

**ASX/MEDIA RELEASE**

**OZFOREX IN LINE WITH PROSPECTUS FORECASTS FOR FULL YEAR RESULTS**

**Highlights**

- Key operating and financial metrics are in line with prospectus forecasts resulting in FY14 NPAT increasing 8.1% to \$20.1million on pro forma prospectus forecast
- Pro forma net operating income of \$72.5 million for the year is 6.1% ahead of prospectus forecast of \$68.2 million, and represents a 39.1% increase on FY13.
- Active clients up by 31% to 120,500 in FY14, but 2% below prospectus forecast
- Balance sheet remains robust with strong cash flow generation and no gearing
- A fully franked dividend of 2.375c per share will be distributed in 27 June 2014, represents circa 70% of NPAT since listing
- OzForex is on track to meet its 30 September 2014 prospectus forecast

Sydney, 27 May 2014 - International payments service provider, OzForex Group Limited (ASX:OFX), today announced NPAT for the 12 months ended 31 March 2014 of \$20.1 million, a 8.1% increase on the pro forma prospectus forecast of \$18.6 million.

Statutory NPAT increased 13.5% to \$16.0 million on prospectus forecast while pro forma NPAT for FY14 increased by 33.3% to 20.1 million on FY13.

Net Operating Income of \$72.5 million for the year is 6.1% ahead of pro forma prospectus forecast of \$68.3 million, and represents a 39.1% increase on FY13.

Key financial metrics	FY14	Prospectus Statutory	Variance	FY14 Pro forma <sup>1</sup>	Prospectus Pro forma	Variance
Net Operating Income (\$m's)	72.6	68.2	6.4%	72.5	68.3	6.1%
EBITDA (\$m's)	20.9	19.4	8.1%	26.9	25.8	4.3%
EBTDA (\$m's)	22.4	20.7	8.3%	28.3	27.2	4.0%
NPAT (\$m's)	16.0	14.1	13.5%	20.1	18.6	8.1%

(1) Adjusted for one off IPO costs, HIFX process costs and \$1m of ongoing public company costs not incurred prior to listing on the ASX, but will be incurred on an ongoing basis.

OzForex's Active Clients (clients that as at the end of the period, had transacted at least once during the previous 12 months) were 120,500, an increase of 31% on FY13 which totalled 91,800.

While there was a strong retention of existing clients, with attrition rates falling to only 28.5%, down from 31% in FY13, Active Clients were 2% behind prospectus forecasts due to slower than expected growth in New Dealing Clients.

New Dealing Clients were up 38% to 55,000 but 10.8% below prospectus forecast largely driven by a slower conversion rate of new clients in OzForex's branded partnerships within its International Payment Solutions business.

Transaction turnover of \$13.6 billion, up 49% on previous year and 8% up on the prospectus forecast, was boosted by an increase in average transaction value (ATV), which offset a shortfall in transactions.

The Directors have declared a fully franked dividend of 2.375c per share (\$5.7m), representing approximately 70% of NPAT since listing.

OzForex's balance sheet remains strong with the net cash position of the Group increasing to \$41 million (pre dividend), with no gearing in place.

OzForex CEO, Mr Neil Helm, said the Group was well positioned to meet its short-term prospectus requirements, and was increasingly focused on positioning OzForex for growth in a rapidly evolving industry.

"We have established a highly successful and market leading position in the international payments sector as a result of our scalable technology platform and attractive customer proposition."

"We have helped over 120,000 clients make international payments this year. Clients are attracted to our business for a combination of reasons including competitive pricing, ease of use and the outstanding customer service."

"We are constantly looking to innovate, scale and provide better payment solutions for our clients as we expand globally. We continue to invest in our people and our technology to remain a high growth company while maintaining a clear focus on giving clients the best possible experience when making an international payment," Mr Helm said.

## **Operational Highlights**

The United States continues to be a key focus for OzForex, which increased its licence footprint to 42, and under its Travelex branded international payments platform, the product was introduced to Travelex consumers in Canada and across authorised states in the U.S. The MoneyGram and Travelex branded partnerships were also launched in Australia and New Zealand during the year.

OzForex has seen a 292% increase in mobile site visits under OzForex brands reaching 3.4 million this year. Consequently registrations increased 175% with over 8000 users registering via our mobile site.

OzForex Travel Card numbers have reached 15,000 activated cards, representing a 134% increase on the previous year. OzForex can now also facilitate payments for clients in 65 currencies having recently added BGN (Bulgarian Lev), EGP (Egyptian Pound) and MGA (Madagascar Ariary).

OzForex was included in the S&P/ASX 200 index as of close of trading on 21 March 2014, following the March quarterly review. This was an important milestone for the Group soon after listing, and provides the potential for further liquidity and profile.

## **Industry Outlook**

OzForex believes international payment services is a large and growing market driven by increases in global population and migration, and a larger level of cross border transactions and investment.

OzForex is participating, and in many respects leading a successful industry disruption of traditional international payment methods and processes, driven by online technology and mobile services.

The industry remains fragmented yet there is increased competition and a rapid growth in the number of online service providers. Participants are seeking ways to grow quickly and there has been a heightened level of M&A activity, which OzForex believes will continue.

OzForex will continue to assess consolidation opportunities. As previously announced, the Group participated in the HiFX sales process, and believes targeted and selective M&A is an important aspect of its growth strategy in existing or new markets.

In summary, OzForex is on track to meet its 30 September 2014 prospectus forecasts and believes it is well positioned to take advantage of the rapidly evolving international payments industry.

**-ENDS-**

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