal of, premium, if any, or interest, on the new notes; provided that, except as otherwise set forth in the indenture and in the new notes, the Company and the Guarantors shall pay all stamp and other duties, if any, which may be imposed with respect to the indenture or as a consequence of the issuance of the new notes or the granting of the Guarantee of the new notes.

(C) The Company will also

(1) make such withholding or deduction; and

(2) remit the full amount deducted or withheld to the relevant authority in accordance with applicable law.

The Company and the Guarantors will make reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Taxing Authority imposing such Taxes. The Company and the Guarantors will furnish to the holders, within 60 days after the date the payment of any Taxes so deducted or withheld is due pursuant to applicable law, either certified copies of tax receipts evidencing such payment by the
Company or any such Guarantor or, if such receipts are not obtainable, other evidence of such payments by the Company or such Guarantor.

(D) At least 30 days prior to each date on which any payment under or with respect to the new notes or the Guarantee of the new notes is due and payable, if the Company or any Guarantor will be obligated to pay Additional Amounts with respect to such payment, the Company or such Guarantor will deliver to the trustee an officers' certificate stating the fact that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the trustee to pay such Additional Amounts to the holders on the payment date.

Whenever this prospectus or the indenture mentions, in any context, the payment of amounts based upon the principal of premium, if any, interest or of any other amount payable under or with respect to any of the new notes or the Guarantee of the new notes, this includes payment of any Additional Amounts that may be applicable.

(E) In the event that the Company has become or would become obligated to pay on the next date on which any amount would be payable under or with respect to the new notes any Additional Amounts as a result of certain changes affecting withholding tax laws, the Company may redeem all, but not less than all, the new notes at any time at 100% of their principal amount, together with accrued interest, if any, to the redemption date. See "Optional Redemption."

Governing Law and Consent to Jurisdiction and Service

The new notes and the indenture will be governed by the laws of the State of New York. The Company and each of the Guarantors will appoint CT Corporation System, as its agent for service of process in any legal proceeding with respect to the indenture or the new notes and for actions brought under United States federal or state securities laws, in any federal or state court located in The City of New York. The Company and each Guarantor will also agree to submit to the jurisdiction of those courts.

No Personal Liability of Incorporators, Stockholders, Officers, Directors or Employees

The indenture provides that no recourse for the payment of the principal of, premium, if any, or interest on any of the new notes or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company in the indenture, or in any of the new notes or the Guarantees of the new notes or because of the creation of any Indebtedness represented thereby, shall be had against any incorporator, stockholder, officer, director, employee or controlling person of the Company or any Guarantor or of any successor person of either thereof. Each holder, by accepting the new notes, waives and releases all such liability.

Concerning the Trustee

The indenture provides that, except during the continuance of an Event of Default or Default, the trustee will not be liable, except for the performance of such duties as are specifically set forth in such indenture. If an Event of Default has occurred and is continuing, the trustee will use the same degree of care and skill in its exercise as a prudent person would exercise under the circumstances in the conduct of such person's own affairs.

The indenture and provisions of the US Trust Indenture Act of 1939 incorporated by reference in the indenture contain limitations on the rights of the trustee, should it become our creditor, to obtain payment of claims in certain cases or to realise on certain property received by it in respect of any such claims, as security or otherwise. The trustee is permitted to engage in other transactions; provided, however, that if it acquires any conflicting interest, it must eliminate such conflict or resign.
Definitions

Set forth below is a summary of some of the defined terms used in the covenants and other provisions of the indenture. Reference is made to the indenture for the definition of any other capitalised term used in this description of the new notes for which no definition is provided.

"Acquired Indebtedness" means Indebtedness of a person existing at the time that person becomes a Restricted Subsidiary or assumed in connection with an Asset Acquisition by the Company or a Restricted Subsidiary and not Incurred in connection with, or in anticipation of, such person becoming a Restricted Subsidiary or such Asset Acquisition; provided that the holders of such Indebtedness do not, at any time, have direct or indirect recourse to any property or assets of the Company and its Restricted Subsidiaries other than the property or assets of such acquired person.

"Acquisition Facility" means the acquisition facility described in this prospectus in the section entitled "Description of Senior Credit Facilities".

"Adjusted Consolidated Net Income" means, for any period, the aggregate net income (or loss) of the Company and its Restricted Subsidiaries for such period determined in conformity with GAAP, provided that the following items shall be excluded in computing Adjusted Consolidated Net Income (without duplication):

1) the net income of any person (other than net income attributable to a Restricted Subsidiary) in which any person (other than the Company or any of its Restricted Subsidiaries) has a joint interest and the net income of any Unrestricted Subsidiary, except to the extent of the amount of dividends or other distributions actually paid to the Company or any of its Restricted Subsidiaries by such other person or such Unrestricted Subsidiary during such period;

2) solely for the purposes of calculating the amount of Restricted Payments that may be made pursuant to the covenant described in clause (4)(c) of part (A) under the caption "— Limitation on Restricted Payments" (and in such case, except to the extent includable pursuant to clause (1) above), the net income (or loss) of any person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with the Company or any of its Restricted Subsidiaries or all or substantially all of the property and assets of such person are acquired by the Company or any of its Restricted Subsidiaries;

3) except in the case of any restriction or encumbrance permitted under the covenant described in part (B), clause (2) under the caption "— Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries", the net income of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of such net income is not at the time permitted by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary;

4) any gains or losses (on an after-tax basis) attributable to Asset Sales;

5) to the extent reflected in net income, non-cash compensation expense realised for grants of performance shares, stock options or other stock awards to officers, directors and employees of the Company or any Restricted Subsidiary with respect to common stock of the Company;

6) except for purposes of calculating the amount of Restricted Payments that may be made pursuant to part (A), clause (4) (c) under the caption "— Limitation on Restricted Payments", any amount paid or accrued as dividends on Preferred Stock of the Company owned by persons other than the Company and any of its Restricted Subsidiaries; and

7) all extraordinary gains and extraordinary losses.

"Affiliate" means, as applied to any person any other person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any
person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, by contract or otherwise; provided that beneficial ownership of 10% or more of the Voting Stock of a person shall be deemed to be control.

"Asset Acquisition" means an investment by the Company or any of its Restricted Subsidiaries in any other person pursuant to which such person shall become a Restricted Subsidiary or shall be merged into or consolidated with the Company or any of its Restricted Subsidiaries; provided that such person's primary business is a Permitted Business on the date of such investment or (ii) an acquisition by the Company or any of its Restricted Subsidiaries of the property and assets of any person other than the Company or any of its Restricted Subsidiaries that constitute substantially all of a division or line of business of such person; provided that the property and assets acquired are related, ancillary or complementary to a Permitted Business on the date of such acquisition or (iii) a transaction, evidenced by a written contract, pursuant to which the Company or any Restricted Subsidiary agrees with a third party to process and fulfill foreign currency outsourcing services to such third party's retail customers, provided that the contract relating to such transaction, at the time it was entered into by the Company or any Restricted Subsidiary, has a remaining term greater than the then-remaining term of the new notes.

"Asset Disposition" means the sale or other disposition by the Company or any of its Restricted Subsidiaries (other than to the Company or another Restricted Subsidiary) of (i) all or substantially all of the Capital Stock of any Restricted Subsidiary or (ii) all or substantially all of the assets that constitute a division or line of business of the Company or any of its Restricted Subsidiaries.

"Asset Sale" means any sale, transfer or other disposition (including by way of merger, consolidation or sale-leaseback transaction) in one transaction or a series of related transactions by the Company or any of its Restricted Subsidiaries to any person other than the Company or any of its Restricted Subsidiaries of:

1. all or any of the Capital Stock of any Restricted Subsidiary,
2. all or substantially all of the property and assets of an operating unit or business of the Company or any of its Restricted Subsidiaries; or
3. any other property and assets (other than the Capital Stock or other Investment in an Unrestricted Subsidiary) of the Company or any of its Restricted Subsidiaries outside the ordinary course of business of the Company or such Restricted Subsidiary and,

in each case, that is not governed by the provisions of the indenture applicable to mergers, consolidations and sales of all or substantially all of the assets of the Company, provided that "Asset Sale" shall not include:

1. sales or other dispositions of Inventory, receivables and other current assets; or
2. sales or other dispositions of assets in one transaction or a series of related transactions with a fair market value (as certified in an officers' certificate) not in excess of £250,000.

"Attributable Value" means, as to any particular lease under which any person is at the time liable other than a Capital Lease Obligation, and at any date as of which the amount thereof is to be determined, the total net amount of rent required to be paid by such person under such lease during the initial term thereof as determined in accordance with GAAP, discounted from the last date of such initial term to the date of determination at a rate per annum equal to the discount rate which would be applicable to a Capital Lease Obligation with like term in accordance with generally accepted accounting principles. The net amount of rent required to be paid under any such leases for any such period shall be the aggregate amount of rent payable by the lessee with respect to such period after excluding amounts required to be paid on account of insurance, taxes, assessments, utility, operating and labour costs and similar charges. In the case of any lease which is terminable by the lessee upon the payment of penalty, such net amount shall also include the lesser of the amount of such penalty (in which case no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated) or the rent which would otherwise be required to be paid if such lease is not so terminated. "Attributable Value" means, as to the Capital Lease Obligation, the principal amount thereof.
"Average Life" means, at any date of determination with respect to any debt security, the quotient obtained by dividing:

(1) the sum of the products of:

(a) the number of years from such date of determination to the dates of each successive scheduled principal payment of such debt security; and

(b) the amount of such principal payment, by

(2) the sum of all such principal payments.

"Capitalised Lease" means, as applied to any person, any lease of any property (whether real, personal or mixed) of which the discounted present value of the rental obligations of such person as lessee, in conformity with GAAP, is required to be capitalised on the balance sheet of such person.

"Capitalised Lease Obligations" means the discounted present value of the rental obligations under a Capitalised Lease.

"Capital Stock" means Common Stock and Preferred Stock.

"Change of Control" means such time as

(1) a "person" or "group" (within the meaning of Sections 13(d) and 14(d) (2) of the Exchange Act) becomes the ultimate "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) of more than 35% of the total voting power of the Voting Stock of the Company on a fully diluted basis and such ownership is greater than the amount of voting power of the Voting Stock of the Company, on a fully diluted basis, held by the Existing Stockholders and their Affiliates on such date; or

(2) individuals who on the closing date constitute the Board of Directors (together with any new directors whose election by the Board of Directors or whose nomination by the Board of Directors for election by the Company's stockholders was approved by the Board of Directors then in office who either were members of the Board of Directors on the closing date or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the members of the Board of Directors then in office.

"Common Stock" means, with respect to any person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of such person's equity, other than Preferred Stock of such person, whether now outstanding or issued after the closing date, including without limitation, all series and classes of such common stock.

"Consolidated EBITDA" means, for any period, the sum of the amounts for such period of:

(1) Adjusted Consolidated Net Income;

(2) Consolidated Interest Expense to the extent such amount was deducted in calculating Adjusted Consolidated Net Income;

(3) income taxes, to the extent such amount was deducted in calculating Adjusted Consolidated Net Income (other than income taxes (either positive or negative) attributable to extraordinary and non-recurring gains or losses or Asset Sales);

(4) depreciation expense, to the extent such amount was deducted in calculating Adjusted Consolidated Net Income;

(5) amortisation expense, to the extent such amount was deducted in calculating Adjusted Consolidated Net Income; and
all other non-cash items reducing Adjusted Consolidated Net Income (other than items that will require cash payments and for which an accrual or reserve is, or is required by GAAP to be, made), less all non-cash items increasing Adjusted Consolidated Net Income, all as determined on a consolidated basis for the Company and its Restricted Subsidiaries in conformity with GAAP.

provided that, if any Restricted Subsidiary is not a Wholly Owned Restricted Subsidiary, Consolidated EBITDA shall be reduced (to the extent not otherwise reduced in accordance with GAAP) by an amount equal to:

(a) the amount of the Adjusted Consolidated Net Income attributable to such Restricted Subsidiary multiplied by

(b) the quotient of:

(i) the number of shares of outstanding Common Stock of such Restricted Subsidiary not owned on the last day of such period by the Company or any of its Restricted Subsidiaries, divided by

(ii) the total number of shares of outstanding Common Stock of such Restricted Subsidiary on the last day of such period.

"Consolidated Interest Expense" means, for any period, the aggregate amount of interest expense in respect of Indebtedness (including, without limitation, amortisation of original issue discount on any Indebtedness and the interest portion of any deferred payment obligation, calculated in accordance with the effective interest method of accounting; all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing; the net costs associated with Interest Rate Agreements and Currency Agreements (but only, in the case of a Currency Agreement, if such Currency Agreement is related to Indebtedness); and the costs to the Company or a Restricted Subsidiary of Indebtedness that is Guaranteed or secured by the Company or any of its Restricted Subsidiaries) and all but the principal component of rentals in respect of Capitalised Lease Obligations paid, accrued or scheduled to be paid or to be accrued by the Company and its Restricted Subsidiaries during such period. excluding however any amount of such interest of any Restricted Subsidiary if the net income of such Restricted Subsidiary is excluded in the calculation of Adjusted Consolidated Net Income pursuant to clause (3) of the definition thereof (but only in the same proportion as the net income of such Restricted Subsidiary is excluded from the calculation of Adjusted Consolidated Net Income pursuant to clause (3) of the definition thereof).

"Consolidated Leverage Ratio" means, on any Transaction Date, the ratio of

(1) the aggregate amount of Senior Indebtedness of the Company and its Restricted Subsidiaries on a consolidated basis outstanding on such Transaction Date to

(2) the aggregate amount of Consolidated EBITDA for the then most recent four fiscal quarters for which financial statements of the Company have been filed with the Commission or provided to the trustee pursuant to the "Commission Reports and Reports to Holders" covenant described below (such four fiscal quarter period being the "Four Quarter Period"); provided that:

(a) pro forma effect shall be given to

(i) any Senior Indebtedness Incurred from the beginning of the Four Quarter Period through the Transaction Date (the "Reference Period"), to the extent such Indebtedness is outstanding on the Transaction Date; and

(ii) any Senior Indebtedness that was outstanding during such Reference Period but that is not outstanding or is to be repaid on the Transaction Date;

(b) pro forma effect shall be given to Asset Dispositions and Asset Acquisitions (including giving pro forma effect to the application of proceeds of any Asset Disposition) that occur during such Reference Period, as if they had occurred and such proceeds had been applied on the first day of such Reference Period; and
(c) pro forma effect shall be given to asset dispositions and asset acquisitions (including giving pro forma effect to the application of proceeds of any asset disposition) that have been made by any person that has become a Restricted Subsidiary or has been merged with or into the Company or any Restricted Subsidiary during such Reference Period and that would have constituted Asset Dispositions or Asset Acquisitions had such transactions occurred when such person was a Restricted Subsidiary as if such asset dispositions or asset acquisitions were Asset Dispositions or Asset Acquisitions that occurred on the first day of such Reference Period, provided that to the extent that clause (B) or (C) of this sentence requires that pro forma effect be given to an Asset Acquisition or Asset Disposition, such pro forma calculation shall be based upon the four full fiscal quarters immediately preceding the Transaction Date of the person, or division or line of business of the person that is acquired or disposed for which financial information is available,

(d) the aggregate amount of Senior Indebtedness outstanding as of the end of the Reference Period will be deemed to include the total amount of funds outstanding and/or available on the Transaction Date under the Revolving Credit Facility; and

(e) whenever pro forma effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness Incurred in connection therewith, the pro forma calculations shall give effect to cost savings resulting from employee terminations, facilities consolidations and closings, standardisation of employee benefits and compensation practices, consolidation of property, casualty and other insurance coverage policies, standardisation of sales and distribution methods, reductions in taxes other than income taxes and other costs savings reasonably expected to be realised from such acquisition, as determined in good faith by the chief financial officer of the Company (but only to the extent that such cost savings could then be reflected in pro forma financial statements under GAAP and Regulation S-X promulgated by the SEC and any other regulation or policy of the SEC).

"Consolidated Net Worth" means, at any date of determination, stockholders' equity as set forth on the most recently available quarterly or annual consolidated balance sheet of the Company and its Restricted Subsidiaries (which shall be as of a date not more than 90 days prior to the date of such computation and which shall not take into account Unrestricted Subsidiaries), less any amounts attributable to Redeemable Stock or any equity security convertible into or exchangeable for Indebtedness, the cost of treasury stock and the principal amount of any promissory notes receivable from the sale of the Capital Stock of the Company or any of its Restricted Subsidiaries, each item to be determined in conformity with GAAP (excluding the effects of foreign currency exchange adjustments).

"Currency Agreement" means any foreign exchange contract, currency swap agreement or other similar agreement or arrangement.

"Default" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"Equity Offering" means a primary public or private offering of Common Stock of the Company for cash.

"Existing Stockholders" means the shareholders of the Company set forth in the section entitled "Shareholders" in this prospectus or any Permitted Transferee of any such shareholder.

"fair market value" means the price that would be paid in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors, whose determination shall be conclusive if evidenced by a Board Resolution.

"GAAP" means generally accepted accounting principles in the United States as in effect as of the closing date.

"Guarantee" means any obligation, contingent or otherwise, of any person directly or indirectly guaranteeing any Indebtedness of any other person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such person (i) to purchase or pay (or advance or supply funds for the purchase
or payment of) such Indebtedness of such other person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Guarantors" means, on the closing date, the following entities:

<table>
<thead>
<tr>
<th>Travellers Exchange Corporation Limited</th>
<th>Travelex Deutschland GmbH</th>
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</thead>
<tbody>
<tr>
<td>Travelex Group Investments Limited</td>
<td>Travelex America, Inc.</td>
</tr>
<tr>
<td>Travelex Currency Services Limited</td>
<td>Travelex Insurance Services, Inc.</td>
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<tr>
<td>Travelex Europe Limited</td>
<td>Travelex Global Payments, Inc.</td>
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<tr>
<td>Travelex Maritime Services Limited</td>
<td>Tele-Trip Company, Inc.</td>
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<td>Travelex Foreign Coin Services Limited</td>
<td>Travelex Canada, Inc.</td>
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<td>Travelex Com Limited</td>
<td>Travelex Investments (Australia) Pty Limited</td>
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<td>Travelex UK Limited</td>
<td>Travelex Australia Pty Limited</td>
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<tr>
<td>Travelex Global Payments Limited</td>
<td>Travelex Global Payments Pty Limited</td>
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<tr>
<td>Travelex France, S.A.</td>
<td>Travelex New Zealand Investments Limited</td>
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<td>Travelex, S.A.</td>
<td>Travelex New Zealand Limited</td>
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<tr>
<td>Travelex Belgium N.V.</td>
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</tbody>
</table>

"holder" means, the registered holder of any new note.

"Incur" means, with respect to any Indebtedness, to incur, create, issue, assume, Guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness, including an Incurrence of Acquired Indebtedness; provided that neither the accrual of interest nor the accretion of original issue discount shall be considered an Incurrence of Indebtedness.

"Indebtedness" means, with respect to any person at any date of determination (without duplication),

1. all indebtedness of such person for borrowed money;
2. all obligations of such person evidenced by bonds, debentures, notes or other similar instruments;
3. all obligations of such person in respect of letters of credit or other similar instruments (including reimbursement obligations with respect thereto);
4. all obligations of such person to pay the deferred and unpaid purchase price of property or services, which purchase price is due more than six months after the date of placing such property in service or taking delivery and title thereto or the completion of such services. except Trade Payables;
5. all Capitalised Lease Obligations of such person and the Attributable Value of all sale-leaseback transactions entered into by such person;
6. all Indebtedness of other persons secured by a Lien on any asset of such person, whether or not such Indebtedness is assumed by such person; provided that the amount of such Indebtedness shall be the lesser of:
   a. the fair market value of such asset at such date of determination; and
   b. the amount of such Indebtedness;
7. all Indebtedness of other persons Guaranteed by such person to the extent such Indebtedness is Guaranteed by such person; and
8. to the extent not otherwise included in this definition, obligations under Currency Agreements and Interest Rate Agreements.
The amount of Indebtedness of any person at any date shall be the outstanding balance at such date (or in the case of a revolving credit or other similar facility, the total amount of funds outstanding and/or available on the date of determination) of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation, provided

(a) that the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortised portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP, and

(b) that Indebtedness shall not include any liability for federal, state, local or other taxes.

"Interest Coverage Ratio" means, on any Transaction Date, the ratio of

(1) the aggregate amount of consolidated EBITDA for the then most recent four fiscal quarters prior to such Transaction Date for which reports have been with filed with the commission or provided to the trustee (the "Four Quarter Period") to

(2) the aggregate Consolidated Interest Expense during such Four Quarter Period;

provided that

(A) pro forma effect shall be given to any Indebtedness Incurred (and still outstanding on such Transaction Date) or repaid during the period (the "Reference Period") commencing on the first day of the Four Quarter Period and ending on the Transaction Date (other than Indebtedness Incurred or repaid under a revolving credit or similar arrangement to the extent of the commitment thereunder (or under any predecessor revolving credit or similar arrangement) in effect on the last day of such Four Quarter Period unless any portion of such Indebtedness is projected, in the reasonable judgement of the senior management of the company, to remain outstanding for a period in excess of 12 months from the date of the Incurrence thereof), in each case as if such Indebtedness had been Incurred or repaid on the first day of such Reference Period;

(B) Consolidated Interest Expense attributable to interest on any Indebtedness (whether existing or being Incurred) computed on a pro forma basis and bearing a floating interest rate shall be computed as at the rate in effect on the Transaction Date (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of the Indebtedness) had been the applicable rate for the entire period;

(C) pro forma effect shall be given to Asset Disposition and Asset Acquisitions (including giving pro forma effect to the application of proceeds of any Asset Disposition) that occur during such Reference Period;

(D) pro forma effect shall be given to asset dispositions and asset acquisitions (including giving pro forma effect to the application of proceeds of any asset disposition) that have been made by any person that has become a Restricted Subsidiary or has been merged with or into the Company or any Restricted Subsidiary during such Reference Period and that would have constituted Asset Dispositions or Asset Acquisitions had such transactions occurred when such person was a Restricted Subsidiary as if such asset dispositions or asset acquisitions were Asset Dispositions or Asset Acquisitions that occurred on the first day of such Reference Period; provided that to the extent that clause (C) or (D) of this sentence requires that pro forma effect be given to an Asset Acquisition or Asset Disposition, such pro forma calculations shall be based upon the four full fiscal quarters immediately preceding the Transaction Date of the person, or division or line of business of the person, that is acquired or disposed for which financial information is available; and

(E) whenever pro forma effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness Incurred in connection therewith, the pro forma calculations shall give effect to cost savings resulting from employee terminations, facilities consolidations and closings, standardisation of employee benefits and compensation practices, consolidation of property, casualty and other insurance coverage policies, standardisation of sales and distribution methods, reductions in taxes other than income taxes and other costs savings reasonably
expected to be realised from such acquisition, as determined in good faith by the chief financial officer of the Company (but only to the extent that such cost savings could then be reflected in pro forma financial statements under GAAP and Regulation S-X promulgated by the SEC and any other regulation or policy of the SEC).

"Interest Rate Agreement" means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement.

"Investment" in any person means any direct or indirect advance, loan or other extension of credit (including, without limitation, by way of Guarantee or similar arrangement, but excluding advances to customers in the ordinary course of business that are, in conformity with GAAP, recorded as accounts receivable on the balance sheet of the Company its Restricted Subsidiaries) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, bonds, notes, debentures or other similar instruments issued by, such person and shall include:

1. the designation of a Restricted Subsidiary as an Unrestricted Subsidiary; and

2. the fair market value of the Capital Stock (or any other Investment), held by the Company or any of its Restricted Subsidiaries, of (or in) any person that has ceased to be a Restricted Subsidiary, including, without limitation, by reason of any transaction permitted by the covenant described in clause (3) under the caption "— Limitation on the Issuance and Sale of Capital Stock of Restricted Subsidiaries."

For purposes of the definition of "Unrestricted Subsidiary" and the covenant described under the caption "— Limitation on Restricted Payments,"

1. "Investment" shall include the fair market value of the assets (net of liabilities (other than liabilities to the Company or its Restricted Subsidiaries)) of any Restricted Subsidiary of the Company at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary;

2. the fair market value of the assets (net of liabilities (other than liabilities to the Company or its Subsidiaries)) of any Unrestricted Subsidiary at the time that such Unrestricted Subsidiary is designated a Restricted Subsidiary shall be considered a reduction in outstanding Investments; and

3. any property transferred to or from any person shall be valued at its fair market value at the time of such transfer.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof, any sale with recourse against the seller or any Affiliate of the seller, or any agreement to give any security interest).

"Make Whole Premium" means, with respect to a new note at any redemption date, the greater of (i) 1.0 per cent of the principal amount of such new note or (ii) the sum of (A) the present value of the redemption price of such new note at, 2005 (such redemption price being set forth in the tables above) computed using a discount rate equal to the UK Government Bond Rate plus 50 basis points, plus (B) the present value of the sum of the remaining scheduled payments of interest on such new note discounted to the date of redemption using a discount rate equal to the UK Government Bond Rate plus 50 basis points, less (C) the then-outstanding principal amount of the new note.

"Net Cash Proceeds" means,

1. with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents (except to the extent such obligations are financed or sold with recourse to the Company or any Restricted Subsidiary) and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of:
(a) brokerage commissions and other fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale;

(b) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Asset Sale without regard to the consolidated results of operations of the Company and its Restricted Subsidiaries, taken as a whole;

(c) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either:

   (i) is secured by a Lien on the property or assets sold, or

   (ii) is required to be paid as a result of or in connection with such sale; and

(d) appropriate amounts to be provided by the Company or any Restricted Subsidiary as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in conformity with GAAP;

with respect to any issuance or sale of Capital Stock, the proceeds of such issuance or sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents (except to the extent such obligations are financed or sold with recourse to the Company or any of its Restricted Subsidiary) and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"Offer to Purchase" means an offer by the Company to purchase new notes from the holders of record of new notes commenced by mailing a notice to the trustee and each holder stating:

1. the covenant pursuant to which the offer is being made and that all new notes validly tendered will be accepted for payment on a pro rata basis;

2. the purchase price and the date of purchase (which shall be a business day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "Payment Date");

3. that any new note not tendered will continue to accrue interest pursuant to its terms;

4. that, unless the Company defaults in the payment of the purchase price, any new note accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Payment Date;

5. that holders electing to have a new note purchased pursuant to the Offer to Purchase will be required to surrender the new note, together with the form entitled "Option of the Holder to Elect Purchase" on the reverse side of the new note completed, to the paying agent at the address specified in the notice prior to the close of business on the business day immediately preceding the Payment Date;

6. that holders will be entitled to withdraw their election if the paying agent receives, not later than the close of business on the third business day immediately preceding the Payment Date, a facsimile transmission or letter setting forth the name of such holder, the principal amount at maturity of new notes delivered for purchase and a statement that such holder is withdrawing his election to have such new notes purchased; and

7. that holders whose new notes are being purchased only in part will be issued replacements for the new notes equal in principal amount to the unpurchased portion of the new notes surrendered, provided that each new note purchased and each replacement new note issued shall be in a principal amount at maturity of £1,000 or integral multiples thereof.

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On the Payment Date, we shall

(1) accept for payment on a pro rata basis new notes or portions thereof tendered pursuant to an Offer to Purchase;

(2) deposit with the paying agent money sufficient to pay the purchase price of all new notes or portions thereof so accepted; and

(3) deliver, or cause to be delivered, to the trustee all new notes or portions thereof so accepted together with an officers’ certificate specifying the new notes or portions thereof accepted for payment by us.

The paying agent is required to promptly mail to the holders of new notes so accepted payment in an amount equal to the purchase price, and the trustee is required to promptly authenticate and mail to such Holders a replacement for the new note equal in principal amount to any unpurchased portion of the new note surrendered, provided that each new note purchased and each replacement new note issued shall be in a principal amount of £1,000 or integral multiples thereof. The Company will publicly announce the results of an Offer to Purchase as soon as practicable after the Payment Date. The trustee shall act as the paying agent for an Offer to Purchase. The Company will comply with Rule 14e-l under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable, in the event that we are required to repurchase new notes pursuant to an Offer to Purchase.

"Permitted Business" means any business primarily involving (1) the exchange or transfer of currency for consumers or the exchange or transfer of currency for business entities, (2) the provision of funds or cash transfer, payment, receipt or settlement services as principle or agent, (3) the sale or acceptance of travellers cheques, (4) travel insurance services, (5) cheque cashing services, (6) providing currency handling and sorting services, (7) the sale of phone cards, (8) the processing of VAT returns, (9) the operation of automated teller machines, and (10) any business or activity which supports, is ancillary to, is complimentary to, or is related to the foregoing, all as determined in good faith by the Board of Directors of the Company.

"Permitted Investment" means:

(1) an Investment in the Company or a Restricted Subsidiary or a person which will, upon the making of such Investment, become a Restricted Subsidiary or be merged or consolidated with or into or transfer or convey all or substantially all its assets to, the Company or a Restricted Subsidiary; provided that such person's primary business is a Permitted Business on the date of such Investment;

(2) a Temporary Cash Investment;

(3) commission, payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with GAAP;

(4) stock, obligations or securities received in satisfaction of judgements;

(5) Indebtedness described in Section (A)(2) of the covenant entitled "— Limitation on Indebtedness";

(6) Guarantees of Indebtedness otherwise permitted by the indenture;

(7) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under the covenant "— Limitation on Asset Sales"; and

(8) Investments in joint ventures engaged in a Permitted Business and Unrestricted Subsidiaries having an aggregate fair market value (measured on the date each such investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (8) that are at the time outstanding, not to exceed £20 million, provided that all such Investments in joint ventures must be freely transferable (subject to restrictions of applicable law and subject to it being
understood that rights of first refusal shall not be deemed to be restrictions on transferability) upon the occurrence of an Event of Default and at least £10 million of such investments must be in Unrestricted Subsidiaries or in joint ventures in which the Company and its Restricted Subsidiaries hold 50% of the voting interests in such joint ventures.

"Permitted Liens" means:

(1) Liens for taxes, assessments, governmental charges, claims or levies if the same shall not at the time be delinquent or thereafter can be paid without penalty or that are being contested in good faith by appropriate legal proceeding promptly instituted and diligently conducted and for which a reserve or other appropriate provisions, if any, as shall be required in conformity with GAAP shall have been made;

(2) statutory and common law Liens of landlords and carriers, warehousemen, mechanics, suppliers, materialmen, repairmen or other similar Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith by appropriate legal proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;

(3) Liens, pledges or deposits by the Company or any Restricted Subsidiary under workmen's compensation laws, unemployment insurance laws or similar legislation, good faith deposits required to be made in connection with bids, tenders, contracts (other than contracts relating to Indebtedness) or leases to which the Company or any Restricted Subsidiary is a party, deposits to secure public or statutory obligations of the Company or any Restricted Subsidiary, deposits of cash or government bonds to secure surety or appeal bonds obtained in the ordinary course of business to which the Company or a Restricted Subsidiary is a party, or import duties incurred in the ordinary course of business of the Company or any Restricted Subsidiary;

(4) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security;

(5) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligations, bankers' acceptances, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of a similar nature incurred in the ordinary course of business (exclusive of obligations for the payment of borrowed money);

(6) easements, rights-of-way, municipal and zoning ordinances, survey exceptions, building restrictions and similar charges, encumbrances, title defects or other irregularities that do not materially interfere with the ordinary course of business of the Company or any of its Restricted Subsidiaries;

(7) leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Company and its Restricted Subsidiaries, taken as a whole.

(8) Liens on property of, or on shares of Capital Stock or Indebtedness of, any person existing at the time such person becomes, or becomes a part of, any Restricted Subsidiary (and not in anticipation of such acquisition); provided that such Liens do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets acquired and any proceeds thereof;

(9) judgement Liens not giving rise to an Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgement have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(10) Liens in favour of the Company or any Restricted Subsidiary;

(11) Liens encumbering customary initial deposits and margin deposits, and other Liens that are incurred in the ordinary course of business, in each case securing Indebtedness under Interest Rate Agreements and Currency Agreements; and
(12) Liens securing all amounts, sums and liabilities (other than Indebtedness) payable in connection with, and by the obligors of, Senior Secured Indebtedness.

"Permitted Transferee" means,

(A) in the case of any person or Permitted Transferee who is a natural person, such person's spouse or children or grandchildren (in each case, natural or adopted), any trust for the sole benefit of such person and such person's spouse or children or grandchildren (in each case, natural or adopted), any charitable trust the grantor of which is such individual person or his Permitted Transferee, or any corporation or partnership in which the direct and beneficial owner of all of the equity interest is such individual person or such person's spouse or children or grandchildren (in each case, natural or adopted) (or any trust solely for the benefit of such persons);

(B) in the case of any person or Permitted Transferee who is in each case, a natural person, the heirs, executors, administrators or personal representatives upon the death of such person or upon the incompetency or disability of such person for purposes of the protection and management of such person's assets; or

(C) in the case of a person or Permitted Transferee which is not a natural person, any corporation, partnership or other entity in which the direct and beneficial owner of all of the equity interests or share capital is such person or Permitted Transferee:

"Preferred Stock" means, with respect to any person any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of such person's preferred or preference equity, whether now outstanding or issued after the closing date, including, without limitation, all series and classes of such preferred stock or preference stock.

"Redeemable Stock" means any class or series of Capital Stock of any person that by its terms or otherwise is:

(1) required to be redeemed prior to the Stated Maturity of the new notes;

(2) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the Stated Maturity of the new notes; or

(3) convertible into or exchangeable for Capital Stock referred to in clause (1) or (2) above or Indebtedness having a scheduled maturity prior to the Stated Maturity of the new notes,

provided that any Capital Stock that would not constitute Redeemable Stock but for provisions thereof giving holders thereof the right to require such person to repurchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the Stated Maturity of the new notes shall not constitute Redeemable Stock if the "asset sale" or "provisions applicable to such Capital Stock are no more favourable in any material respect to the holders of such Capital Stock than the provisions of the covenants described below under the captions "— Limitation on Asset Sales" and "— Repurchase of New Notes Upon a Change of Control" and such Capital Stock specifically provides that such person will not repurchase or redeem any such stock pursuant to such provision prior to the Company's repurchase of such new notes as are required to be repurchased pursuant to the covenants described under the captions "— Limitation on Asset Sales" and "— Repurchase of New Notes Upon a Change of Control."

"Related Person" of any person means any other person directly or indirectly owning:

(1) 5% or more of the outstanding Common Stock of such person (or, in the case of a person that is not a corporation, 5% or more of the equity interest in such person); or

(2) 5% or more of the combined voting power of the Voting Stock of such person.
"Relevant Taxing Jurisdiction" means the United Kingdom or any jurisdiction in which the Company or any Guarantor is incorporated or resident for tax purposes, or from which or through which payment on the new notes or any Guarantee of the new notes is made.

"Restricted Subsidiary" means any Subsidiary of the Company other than an Unrestricted Subsidiary.

"Revolving Credit Facility" means the revolving credit facility provided by Barclays Bank PLC and described in the section entitled "Description of Senior Credit Facilities".

"Secured Leverage Ratio" means, on any Transaction Date, the ratio of

(1) the aggregate amount of Senior Secured Indebtedness of the Company and its Restricted Subsidiaries on a consolidated basis outstanding on such Transaction Date to

(2) the aggregate amount of Consolidated EBITDA for the then most recent four fiscal quarters for which financial statements of the Company have been filed with the Commission or provided to the trustee pursuant to the "Commission Reports and Reports to Holders" covenant described below (such four fiscal quarter period being the "Four Quarter Period");

provided that

(a) pro forma effect shall be given to

(i) any Senior Secured Indebtedness Incurred from the beginning of the Four Quarter Period through the Transaction Date (the "Reference Period"), to the extent such Indebtedness is outstanding on the Transaction Date; and

(ii) any Senior Secured Indebtedness that was outstanding during such Reference Period but that is not outstanding or is to be repaid on the Transaction Date;

(b) pro forma effect shall be given to Asset Dispositions and Asset Acquisitions (including giving pro forma effect to the application of proceeds of any Asset Disposition) that occur during such Reference Period, as if they had occurred and such proceeds had been applied on the first day of such Reference Period; and

(c) pro forma effect shall be given to Asset Dispositions and Asset Acquisitions (including giving pro forma effect to the application of proceeds of any Asset Disposition) that have been made by any person that has become a Restricted Subsidiary or has been merged with or into the Company or any Restricted Subsidiary during such Reference Period and that would have constituted Asset Dispositions or Asset Acquisitions had such transactions occurred when such Person was a Restricted Subsidiary as if such asset dispositions or asset acquisitions were Asset Dispositions or Asset Acquisitions that occurred on the first day of such Reference Period; provided that to the extent that clause (B) or (C) of this sentence requires that pro forma effect be given to an Asset Acquisition or Asset Disposition, such pro forma calculation shall be based upon the four full fiscal quarters immediately preceding the Transaction Date of the Person, or division or line of business of the person, that is acquired or disposed for which financial information is available;

(d) the aggregate amount of Senior Secured Indebtedness outstanding as of the end of the Reference Period will be deemed to include the total amount of funds outstanding and/or available on the Transaction Date under the Revolving Credit Facility; and

(e) whenever pro forma effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness Incurred in connection therewith, the pro forma calculations shall give effect to cost savings resulting from employee terminations, facilities consolidations and closings, standardisation of employee benefits and compensation practices, consolidation of property, casualty and other insurance coverage
policies, standardisation of sales and distribution methods, reductions in taxes other than income taxes and other cost savings reasonably expected to be realised from such acquisition, as determined in good faith by the chief financial officer of the Company (but only to the extent that such cost savings could then be reflected in pro forma financial statements under GAAP and Regulation S-X promulgated by the SEC and any other regulation or policy of the SEC).

"Senior Indebtedness" means Indebtedness that is equal in right of payment with the new notes.

"Senior Secured Indebtedness" means Senior Indebtedness which is secured by a Lien.

"Significant Subsidiary" means, at any date of determination, any Restricted Subsidiary that, together with its Subsidiaries,

(1) for the most recent fiscal year of the Company, accounted for more than 5% of the consolidated net revenues of the Company and its Restricted Subsidiaries; or

(2) as of the end of such fiscal year, was the owner of more than 5% of the consolidated assets of the Company and its Restricted Subsidiaries, all as set forth on the most recently available consolidated financial statements of the Company for such fiscal year.

"Stated Maturity" means:

(1) with respect to any debt security, the date specified in such debt security as the fixed date on which the final installment of principal of such debt security is due and payable; and

(2) with respect to any scheduled installment of principal of or interest on any debt security, the date specified in such debt security as the fixed date on which such installment is due and payable.

"Subsidiary" means, with respect to any person, any corporation, association or other business entity of which more than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such person and one or more other Subsidiaries of such person.

"Subordinated Indebtedness" means Indebtedness of the Company or a Guarantor subordinated in right of payment to the new notes or the Guarantor of the new notes, as the case may be.

"Temporary Cash Investment" is defined to mean:

(1) any evidence of Indebtedness with a maturity of three years or less issued or directly and fully guaranteed or insured by the United States of America, Australia, France, Germany, Canada or the United Kingdom, or any agency or instrumentality of any thereof, provided that the full faith and credit of the United States of America or the United Kingdom, as the case may be, is pledged in support thereof;

(2) deposits, certificates of deposit or acceptances, maturing not more than 180 days after the date of acquisition, of any bank or trust company organised under the laws of the United States of America (or any state thereof), Australia, France, Germany, Canada or the United Kingdom having combined capital and surplus and undivided profits of not less than £100 million and has outstanding debt which is rated "A" (or such similar equivalent rating) or higher by at least one nationally recognised statistical rating organisation (as defined in Rule 436 under the US Securities Act);

(3) commercial paper, maturing not more than 90 days after the date of acquisition, issued by a corporation (other than an Affiliate of the Company) organised under the laws of the United States of America or any state thereof or the District of Columbia or organised under the laws of Australia, France, Germany, Canada or the United Kingdom and rated at least "A-1" by Standard & Poor's Ratings Service or "P-1" by Moody's Investors Service; and
(4) repurchase agreements with a term of not more than 30 days for underlying securities of the types described in (1) above entering into with an institution meeting the qualifications described in (2) above.

For the avoidance of doubt, an Investment in an investment fund which invests substantially all of its assets in Investments described above in this definition or which is itself rated at least "AAA" or "A-1" by Standard & Poor's Ratings Service or "Aaa" or "P-1" by Moody's Investors Service constitutes a Temporary Cash Investment.

"Trade Payables" means, with respect to any person, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or Guaranteed by such person or any of its Subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services.

"Transaction Date" means, with respect to the Incurrence of any Indebtedness by the Company or any of its Restricted Subsidiaries, the date such Indebtedness is to be Incurred and, with respect to any Restricted Payment, the date such Restricted Payment is to be made.

"Unrestricted Subsidiary" means:

(1) any Subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided below, and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors may designate any Restricted Subsidiary (including any newly acquired or newly formed Subsidiary of the Company) to be an Unrestricted Subsidiary unless such Subsidiary owns any Capital Stock of, or owns or holds any Lien on any property of, the Company or any Restricted Subsidiary; provided that (A) any Guarantee by the Company or any Restricted Subsidiary of any Indebtedness of the Subsidiary being so designated shall be deemed an "Incurrence" of such Indebtedness and an "Investment" by the Company or such Restricted Subsidiary at the time of such designation; (B) either (1) the Subsidiary to be so designated has total assets of £1,000 or less or (2) if such Subsidiary has assets greater than £1,000, such designation would be permitted under the "— Limitation on Restricted Payments" covenant described above and (C) if applicable, the Incurrence of Indebtedness and the Investment referred to in clause (A) of this proviso would be permitted under the "— Limitation on Indebtedness" and the "— Limitation on Restricted Payments" described above. Travelex Hong Kong Limited, Travelex International Group Services Limited, Express Exchange Limited, Goldtake Limited, Travelex Worldwide Money Limited and Travelex Worldwide Money Pacific Limited are designated Unrestricted Subsidiaries.

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary, provided that:

(1) no Default or Event of Default shall have occurred and be continuing at the time of or after giving effect to such designation; and

(2) all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately after such designation would, if Incurred at such time, have been permitted to be Incurred for all purposes of the indenture.

Any such designation by the Board of Directors shall be evidenced to the trustee by promptly filing with the trustee a copy of the board resolution giving effect to such designation and an officers' certificate certifying that such designation complied with the foregoing provisions.

"Voting Stock" means with respect to any person. Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such person.

"Wholly Owned" means, with respect to any Subsidiary of any person, the ownership of all of the outstanding Capital Stock of such Subsidiary (other than any director's qualifying shares or Investments by foreign nationals mandated by applicable law) by such person or one or more Wholly Owned Subsidiaries of such person.
LEGAL ISSUES RELATING TO THE NOTES AND THE GUARANTEES

Issues Relating to the Notes under UK Insolvency Law

The procedural and substantive provisions of UK insolvency laws generally are more favourable to secured creditors than comparable provisions of US law and afford debtors only limited protection from such creditors. As a result, the ability of the holders of the notes to protect their interests in us may be more limited. In addition, under UK insolvency law, our liabilities and the liabilities of guarantors organised in the UK in respect of the notes and the guarantees of the notes, respectively, will be paid in the event of an insolvency after certain of our debts which are entitled to priority under UK law. Such debts may include all or a portion of (i) amounts owed to UK Inland Revenue, (ii) amounts owed to UK Customs and Excise, (iii) amounts owed in respect of UK Social Security contributions, (iv) amounts owed in respect of occupational pension schemes, and (v) amounts owed to employees.

Under UK insolvency law, the liquidator or administrator of a company may apply to the court to rescind a transaction entered into by such company at an undervalue (which is similar to less than fair value), if such company was insolvent at the time of, or in consequence of, the transaction and enters into a liquidation or administration within two years of the completion of the transaction. A transaction might be so challenged if it involved a gift by a company or such company received consideration of significantly less value than the consideration given by such company. A court generally will not intervene, however, if a company entered the transaction in good faith and for the purpose of carrying on its business and there were reasonable grounds for believing the transaction would benefit such company. We believe that the notes have not been issued on terms which would amount to a transaction at an undervalue and further that such issue is in good faith and for the purpose of carrying our business and that there are reasonable grounds for believing that the transaction would benefit us. There can be no assurance, however, that the issuance of the notes will not be challenged by a liquidator or administrator or that a court would support our analysis.

Issues Relating to the Guarantees

The UK. A liquidator or administrator of any guarantor organised in the UK could apply to the court to rescind the issuance of the guarantees if such liquidator or administrator believed that the issuance of the guarantees constituted a transaction at an undervalue. The analysis of such a claim would generally be the same as set out above in relation to the issuance of the notes by the Company. We believe that the guarantees have not been provided in a transaction at an undervalue and that the guarantees will be provided in good faith and for the purpose of carrying on the business of the guarantors and its subsidiaries and that there are reasonable grounds for believing that the transaction will benefit the guarantors. There can be no assurance, however, that the provision of the guarantees will not be challenged by a liquidator or administrator or that a court would support our analysis.

Under applicable provisions of UK corporate law, the giving of a guarantee by a guarantor organised in the UK will constitute "financial assistance" insofar as the guarantees are given in connection with the reduction or discharge of liabilities incurred at the time of the reorganisation. Accordingly, absent an exemption from the operative provisions of the UK Companies Act 1985, any such guarantee could, therefore, be avoided by such guarantor or a liquidator of such guarantor.

The UK Companies Act 1985 provides an exemption procedure which can be used in certain circumstances to approve actions which may otherwise constitute unlawful financial assistance. Each guarantor organised in the UK believes it has complied with these procedures which require, among other things, that each of the directors of the guarantor swear certain statutory declarations relating to the solvency of the guarantor. In addition, in connection with the issue of the guarantees, it is necessary that such guarantor's net assets not be reduced as a result of giving the financial assistance. To the extent that it was established that the giving of a guarantee had reduced the net assets of a guarantor, the guarantee could be held to be invalid. We believe that the issuance of the guarantees has not resulted in a reduction in the net assets of the guarantors but there can be no assurance that a court or a liquidator would concur in this view.
The US. The guarantees may be subject to review under relevant US federal and state fraudulent conveyance and similar statutes in a bankruptcy or reorganisation case or a lawsuit by or on behalf of creditors of any of the guarantors. In such a case, the guarantees could be subject to the claim that, since the guarantees were incurred for the benefit of Travelex plc (and only indirectly for the benefit of the guarantors), the obligations of the guarantors thereunder were incurred for less than reasonably equivalent value or fair consideration. A court could avoid a guarantor's obligation under its guarantee, subordinate the guarantee to the other indebtedness of a guarantor or take other action detrimental to the holders of the notes.

Australia. Various statutes have been enacted and various principles have been developed in Australia under common law and equitable doctrines for the benefit of creditors. Under Australian law, a guarantee given, and/or a security interest conferred, in support of a guarantee by a company may be set aside on a number of grounds. For example, a guarantee and/or a supporting security interest may be unenforceable against a guarantor if (i) the rules permitting a liquidator of a guarantor to successfully claim and avoid the guarantee and/or security are applicable (as described below) or (ii) the guarantor itself did not receive a sufficient commercial benefit in order to justify such guarantor providing the guarantee and/or security. Issues as to unenforceability of a guarantee and/or security interest by reason of insufficient corporate benefit may arise where a company in a corporate group, such as each of the guarantors, provides a guarantee and/or security interest in relation to the obligations of another member of the corporate group. The question of what constitutes a sufficient benefit is a fact-based inquiry, to be made for each guarantor individually as a separate legal entity, which weighs several considerations, including circumstances pertaining to (a) the nature of the relationship between the group companies and the level of independence with which such companies are operated, (b) the nature and present value of the benefit and the burden of the obligations conferred on each company which is a party to the transaction and whether any tangible benefit or, for example, any proceeds from the arrangements to which the guarantee or security relates are received, and (c) the knowledge of the directors of each guarantor as to the decisions made by such guarantor. Each of the guarantors will represent and warrant in the indenture, for the benefit of the holders, that such guarantor's obligations have been undertaken in good faith and for the purpose of or in connection with the conduct of its business and for its commercial benefit, which is commensurate with the obligations undertaken by it. However, such representations and warranties may not be determinative of the matter if it was considered by a court. Under Australian law, it is possible that in a proceeding to avoid the guarantees each guarantee and/or security will be analysed differently and produce different results.

Furthermore, under Australian law, if an order to wind-up was made against the Company or any guarantor and a liquidator was appointed for the Company or such guarantor (which liquidator could be appointed by the board of directors or a shareholder or a creditor (with the approval of a court) of the issuer or such guarantor), such liquidator would have the power to investigate the validity of prior transactions and may seek various court orders, including orders to avoid certain repayment of money. Under Australian law, a transaction may be voided at the claim of a liquidator if it was entered into during various time periods prior to the filing of an application for winding-up of a company ranging from six months to ten years, depending upon the character of the transaction. There can be no assurance that one or more of the guarantees will not be voided and that the holders of the notes will not be left with a claim solely against us or that the holders will not be left with unsecured claims against us and/or any of the guarantors.

Germany. Fraudulent conveyance legislation is also in force in Germany. Certain portions of this legislation provide, generally, that all transactions entered into by a creditor (irrespective of adjudication of bankruptcy) are subject to rescission if performed with the intention to impair other creditors provided that the preferred creditor knew of such intention.

Under German capital maintenance rules, the granting of a guarantee by a German GmbH for the benefit of its shareholder and its affiliated companies is subject to certain limitations, in particular as regards the enforcement of such guarantee. Under these rules, neither the grant nor the enforcement of the guarantee may lead to a reduction of the net equity of the German GmbH below its nominal (stated) capital. Consequently, the guarantee granted by our German subsidiary may only be enforced to the extent that such enforcement does not reduce the net equity of such guarantor to a value below its stated capital as of the time of the enforcement of the guarantee. Also, the grant of the
guarantee is illegal if an enforcement of the guarantee is imminent at the time of grant due to the financial situation of the shareholder or its affiliated companies, to the effect that the necessary accruals to be made reduce the net equity below the stated capital. The net equity is derived by deducting all liabilities and accruals for reserves from the book value of the assets of the guarantor. For the purposes of the net equity test, the book value of the assets and liabilities as contained in the financial statements of the guarantor under German GAAP have to be applied. Consequently, any hidden reserves may not be taken into account for the purposes of the net equity test.

**France.** For a French company to give a guarantee certain procedural and substantive requirements must be satisfied. In particular, under French company law a French court may, under certain circumstances, set aside a guarantee granted by a French company for the benefit of another company in which the management of the guaranteeing company has a direct or indirect interest. This can occur, for example, if the guarantor derives no corporate benefit of its own from such transaction or if the potential liability assumed by the guarantor is disproportionate to the benefit derived and to the guarantor's financial resources. The application of these provisions of French law depends on the interpretation of the facts by a French court. A French court may also refuse to enforce a guarantee if it is determined that the company granting such guarantee was insolvent at the time the guarantee was granted. In addition, a French court may grant a debtor or guarantor a period of time to perform its obligation.

A guarantee given by a subsidiary incorporated in France will be limited to the aggregate of the principal amount outstanding of any loan or credit received directly or indirectly from the Company by such subsidiary. If a payment is made under its guarantee by a subsidiary incorporated in France, such payment will reduce the debt owed by the subsidiary to the Company or other subsidiary from which the loan or credit was received.

In the event of proceedings being brought in a French court to enforce a guarantee, a French court would most likely give judgement expressed as an order to make payment not in pounds sterling but in the French Franc or Euro equivalent at the time of payment or enforcement of such judgement.
THE EXCHANGE OFFER

Purpose of the Exchange Offer

The sole purpose of the exchange offer is to fulfill our obligations and those of the guarantors with respect to the registration of the old notes. We originally issued and sold the old notes on August 7, 2000. We did not register those sales under the US Securities Act, in reliance upon the exemption provided in section 4(2) of the US Securities Act and Rule 144A and Regulation S promulgated under the US Securities Act. In connection with the sale of the old notes, we agreed to file with the SEC an exchange offer registration statement relating to the exchange offer. Under the exchange offer registration statement, new notes, consisting of another series of our notes and containing substantially identical terms to the old notes, except as set forth in this prospectus, will be offered in exchange for old notes.

How to Determine if You Are Eligible to Participate in the Exchange Offer

We hereby offer to exchange, upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal accompanying it, £1,000 in principal amount of new notes for each £1,000 in principal amount of old notes that you hold. The terms of the new notes are substantially identical to the terms of the old notes for which they may be exchanged pursuant to this exchange offer, except that the new notes will generally be freely transferable by you, and you will not be entitled to certain registration rights which are applicable to the old notes under the registration rights agreement. The new notes will evidence the same debt as the old notes and will be entitled to the benefits of its indenture. See “Description of the Notes”.

We are not making the exchange offer to, nor will we accept surrenders for exchange from, holders of outstanding old notes in any jurisdiction in which this exchange offer or the acceptance thereof would not be in compliance with the securities or blue sky laws of such jurisdiction.

We are not making the exchange offer conditional upon any minimum aggregate principal amount of old notes being tendered or accepted for exchange.

Based on our view of interpretations set forth in no-action letters issued by the staff of the SEC to third parties, we believe that you may resell or transfer new notes issued pursuant to the exchange offer in exchange for the old notes, unless you are our “affiliate”, a broker-dealer who acquired old notes directly from us or a broker-dealer who acquired old notes as a result of market-making or other trading activities. We believe that you may resell or transfer such new notes without compliance with the registration and prospectus delivery provisions of the US Securities Act only if such new notes are acquired in the ordinary course of your business and you are not engaged in, and do not intend to engage in, and have no arrangement or understanding with any person to participate in, a distribution of such new notes.

If our belief is inaccurate and you transfer any note issued to you in the exchange offer without delivering a prospectus meeting the requirement of the US Securities Act or without an exemption from registration of your old notes from such requirements, you may incur liability under the US Securities Act. We do not assume or indemnify you against such liability.

Pursuant to the registration rights agreement, we are required to file a registration statement for a continuous offering pursuant to Rule 415 under the US Securities Act in respect of the old notes if existing SEC interpretations are changed such that the new notes received by holders in the exchange offer are not, or would not be, upon receipt transferable by each such holder, other than as described above, without restriction under the US Securities Act.

If you are a broker-dealer that resells new notes that were received by you for your own account pursuant to the exchange offer, and if you participate in a distribution of the new notes, you may be deemed to be an “underwriter” within the meaning of the US Securities Act and any profit in any such resale of new notes and any commissions or concessions received by you may be deemed to be underwriting compensation under the US Securities Act. If you are a broker-dealer who acquires old notes as a result of market-making or other trading activities, you may use this
prospectus, as supplemented or amended, in connection with resales of the new notes. If you tender old notes in the exchange offer for the purpose of participating in a distribution of the new notes, or if you cannot rely upon such interpretations, you must comply with the registration and prospectus delivery requirements of the US Securities Act in connection with a secondary resale transaction.

If you are tendering old notes, you will not be required to pay brokerage commissions or fees or, subject to the instructions in the relevant letter of transmittal, transfer taxes with respect to the exchange of the old notes pursuant to the exchange offer. The new notes will bear interest from the date the new notes are issued. Interest on the new notes is payable on January 31 and July 31 of each year, commencing January 31, 2001. On July 31, 2001, holders of the new notes will be entitled to receive an additional payment representing the interest accrued on the exchanged old notes between the last date on which interest was paid on such old notes and the date that the new notes are issued.

Terms of the Exchange Offer

Upon the terms and subject to the conditions set forth in this prospectus and in the relevant letter of transmittal, we will accept any and all old notes validly tendered and not withdrawn prior to 5:00 p.m., New York City time on March 5, 2001. We will issue £1,000 principal amount of new notes in exchange for each £1,000 principal amount of outstanding old notes, respectively, pursuant to the exchange offer.

The form and terms of new notes are identical to the form and terms of the old notes except that the new notes have been registered under the US Securities Act and will not bear legends restricting their transfer. The new notes will evidence the same debt as the old notes and will be issued pursuant to, and entitled to the benefits of, the same indentures pursuant to which the old notes were issued.

As of the date of this prospectus, old notes representing £75,000,000 aggregate principal amount were outstanding, all in the form of global securities in bearer form. This prospectus together with the relevant letter of transmittal, is being sent to participants in Euroclear and Clearstream that hold book entry interests in certificated depositary interests in the global securities evidencing the old notes for distribution to the holders beneficial interests in the notes. See “Book-Entry”. We intend to conduct the exchange offer in accordance with the applicable requirements of the US Exchange Act and the rules and regulations of the SEC promulgated thereunder.

Information About the Expiration Date of the Exchange Offer

The exchange offer expires on the expiration date, which is March 5, 2001 at 5:00 p.m., New York City time unless we, in our sole discretion, extend the period during which the exchange offer is open. If we extend the period for the exchange offer, the term “expiration date” means the latest time and date on which the exchange offer, as so extended, expires. We reserve the right to extend the exchange offer at any time and from time to time prior to the expiration date by giving written notice to The Bank of New York, which is the exchange agent, and by timely public announcement communicated by no later than 5:00 p.m. on the next business day following the expiration date, unless otherwise required by applicable law or regulation, by publishing notice in a leading newspaper having a general circulation in New York (expected to be the Wall Street Journal) and in London (which is expected to be the Financial Times). If and so long as the Securities are listed on any other securities exchange, notice will also be given in accordance with any applicable requirements of such securities exchange. During any extension of the exchange offer, all old notes previously tendered pursuant to the exchange offer will remain subject to the exchange offer. We will have no obligation to publish, advertise, or otherwise communicate any public announcement of any extension that we may choose to make, other than by making a timely press release or other public announcement.

We will mail this prospectus and the related letters of transmittal and other relevant materials to you as a record holder of old notes and we will furnish these items to brokers, banks and similar persons whose names, or the names of whose nominees, appear on the lists of holders for subsequent transmittal to beneficial owners of old notes.

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How to Tender Your Old Notes

If you tender to us any of your old notes pursuant to one of the procedures set forth below, that tender will constitute an agreement between you and us in accordance with the terms and subject to the conditions described below and in the relevant letter of transmittal.

You may tender old notes by properly complying with the procedures set forth in the relevant letter of transmittal. You must deliver it, together with a timely confirmation of a book-entry transfer pursuant to the procedure described below to the exchange agent at its address set forth below under “— Exchange Agent” on or before the expiration date.

If your old notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender old notes, you should contact the registered holder promptly and instruct the holder to tender old notes on your behalf. If you wish to tender your old notes yourself, you must make appropriate arrangements to register ownership of the old notes in your name. Transferring record ownership from someone else’s name to your name may take considerable time.

Only a holder of old notes may tender old notes in the exchange offer. To tender in the exchange offer you must (i) read this prospectus and the relevant accompanying letter of transmittal and (ii) comply with the procedures established by Euroclear and/or Clearstream, as the case may be, prior to the expiration date. Euroclear and Clearstream, are each referred to in this prospectus as a “clearing system”. In addition, a timely confirmation of a book-entry transfer of such old notes into the exchange agent’s account at the relevant clearing system pursuant to the procedure for book-entry transfer described below, must be received by the exchange agent prior to the expiration date.

A tender that is not withdrawn before the expiration date will constitute an agreement between you and us, in accordance with the terms and subject to the conditions set forth herein and in the relevant letter of transmittal.

In all cases, issuance of new notes for old notes that are accepted for exchange pursuant to the exchange offer will be made only after timely receipt by the exchange agent of a timely book-entry confirmation of such old notes into the exchange agent’s account at the relevant clearing system by electronic instructions in which the tendering holder acknowledges its receipt of and agreement to be bound by the relevant letter of transmittal. If any tendered old notes are not accepted for any reason or if old notes are submitted for a greater principal amount than the holder desires to exchange, such unaccepted or non-exchanged old notes will be returned without expense on behalf of such tendering holder pursuant to the book-entry transfer procedures described below, such non-exchanged old notes will be credited to an account maintained with such clearing system as promptly as practicable after their withdrawal or after the expiration or termination of the exchange offer, as the case may be.

The exchange agent will make a request to establish an account with respect to the old notes at the relevant clearing system for purposes of the exchange offer within two business days after the date of this prospectus, and any financial institution that is a participant in the relevant clearing system’s systems may make book-entry delivery of old notes being tendered by causing the relevant clearing system to transfer such old notes into the exchange agent’s account at the relevant clearing system in accordance with such clearing system’s procedures for transfer.

To accept the exchange offer, participants in Euroclear and/or Clearstream must send an electronic instruction to Euroclear and/or Clearstream, as applicable, in accordance with their procedures established to tender old notes, in place of sending a signed, hard copy of the letter of transmittal. The electronic instruction transmitted by Euroclear and/or Clearstream, as applicable, to the exchange agent must contain a computer generated message, by which the participant acknowledges its receipt of and agrees to be bound by the letter of transmittal.
You May Withdraw Your Tender Prior to the Expiration Date

Tenders of old notes may be withdrawn at any time prior to 5:00 p.m., New York City time on the expiration date.

For a withdrawal of a tender of notes to be effective, a tested telex or SWIFT message relating to such withdrawal must be received by Euroclear and/or Clearstream, as applicable, prior to 5:00 p.m. New York City time on the expiration date. Any such notice of withdrawal must:

(a) specify the name of the depositor having deposited the old notes to be withdrawn;
(b) identify the old notes to be withdrawn (including the principal amount of such old notes); and
(c) specify the account to which any such old notes are to be credited, if different from that of the tendering holder.

All questions as to the validity, form and eligibility, including time of receipt, of such notices will be determined by us, whose determination shall be final and binding on all parties. Any old notes so withdrawn will be deemed not to have been validly tendered for exchange for purposes of the exchange offer. Properly withdrawn old notes may be retracted by following the procedures described under "— How to Tender Your Old Notes" at any time on or prior to the expiration date.

We Reserve the Right to Determine Validity of All Tenders

All questions as to the validity, form, eligibility, including time of receipt, and acceptance for exchange of your tender of old notes will be determined by us and our determination will be final and binding. We reserve the absolute right to reject any or all of your tenders that are not in proper form or the acceptances for exchange of which may, in the opinion of our counsel, be unlawful. We also reserve the absolute right to waive any of the conditions of the exchange offer or any defect or irregularities in tenders of any particular holder whether or not similar defects or irregularities are waived in your case. Neither we, the exchange agent nor any other person will be under any duty to give you notification of any defects or irregularities in tenders nor shall any of us incur any liability for failure to give you any such notification. Our interpretation of the terms and conditions of the exchange offer, including the relevant letter of transmittal and its instructions, will be final and binding.

How Your Old Notes Will Be Either Exchanged for New Notes or Returned to You

On the exchange date, we will determine which old notes were validly tendered and we will issue new notes in exchange for them. The exchange agent will act as your agent for the purpose of receiving new notes from us and causing the new notes to be given to you in exchange for old notes promptly after acceptance of the tendered old notes. If your old notes are not accepted for exchange by us, they will be returned without expense to you. If you tender your old notes through a clearing system, pursuant to the procedures described above, but your old notes are not accepted for exchange, your non-exchanged old notes will be credited to an account maintained with the clearing system. In either case, we will return your non-exchanged old notes to you promptly following the expiration of the exchange offer.

Exchange Agent

All executed Letters of Transmittal should be directed to The Bank of New York. We have appointed The Bank of New York as exchange agent for the exchange offer. Questions, requests for assistance and requests for additional copies of this prospectus or of the letter of transmittal should be directed to The Bank of New York addressed as follows:
The exchange agent also acts as the paying and transfer agent.

Delivery of the letter of transmittal to an address other than as set forth above or transmission of such letter of transmittal via facsimile other than as set forth above does not constitute a valid delivery of such letter of transmittal.

We Are Paying Our Costs for the Exchange Offer

We have not retained any dealer-manager or similar agent in connection with the exchange offer and will not make any payments to brokers, dealers or others for soliciting acceptances of the exchange offer. We will, however, pay the exchange agent reasonable and customary fees for its services and will reimburse it for reasonable out-of-pocket expenses. We will also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding tenders for their customers. We will pay the expenses incurred in connection with the exchange offer, including the fees and expenses of the exchange agent and printing, accounting, investment banking and legal fees. We estimate that these fees are approximately £200,000.

We Have Not Authorised Anyone to Give You Any Information or to Make Any Representations to You in Connection With the Exchange Offer Other Than Those Contained In This Prospectus

If anyone else gives you information or representations about the exchange offer, you should not rely upon that information or representation or assume that it has been authorised by us. Neither the delivery of this prospectus nor any exchange made hereunder shall, under any circumstances, imply that there has been no change in our affairs since the respective dates as of which information is given in this prospectus. The exchange offer is not being made to, nor will tenders be accepted from or on behalf of holders of old notes in any jurisdiction in which the making of the exchange offer or the acceptance thereof would not be in compliance with the laws of that jurisdiction. However, we may, at our discretion, take such action as we may deem necessary to make the exchange offer in any such jurisdiction and extend the exchange offer to holders of old notes in such jurisdiction. In any jurisdiction where the securities laws or blue sky laws require the exchange offer to be made by a licensed broker or dealer, the exchange offer will be made on behalf of us by one or more registered brokers or dealers that are licensed under the laws of that jurisdiction.

Federal Income Tax Consequences to You

The exchange of old notes for new notes by you will not be a taxable exchange for United States federal income tax purposes, and you should not recognise any taxable gain or loss or any interest income as a result of the exchange. See "Certain Tax Considerations — Certain United States Federal Income Tax Consequences" below.
This Is the Only Exchange Offer That We Are Required to Make

Your participation in the exchange offer is voluntary and you should carefully consider whether to accept the terms and conditions of it. You are urged to consult your financial and tax advisors in making your own decisions on what action to take with respect to the exchange offer. If you do not tender your old notes in the exchange offer, you will continue to hold such old notes and you will be entitled to all the rights and limitations applicable to the old notes under the indenture. All non-exchanged old notes will continue to be subject to the restriction on transfer set forth in the indenture. If old notes are tendered and accepted in the exchange offer, the trading market, if any, for any remaining old notes could be much less liquid.

We may in the future seek to acquire non-exchanged old notes in the open market or privately negotiated transactions through subsequent exchange offers or otherwise. We have no present plan to acquire any old notes that are not exchanged in the exchange offer.
BOOK-ENTRY

General

The new notes will be represented by one global security in bearer form without interest coupons and which will represent the aggregate principal amount of the notes. The new global note will be deposited with the depositary pursuant to the terms of the notes depositary agreement. The information about the notes depositary agreement contained in this section is only a summary and is not complete. A copy of the notes depositary agreement has been filed with the SEC as an exhibit to the registration statement containing this prospectus.

The new global note will be deposited with the depositary. The depositary will issue a certificated depositary interest for the new global note, representing a 100% interest in the underlying new global note to a common depositary for Euroclear and Clearstream by recording such interest in the depositary's books and records in the name of the common depositary, or its nominee, for Euroclear and Clearstream. Upon acceptance by the clearing system of CDI's, the clearing systems will record beneficial interests in the new global note which will constitute book-entry interests. Ownership of book-entry interests will be limited to participants that have accounts with participants in the clearing systems, who will initially be Euroclear and Clearstream or persons that hold interests in the book-entry interests through participants, including, as applicable, banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with the clearing systems, either directly or indirectly. The book-entry interests will not be held in definitive form. Instead, the clearing systems will credit on their respective book-entry registration and transfer systems the participants' accounts with the interests beneficially owned by such participants. Ownership of book-entry interests will be shown on, and the transfer of these book-entry interests or the interests therein will be effected only through, records maintained by the clearing systems (with respect to interests of its participants) on the records of participants (with respect to interests of people who hold through participants). The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair the ability to own, transfer or pledge book-entry interests.

So long as the depositary holds the new global note underlying the book-entry interests, the depositary will be considered the sole holder of the new global note for all purposes under the indenture governing the new notes. Except as set forth below under "— Definitive Notes", participants or persons holding through participants will not be entitled to have notes or book-entry interests registered in their names, will not receive or be entitled to receive physical delivery of notes and will not be considered the owners or holders thereof under the indenture. Accordingly, each person holding a book-entry interest must rely on the procedures of the depositary, participants of the clearing systems must rely on the procedures of the clearing systems and persons who hold through participants must rely on the procedures of the clearing systems and the participants through which such person owns its interest in the book-entry interests to exercise any rights and obligations of a holder under the indenture. See "— Action by Owners of Book-Entry Interests." If any definitive notes are issued, they will only be issued in registered form.

Investors may hold their beneficial interests in the new notes received in exchange for their old notes directly through the clearing systems, if they are participants in such system, or indirectly though organisations which are participants in such system. All interests in the new global note may be subject to the procedures and requirements of Euroclear and Clearstream.

Payment on the New Global Note

Payment of any amounts owing in respect of the new global note (including principal, premium, if any, interest and Additional Amounts, if any) will be made pursuant to the indenture by us in pounds sterling, to The Bank of New York, London branch as the initial principal paying agent. The Bank of New York will, in turn, make such payments to the depositary in its capacity as the bearer of the new global note. Upon receipt of any such amounts, the depositary will pay the amounts so received to Euroclear and Clearstream (or a nominee on their behalf) as applicable, which will distribute such payments to participants in accordance with its procedures.
Under the terms of the indenture governing the notes, we and the trustee will treat the bearer of the new global note as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of us, the trustee nor any of each of our agents has or will have any responsibility or liability for:

(1) any aspect of the records of the depositary, Euroclear, Clearstream or any participant relating to or payments made on account of a book-entry interest or for maintaining, supervising or reviewing any of the records of the depositary, Euroclear, Clearstream or any participant relating to or payments made on account of a book-entry interest; or

(2) the depositary, Euroclear, Clearstream or any participant.

Payments by participants to owners of book-entry interests held through participants are the responsibility of such participants, as is now the case with securities held for accounts of customers registered in "street name."

Definitive Notes

Under the terms of the notes depositary agreement, owners of book-entry interests in the new global note will receive definitive notes (a) if either Euroclear or Clearstream notifies the depositary and us that it is unwilling or unable to continue to act as a clearing agency and a successor clearing agency is not appointed by us within 90 days, (b) if an Event of Default under the indenture occurs upon the request delivered in writing to either Euroclear or Clearstream of the owner of a book-entry interest or (c) if the depositary is at any time unwilling or unable to continue as depositary and a successor depositary is not appointed by us within 90 days.

In no event will definitive notes in bearer form be issued. Any definitive note will be issued in registered form in denominations of £1,000 principal amount at maturity and integral multiples thereof. Any definitive notes will be registered in such name or names as owners of book-entry interests and the clearing systems shall instruct the trustee, through the depositary. It is expected that the clearing systems' instructions will be based upon directions received by the clearing systems from its participants reflecting the beneficial ownership of book-entry interests. To the extent permitted by law, we, the trustee and any paying agent shall be entitled to treat the person in whose name any definitive note is registered as the absolute owner thereof. The indenture governing the notes contains provisions relating to the maintenance by a registrar of a register reflecting ownership of definitive notes, if any, and other provisions customary for a registered debt security. Payment of principal and interest on each definitive note will be made to the holder appearing on the register at the close of business on the record date at his address shown on the register on the record date.

HOLDERS SHOULD BE AWARE THAT, UNDER CURRENT U.K. TAX LAW, UPON THE ISSUANCE TO A HOLDER OF DEFINITIVE NOTES, SUCH HOLDER WILL BECOME SUBJECT TO UK INCOME TAX (CURRENTLY 20%) TO BE WITHHELD ON ANY PAYMENTS OF INTEREST ON THE NOTES SUBJECT TO THE AVAILABILITY OF DOUBLE TAX TREATY RELIEF AS SET FORTH UNDER "CERTAIN TAX CONSIDERATIONS — CERTAIN UNITED KINGDOM INCOME TAX CONSEQUENCES".

If definitive notes are issued pursuant to the request of a holder, following an event of default, we will not be obligated to pay any Additional Amounts with respect to such notes. If a holder receives definitive notes other than pursuant to its request following an Event of Default, such holder may be entitled to receive Additional Amounts with respect to such notes. See "Description of the Notes — Optional Tax Redemption."

None of us, the depositary, the paying agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of book-entry interests.

Redemption of the New Global Note

In the event that the new global note (or a portion thereof) is redeemed, the depositary will, through, Euroclear or Clearstream, as applicable, redeem an equal amount of the book-entry interest in the new global note from the amount received by it in respect of the redemption of the new global note. The redemption price payable in
connection with the redemption of such book-entry interests will be equal to the amount received by the depositary in connection with the redemption of the new global note (or any portion thereof). We understand that under the existing practices of the clearing systems, if fewer than all of the notes are to be redeemed at any time, the relevant clearing system will credit its participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis that the relevant clearing system deems fair and appropriate provided, however that no beneficial interests of less than £1,000 principal amount at maturity may be redeemed in part. Once redeemed in part, a replacement for the new global note in the principal amount equal to the unredeemed portion thereof will be issued and delivered to the depositary.

Transfer and Exchange of Definitive Notes

In the event that definitive notes are issued, a holder may transfer or exchange the definitive notes in accordance with the indenture. The Bank of New York appointed as registrar pursuant to the indenture and the trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents, and we may require a holder to pay any taxes and fees required by law or permitted by the indenture. We are not required to transfer or exchange any notes selected for redemption for a period of 15 days before a selection of notes to be redeemed. In addition, transfers and exchanges of definitive notes will be subject to such procedures which will be substantially consistent with the procedures described above with respect to new global note, as may from time to time be adopted by us and the registrar. Upon the issuance of definitive notes, holders will be able to transfer and exchange definitive notes at the offices of the paying agent provided that all transfers and exchanges must be effected in accordance with the terms of the indenture and, among other things, be recorded in the register maintained by the registrar.

Action by Owners of Book-Entry Interests

As soon as practicable after receipt by the depositary of notice of any solicitation of consents or request for a waiver or other action by the holders of notes, or of any offer to purchase, the depositary will mail to Euroclear or Clearstream, as applicable, in respect of book-entry interests, a notice containing (a) such information as is contained in the notice received by the depositary, (b) a statement that at the close of business on a specified record date Euroclear or Clearstream, as applicable, will be entitled to instruct the depositary as to the consent, waiver or other action, if any, pertaining to such notes and (c) a statement as to the manner in which such instructions may be given. In addition, the depositary will forward to Euroclear or Clearstream, as applicable, all materials pertaining to such solicitation, request, offer or other action. Upon the written request of Euroclear or Clearstream, as applicable, the depositary shall endeavour insofar as practicable to take such action regarding the requested consent, waiver, offer or other action in respect of such notes in accordance with any instruments set forth in such request. The clearing systems may grant proxies or otherwise authorise participants or persons who hold through participants to provide such instruction to the depositary so that it may exercise any rights of a holder or take any other actions which a holder is entitled to take under the indenture. Euroclear or Clearstream, as the case may be, will take any action permitted to be taken by a holder under the indenture on behalf of a Euroclear participant or Clearstream participant only in accordance with its relevant rules and procedures and subject to its depositary's ability to effect such actions on its behalf. The depositary will not exercise any discretion in the granting of consents or waivers or the taking of any other action relating to the indenture.

The depositary will immediately send to the clearing systems a copy of any notices, reports and other communications received relating to us, the notes or the book-entry interests.

Action by Depositary following a Default

Upon the occurrence of a Default with respect to the notes, or in connection with any other right of the holder of the new global note under the indenture. if requested in writing by Euroclear or Clearstream, the depositary will take any such action as shall be requested in such notice, provided that the depositary has been offered reasonable security or indemnity against the costs, expenses and liabilities that might be incurred by it in compliance with such request by the owners of book-entry interests.
Resignation of Depository, Euroclear or Clearstream

The depositary may at any time resign as depositary by written notice to us, the trustee and the clearing systems. such resignation to become effective upon the appointment of a successor depositary, in which case the new global note shall be delivered to such successor. If no successor has been so appointed by us within 90 days, the depositary may request that we issue definitive notes in exchange for the new global note as described above.

If at any time any clearing system is unwilling or unable to continue as a depositary for the new global note and a successor depositary is not appointed by us within 90 days, we will issue definitive notes in exchange for the new global note.

Amendment and Termination of the Notes Depositary Agreement

The notes depositary agreement may be amended by us and the depository without notice to or consent of any clearing system or any owner of book-entry interests (a) to cure any ambiguity, defect or inconsistency, provided that such amendment or supplement does not adversely affect the rights of any clearing system or any holder of book-entry interests, (b) to evidence the succession of another person to us (when a similar amendment with respect to the indenture is being executed) and the assumption by any such successor of our covenants contained in the notes depositary agreement, (c) to evidence or provide for a successor depositary, (d) to make any amendment, change or supplement that does not adversely affect any clearing system or any owner of book-entry interests, (e) to add to our covenants or those of the depositary or (f) to comply with the United States federal and English securities laws.

Except as set forth above, no amendments that adversely affect any clearing system may be made to the notes depositary agreement without the consent of such clearing system. The notes depositary agreement will terminate if definitive notes are issued in exchange for all book-entry interests. The notes depositary agreement may be terminated upon the resignation of the depositary if no successor has been appointed within 90 days as set forth under "— Resignation of Depositary, Euroclear or Clearstream" above.

Information concerning Euroclear and Clearstream

We understand that each of Euroclear and Clearstream holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organisations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Global Clearance, Settlement and Trading Under Book-Entry Systems

Trading of book-entry interests between Euroclear participants or Clearstream participants will be settled using the procedures applicable to conventional eurobonds in same-day funds.

Since the purchaser determines the place of delivery, it is important to establish at the time of trading any book-entry interests where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Reports

The depositary will immediately, and in no event later than ten days from receipt, send to the clearing systems a copy of any notices, reports and other communications received relating to us, the new global note or the book-entry interests. Copies of all such notices, reports and communications will be available for inspection at the offices of the listing agent for the notes. All notices regarding the notes will be (a) in the case of new global note, published in a
leading newspaper having a general circulation in New York City (which is expected to be the Wall Street Journal) and a leading English language newspaper having general circulation in London (which is expected to be to Financial Times) or (b) in the case of definitive notes, mailed to holders by first-class mail at their respective addresses as they appear on the registration books of the Registrar. If and so long as the notes are listed on any other securities exchange, notices will also be given in accordance with any applicable requirements of such securities exchange.

Charges of Depositary

We have agreed to pay all charges of the depositary under the notes depositary agreement. We have also agreed to indemnify the depositary against certain liabilities incurred by it under the notes depositary agreement.

Obligation of Depositary

The depositary will assume no obligation or liability under the notes depositary agreement other than to use good faith and reasonable care in the performance of its duties under such agreement.

If and so long as any notes are represented by the new global note and ownership of book-entry interests therein are shown on the records of Euroclear, Clearstream or any successor clearing agency appointed by the depositary at our request, notices will also be delivered to each such applicable clearing agency for communication to the owners of such book-entry interests.
PLAN OF DISTRIBUTION

Each broker-dealer that receives new notes for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with the resales of new notes received in exchange for old notes where such old notes were acquired as a result of market-making activities or other trading activities. We have agreed that, upon written request, we shall use our best efforts to keep the Registration Statement of which this Prospectus is a part effective and to amend and supplement this Prospectus in order to permit the Prospectus to be lawfully delivered by any participating broker-dealer subject to the prospectus delivery requirements of the US Securities Act and other persons, if any, with similar prospectus delivery requirements for such period of time as is necessary to comply with applicable law in connection with any resale of the new notes, provided, however, that such period shall not exceed six calendar months from the date of consummation of the exchange offer (or such longer period to the extent required by the terms of the registration rights agreement).

We will not receive any proceeds from any sale of new notes by broker-dealers or any other persons. New notes received by broker-dealers for their own account pursuant to the Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market in negotiated transactions, through the writing of options on the new notes or a combination of such methods of resale at market prices prevailing at the time of resale, prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer and/or the purchasers of any such new notes. Any broker-dealer that resells new notes that were received by it for its own account pursuant to the exchange offer and any broker or dealer that participates in a distribution of such new notes may be deemed to be an “underwriter” within the meaning of the Securities Act and any profit on any such resale of new notes and any commissions or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The Letter of Transmittal states that by acknowledging that it will deliver and be delivering a prospectus, a broker-dealer will not be deemed to admit that it is an “underwriter” within the meaning of the Securities Act.

We have agreed to pay all expenses incident to our performance of, or compliance with, the registration rights agreement and will indemnify the holders of old notes (including any broker-dealers) and certain parties related to such holders against certain liabilities, including liabilities under the Securities Act. In the SEC’s view, indemnification of certain liabilities arising under the Securities Act is contrary to the federal securities laws and therefore unenforceable.

We have not entered into any arrangements or understandings with any person to distribute the new notes to be received in the exchange offer.
MATERIAL TAX CONSIDERATIONS

Material United Kingdom Income Tax Consequences

The following summary describes material UK tax consequences of the exchange of the old notes for the new notes and of the ownership of the new notes as of the date hereof, assuming that the interest paid on the notes will not exceed a reasonable commercial return. Except where noted, it relates only to the position of persons who are the absolute beneficial owners of their notes and may not apply to special situations, such as those of dealers in securities. Furthermore, the discussion below is based upon the provisions of the UK tax laws and UK Inland Revenue practice as of the date hereof, and such provisions may be repealed, revoked or modified so as to result in UK income tax consequences different from those discussed below. Persons considering the purchase, ownership or disposition of notes should consult their own tax advisers concerning UK tax consequences in light of their particular situations as well as any consequences arising under the law of any other relevant tax jurisdiction. No representations with respect to the tax consequences arising under the law of any other relevant tax jurisdiction are made hereby. No representations with respect to the tax consequences to any particular holder of Book-Entry Interests are made hereby.

Payments on the notes. No withholding or deduction on account of UK income tax will be required from payments of principal or, for so long as the notes are represented by the Global Notes, continue to be in bearer form and are listed on the London Stock Exchange or some other stock exchange recognised by the UK Inland Revenue ("Eurobond Notes"), from payments of interest where:

a) the payment of interest is made through a paying agent outside the UK, or

b) the payment of interest is made by or through a paying agent who is in the UK, and either:

(i) the person beneficially entitled to the interest is not resident in the UK and beneficially owns the Eurobond Notes from which the interest derives or

(ii) the Eurobond Notes are held in a recognised clearing system (and Euroclear and Clearstream are recognised clearing systems for this purpose),

and any other administrative conditions prescribed by regulations are satisfied.

In all other cases, and in particular where paid in respect of the Definitive Notes in registered form, interest will (subject to what is said below) be paid after deduction of income tax at the lower rate (currently 20%) subject to any direction to the contrary by the UK Inland Revenue under an applicable double taxation treaty. A holder who is entitled to the protection of an applicable double tax treaty will normally be eligible to recover all or part of the UK tax withheld from payments of interest to which such holder is beneficially entitled by making a claim under the treaty on the appropriate form. Alternatively, a claim may be made to the UK Inland Revenue in advance of a payment of interest. If the claim is accepted by the Inland Revenue, they will authorise subsequent payments to that holder to be made without withholding for UK tax.

Where any person in the United Kingdom. acting in the course of a trade or profession:

(i) acts as custodian of the Eurobond Notes, in respect of which he receives any interest or interest is paid at his direction or with his consent;

(ii) collects or secures payment of or receives interest on the Eurobond Notes for another person, including the holder, or

(iii) otherwise acts for another person in arranging to collect or secure payment of interest on the Eurobond Notes;

(except in any case by means only of clearing a cheque or arranging for the clearing of a cheque) that person (a "collecting agent") is liable to account for United Kingdom income tax at the lower rate (currently 20%) on such