PRELIMINARY RESULTS
FOR THE YEAR ENDED 31 MARCH 2011

25 May 2011

WELCOME AND OVERVIEW

David Radcliffe, Chief Executive

OVERVIEW

Financial

- Revenue up 10% (up 7% at constant currency)
- Underlying profit before tax up 16%
- Net debt down £16m to £61m
- Full-year dividend up 25% to 1.5p

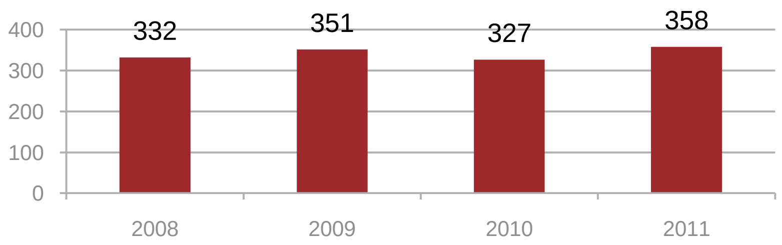
Operational

- HRG client travel spend up 23% (up 20% at constant currency)
- HRG client travel booking activity up 17%
- Managed client retention rate remains above 90%

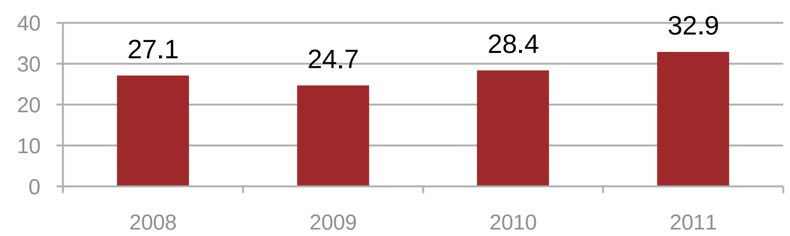
Growth prospects remain good

- Positive industry data support momentum
- Strong pipeline of new business across multiple sectors

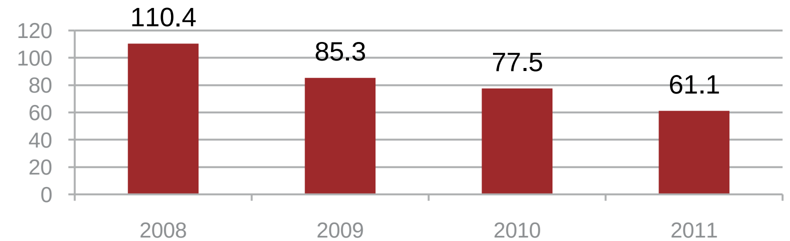
Revenue (£m)



Underlying PBT (1) (£m)



Net debt (£m)



(1) *Before amortisation of acquired intangibles and exceptional items*

FINANCIAL REVIEW

Julian Steadman, Group Finance Director

KEY FINANCIALS FOR THE YEAR

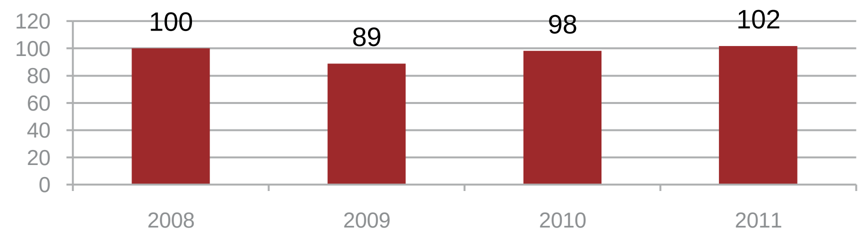
Years ended 31 March	2011	2010	Change
Revenue	£358.0m	£326.8m	+9.5%
Underlying operating profit margin (1)	11.7%	10.8%	+0.9 ppts
Underlying profit before tax (1)	£32.9m	£28.4m	+15.8%
Underlying earnings per share (1)	7.3p	6.3p	+15.9%
Free cash flow (2)	£21.4m	£16.2m	+£5.2m
Net debt	£61.1m	£77.5m	-£16.4m
Total dividend	1.5p	1.2p	+25%
Dividend cover	4.9x	5.3x	-0.4x

(1) Before amortisation of acquired intangibles and exceptional items
(2) Free cash flow is the change in net debt before acquisitions and disposals, dividends and the impact of foreign exchange movements

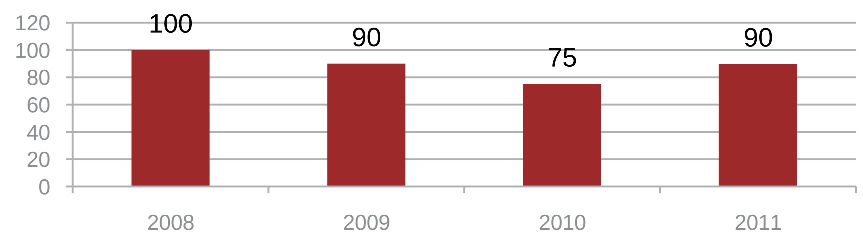
MARKET CONTEXT - RECOVERY AND GROWTH

- IATA data show recovery in total passengers
  - Premium remains 10% below peak
- IATA growth forecast of 5.9% per annum
- HRG client spend recovering
- Further recovery potential from existing clients

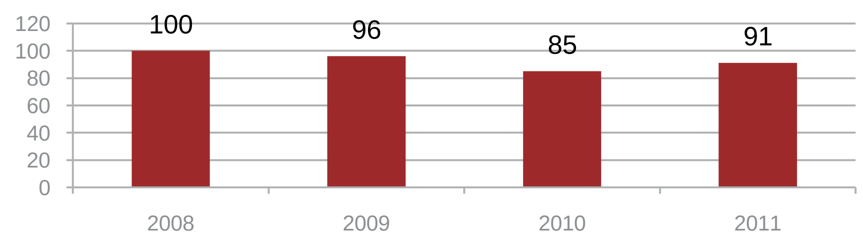
International air passenger traffic (1)



Value of client travel spend – at constant FX



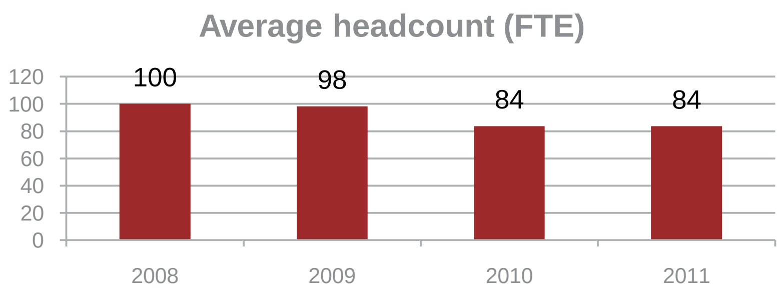
Revenue – at constant FX

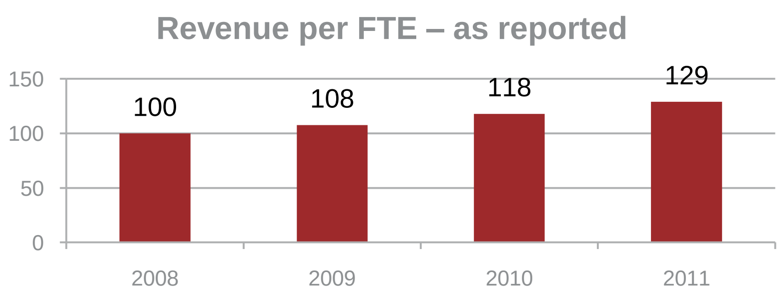


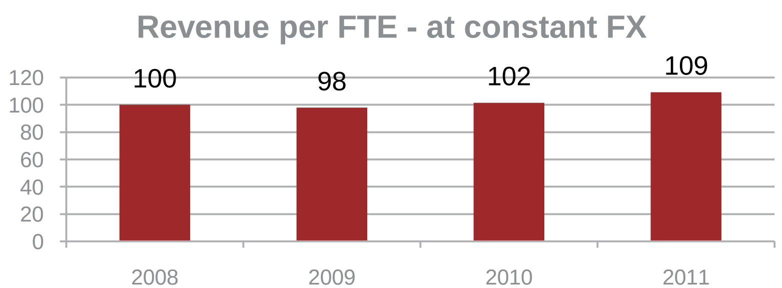
(1) Source: Air Transport Market Analysis – monthly IATA report; year-on-year comparison for the month of March

CAPACITY FOR GROWTH

- Average headcount unchanged with added headcount in H2 to support service and add capacity
- Systems improvements to drive productivity
- Increasing online trend
- Trend towards fewer but larger centres
- Capacity for further growth with margin improvement







REGIONAL PERFORMANCE

Europe

- Well established position
- Revenue up by 6% at constant currency
- UOP[(1)] up 8% at constant currency

North America

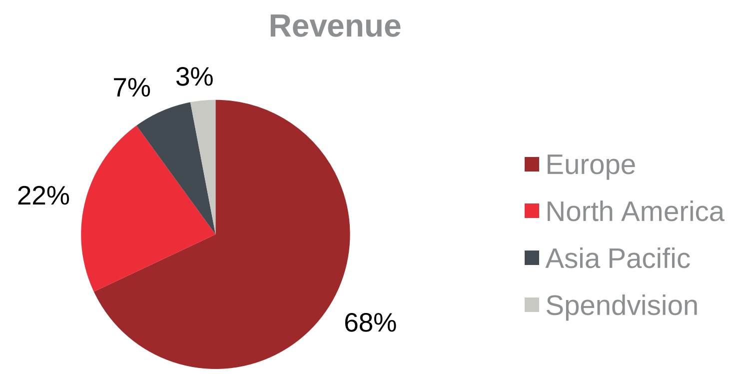
- Underweight
- Revenue up by 6% at constant currency
- UOP[(1)] up 35% at constant currency

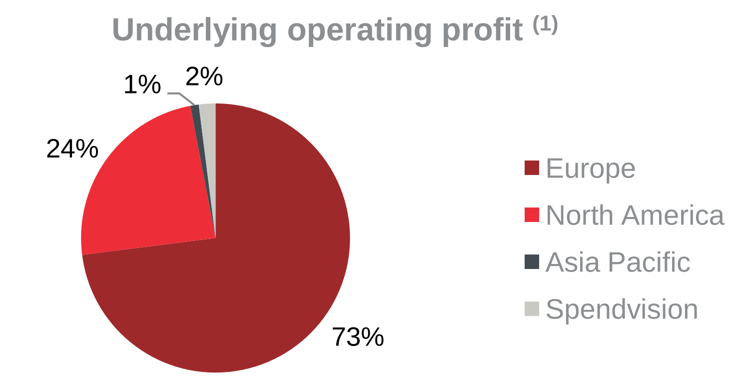
Asia Pacific

- Strategic position; costs to support inbound travellers
- Revenue up by 26% at constant currency
- UOP[(1)] £0.4m (2010: loss of £1.1m); no currency impact

Spendvision

- Revenue up by 5% at constant currency
- UOP[(1)] down 36% at constant currency
- Business review underway





(1) *Before amortisation of acquired intangibles and exceptional items*

FINANCE COSTS

Years ended 31 March	2011 £m	2010 £m	Change £m
External interest (net)	(4.6)	(3.2)	(1.4)
IAS19 pension costs	(3.3)	(3.2)	(0.1)
Amortised fees	(1.1)	(0.6)	(0.5)
Net finance costs	(9.0)	(7.0)	(2.0)

- External interest reflects mid-year refinancing – higher bank margins
  - Adds ~£4m in a full year
- IAS 19 cost will reduce by £0.9m in FY12
- Amortised fees will reduce by £0.2m in FY12

TAXATION

Years ended 31 March	2011			2010		
	Pre-tax	Tax	Rate	Pre-tax	Tax	Rate
	£m	£m	%	£m	£m	%
Underlying profit	32.9	(9.8)	30%	28.4	(8.4)	30%
Amortisation of acquired intangibles	(4.0)	1.2	30%	(3.9)	1.2	31%
UK corporation tax rate reduction	-	(0.5)	-	-	-	-
Exceptional items	-	-	-	(3.3)	0.3	9%
Statutory result	28.9	(9.1)	31%	21.2	(6.9)	33%

- Ongoing tax rate of ~30% following UK rate reduction

CASH FLOW AND NET DEBT

Years ended 31 March	2011 £m	2010 £m
EBITDA(1)	51.6	44.5
Cash flow from exceptional items	(0.9)	(7.0)
Working capital movements		
- Normal trading	2.5	(16.1)
- Active management	(4.3)	21.8
Interest(2)	(3.2)	(2.8)
Refinancing costs	(3.6)	-
Tax	(9.3)	(5.1)
Capital expenditure	(8.7)	(11.1)
Additional pension contributions	(6.1)	(7.6)
Other movements	3.4	(0.4)
Free cash inflow	21.4	16.2
Acquisitions and disposals	(0.8)	(0.3)
Dividends	(3.9)	(1.2)
Currency translation and other	(0.3)	(6.9)
Decrease in net debt	16.4	7.8

- Lower active management of working capital
- Lower capitalisation of technology development
- Additional pension contributions represent current 10-year recovery plan
- Refinancing costs are non-recurring
- Dividends are the final 2010 and interim 2011 payments
- Net debt down to £61.1m

(1) Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA) is before exceptional items
(2) Includes dividends received from associates and joint ventures

BALANCE SHEET

As at 31 March	2011 £m	2010 £m
Goodwill and other intangible assets	249.9	253.5
PPE and investments	15.3	17.5
Working capital	(99.8)	(101.2)
Current tax liabilities (net)	(4.7)	(8.4)
Deferred tax assets (net)	38.9	47.2
Net debt	(61.1)	(77.5)
Pension liabilities (pre-tax)	(114.7)	(126.4)
Provisions and other items	(2.8)	(4.0)
Net assets	21.0	0.7

- HRG is a cash flow business
- Working capital includes £31m in 2011 (2010: £35m) in respect of the active working capital management programme
- Pension deficit is £88.6m after tax (2010: £93.5m)

REFINANCING COMPLETED SUCCESSFULLY

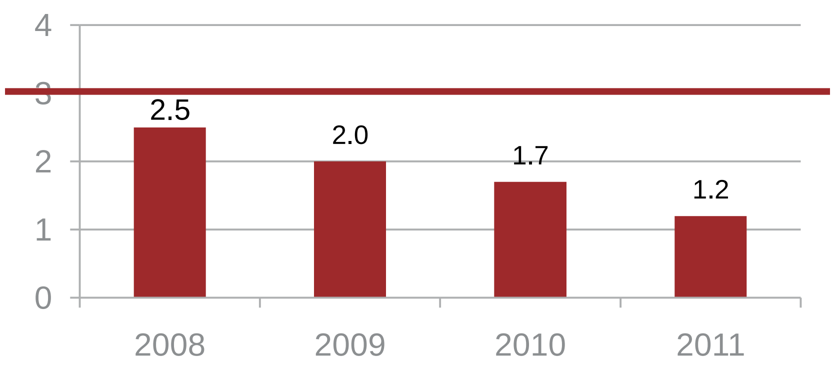
Successful refinancing of £220m banking facilities with good demand and competitive rates

- £190m committed to 2014 – margin increase of 155-175 bpts
- £30m repayable by 2018 – 7.239% fixed rate
- Additional uncommitted facilities
- Adds ~£4m in full year to net interest cost

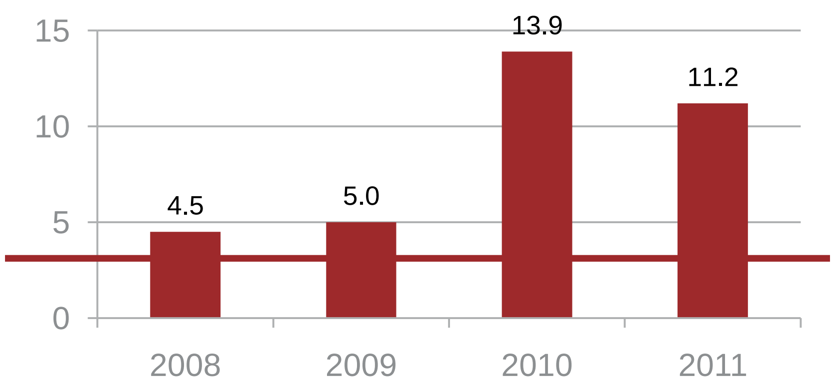
Covenant requirements unchanged

- Tested every six months only

Net debt : EBITDA[(1)]



Net external interest cover

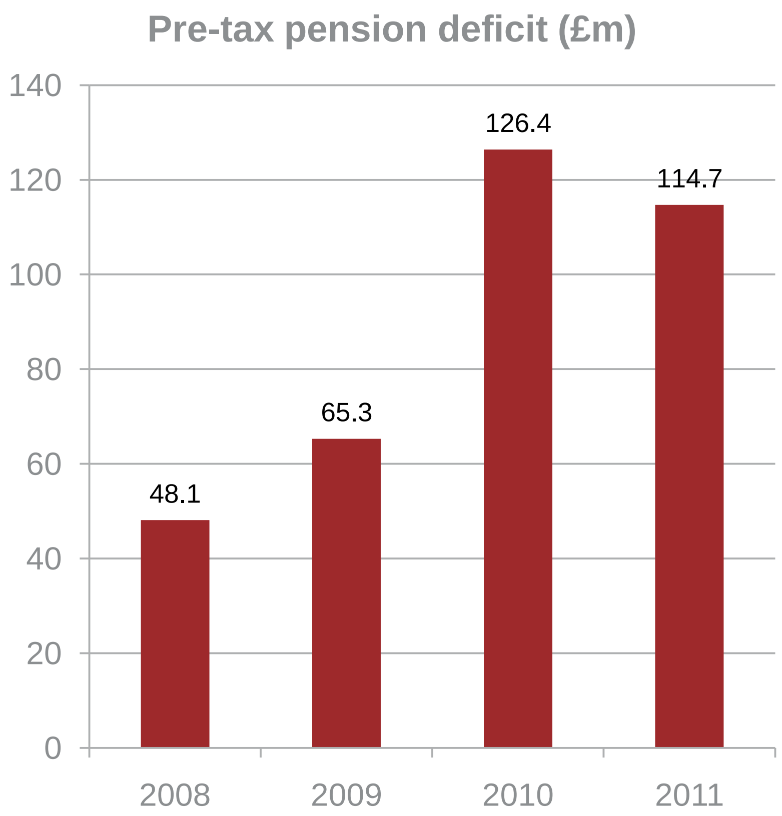


(1) The definition for EBITDA for covenant purposes is not materially different to the definition used in the financial statements

PENSION PLANS

Group-wide deficits of £114.7m – down £11.7m

- UK deficit of £104.1m before tax – down £11.8m
  - Scheme assets increased by £16.8m
  - Scheme liabilities increased by £5.0m
  - CPI impact now included (£4.5m)
  - Scheme closed to new members
  - Salary caps in place
  - Continuing 58% investment in equities
  - Actuarial basis is similar to the accounting basis
  - Discussions underway for April 2011 revaluation
- Valuations likely to remain volatile



SUMMARY

Excellent financial results

- Revenue up 10% (up 7% at constant FX)
- Underlying operating profit margin up from 10.8% to 11.7%
- Underlying profit before tax up 16% to £32.9m
- Net debt down £16m to £61m
- Full-year dividend up 25% to 1.5p

Refinancing completed successfully

Pension deficit down £12m – likely to remain volatile

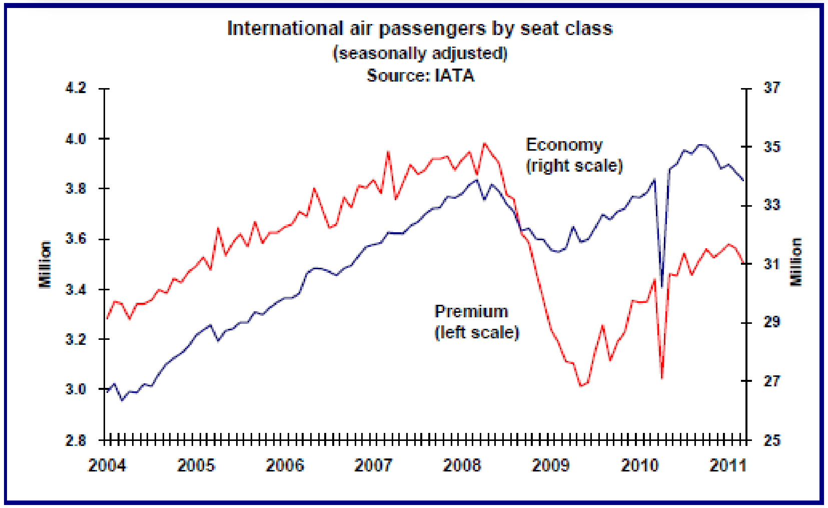
Capacity to support continuing growth with margin improvement

OPERATING REVIEW AND OUTLOOK

David Radcliffe, Chief Executive

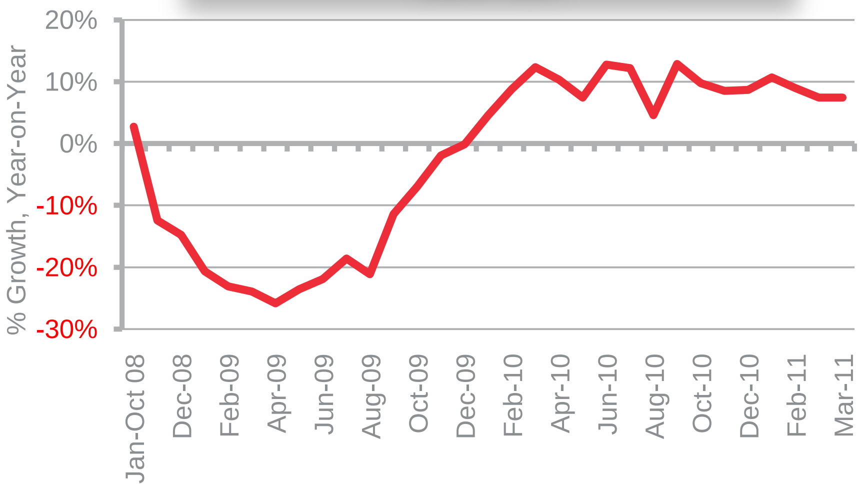
MARKET OVERVIEW

IATA – International Air Passenger Traffic by Ticket Type



- Overall air passenger traffic recovery momentum has continued through most of 2010 and 2011 to date
- The European volcanic ash crisis impacted traffic in April 2010, but demand has since recovered
- Overall passenger numbers are now back to above their pre-recession level of early 2008, but premium still 10% below

STR Global – World Hotel RevPAR



- Global hotel RevPAR growth rate has averaged approximately 10% during year to end March 2011
- Comparatives getting more challenging

Source: IATA Traffic Statistics; STR Global

MARKET PROSPECTS

- Global corporate travel spend of $838 billion in calendar year 2010 [1]:
  - Managed corporate travel spend of 50% of global corporate travel spend [2]
- Top four TMCs believed to account for <18% of global managed corporate travel market
- Forecast growth of 4-5% per annum
  - Expected real growth in corporate travel spend of 4.3% per annum over next decade [1]
  - IATA 2010-2014 forecast CAGR 5.9% per annum for global international air passenger traffic [3]

Major TMCs

Global presence
- HRG
- American Express
- Carlson Wagonlit Travel

BCD travel

(1) World Travel & Tourism Council, 2010
(2) PhoCusWright, 2009
(3) International Air Transport Association, March 2011

OUR CLIENT ACTIVITY

Corporate travel recovery continues:

- Further recovery potential from existing clients

Client priorities:

- Continuing demand for excellent service and value for money
- Ongoing control of travel spend and compliance
- Balance value-adding services with total cost
- Geopolitical activity underscores the demand for control

Specific trends:

- Trend towards single-point regional service centres replacing country locations
- Increased focus on passenger security
- More online and self-booking

Implications for HRG:

- Opportunities for HRG as clients continue to embrace cost reduction and value enhancing initiatives
- Growing demand for technology plays to HRG's strengths
- Margin improvement opportunities

ANOTHER YEAR OF GROWTH

New clients added in FY11 include

AVIVA

AVON the company for women

Bank of America Merrill Lynch

Direct Energy Simple. Friendly. Direct.

Grant Thornton

noble energy

Recently renewed and expanded contracts include

Agilent Technologies

ERICSSON

SGS

syngenta GLOBAL

VOLKSWAGEN AKTIENGESELLSCHAFT

ABB

BILFINGER BERGER

BOMBARDIER

gsk GlaxoSmithKline

Foreign & Commonwealth Office

nab

Roche

UBS

NOVARTIS

Patheon Performance the World Over

Weatherford

Rolls-Royce

Schlumberger

KPMG

Willis

WHY WE ARE WINNING

We deliver value for money

An experienced global network

A proven fee-based business model

- Stress tested during the recession
- Flexibility reduces earnings volatility

A stable and diverse client portfolio

- No single client or sector dominates
- Contract-backed, with multi-year relationships

Technology

- Standalone
- Own data integration and independent warehouse capability
- Flexible connectivity

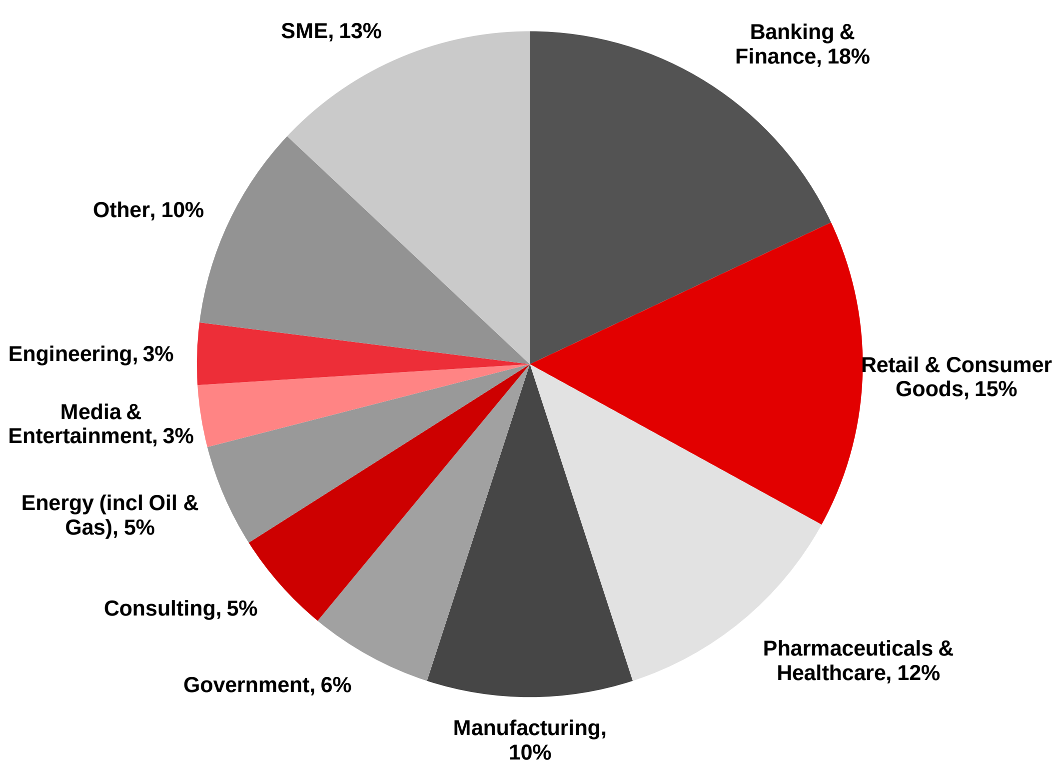
Our service culture

- Client retention rate remains above 90%
- Net new business wins and a strong pipeline
- Demonstrated ability to provide real value to clients, particularly in times of crisis

"A stunningly successful outcome … Please accept our thanks and appreciation for the time and effort you and your staff have put into this problem."

DIVERSIFIED CLIENT PORTFOLIO

Client revenue by industry in FY11 (1)



- Strongest growth in:
  - Manufacturing
  - Pharmaceuticals & Healthcare
- Slower recovery in:
  - Media & Entertainment
  - Engineering

Diversified client portfolio offers protection and provides opportunities

As at 31 March 2011

GROWTH STRATEGY

Core activity	**Provision of Managed Travel services for multinational corporations or large national organisations**
Market	Take advantage of the global growth in corporate travel expenditure and the accelerating trend to outsource
Clients	Grow market share through new and existing clients
Partnerships	Nurture long-term partnerships with suppliers who recognise our value
Geography	Leverage our global footprint
Technology	Continue to develop our proprietary technology
Acquisition	Seek opportunities for consolidation in a fragmented market – strategic, low-risk M&A

POTENTIAL FOR GROWTH

SUMMARY

Strong financial performance - ahead of expectations

- Growth in revenue, earnings and cash flow
- Continuing reduction in net debt
- Full refinancing completed at competitive rates
- Capacity for continuing growth with margin improvement

Recovery in corporate travel

- Macro indicators are positive
- Growth in HRG client travel activity and spend
- Managed client retention rate remains above 90%
- Net new business wins and strong pipeline

Opportunities for further growth

- Further recovery potential from existing clients
- Potential for low-risk, strategic M&A

Proven that we can manage under challenging conditions

OUTLOOK

- Market expected to grow at ~4-5% per annum
- Existing clients should continue to increase travel activity
- Continuing focus on delivering excellent client service and value
- Progressive dividend policy
- Since year end, we have continued to trade ahead of last year
- Board believes HRG will deliver further progress through the rest of the year

Appendix

SUPPLEMENTARY INFORMATION

EARNINGS

Years ended 31 March	2011 £m	2010 £m	Change £m
Underlying operating profit [1]	41.9	35.2	6.7
Associates and joint ventures	-	0.2	(0.2)
Finance costs	(9.0)	(7.0)	(2.0)
Underlying profit before tax [1]	32.9	28.4	4.5
Amortisation of acquired intangibles	(4.0)	(3.9)	(0.1)
Exceptional items	-	(3.3)	3.3
Profit before tax	28.9	21.2	7.7
Tax	(9.1)	(6.9)	(2.2)
Net profit	19.8	14.3	5.5

(1) Before amortisation of acquired intangibles and exceptional items

PRINCIPAL FOREIGN CURRENCY RATES

		Sep 09	Mar 10	Sep 10	Mar 11
Income statement					
Euro	EUR	1.14	1.13	1.19	1.18
Swiss Franc	CHF	1.73	1.69	1.61	1.56
Swedish Crowns	SEK	11.96	11.66	11.23	10.85
Norwegian Krone	NOK	9.96	9.60	9.43	9.33
US Dollar	USD	1.60	1.60	1.53	1.56
Canadian Dollar	CAD	1.79	1.73	1.59	1.59
Balance sheet					
Euro	EUR	1.09	1.12	1.15	1.13
Swiss Franc	CHF	1.66	1.60	1.54	1.47
Swedish Crowns	SEK	11.18	10.92	10.60	10.11
Norwegian Krone	NOK	9.28	9.00	9.23	8.87
US Dollar	USD	1.60	1.52	1.57	1.60
Canadian Dollar	CAD	1.72	1.54	1.62	1.56

REVENUE TREND

Years ended 31 March	2010		2011	
£m	H1	H2	H1	H2
Revenue				
Corporate Travel Management				
Europe	109.1	120.5	115.1	129.5
North America	32.2	37.1	38.0	39.5
Asia Pacific	8.3	8.4	10.1	13.3
Spendvision	5.7	5.5	6.0	6.5
Total	155.3	171.5	169.2	188.8

EARNINGS TREND

Years ended 31 March	2010		2011	
£m	H1	H2	H1	H2
Underlying operating profit[(1)]				
Corporate Travel Management				
Europe	8.9	19.2	13.6	17.2
North America	2.3	4.5	5.6	4.3
Asia Pacific	(0.5)	(0.6)	(0.1)	0.5
Spendvision	0.6	0.8	0.4	0.4
Total	11.3	23.9	19.5	22.4
Associates and joint ventures	-	0.2	0.1	(0.1)
Finance costs (net)	(3.8)	(3.2)	(4.3)	(4.7)
Underlying profit before tax	7.5	20.9	15.3	17.6
Amortisation of acquired intangibles	(1.9)	(2.0)	(2.0)	(2.0)
Exceptional items	(2.3)	(1.0)	-	-
Profit before tax	3.3	17.9	13.3	15.6
Tax	(1.1)	(5.8)	(4.1)	(5.0)
Net earnings	2.2	12.1	9.2	10.6

(1) Operating profit before amortisation of acquired intangibles and exceptional items

CASH FLOW TREND

Years ended 31 March	2010		2011	
£m	H1	H2	H1	H2
EBITDA[1]	15.8	28.7	24.3	27.3
Cash flow from exceptional items	(4.6)	(2.4)	(0.9)	-
Working capital movements				
- Normal trading	(18.4)	3.1	(8.4)	12.6
- Active management	11.0	10.0	(11.0)	5.0
Interest paid	(2.0)	(0.8)	(1.4)	(1.8)
Refinancing costs	-	-	-	(3.6)
Tax paid	(2.2)	(2.9)	(2.3)	(7.0)
Capital expenditure	(4.9)	(6.2)	(3.9)	(4.8)
Pension funding in excess of EBITDA charge	(3.7)	(3.9)	(3.0)	(3.1)
Other movements	0.3	(0.7)	0.5	2.9
Free cash inflow / (outflow)	(8.7)	24.9	(6.1)	27.5
Acquisitions and disposals	-	(0.3)	(0.3)	(0.5)
Dividends paid to external shareholders	-	(1.2)	(2.4)	(1.5)
Currency translation and other	(2.0)	(4.9)	0.5	(0.8)
Decrease / (increase) / in net debt	(10.7)	18.5	(8.3)	24.7

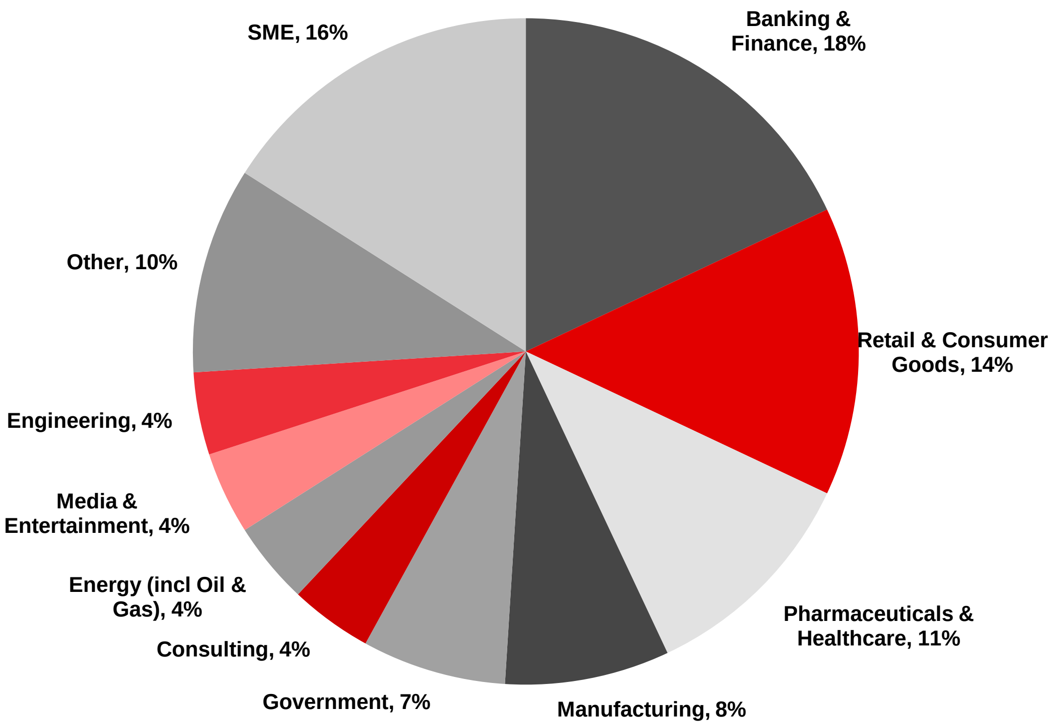
(1) Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA) is before exceptional items

BALANCE SHEET TREND

Years ended 31 March	2010		2011	
£m	H1	H2	H1	H2
PPE & intangibles	269.1	271.0	265.5	265.2
Working capital	(86.5)	(101.2)	(80.2)	(99.8)
Net debt	(96.0)	(77.5)	(85.8)	(61.1)
Taxation	41.4	38.8	43.4	34.2
Pension liabilities (net of tax)	(127.5)	(126.4)	(155.1)	(114.7)
Provisions & other	(7.6)	(4.0)	(4.0)	(2.8)
Net assets / (liabilities)	(7.1)	0.7	(16.2)	21.0

DIVERSIFIED CLIENT PORTFOLIO

Client revenue by industry in FY10 (1)



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