

The Gift Voucher Shop adds Roches Stores And Other Leading Merchants to its Merchant Portfolio

September 22, 2004

The Irish Gift Voucher market is growing rapidly with consumers spending an average of €70-75 on Gift Vouchers over the Internet and telephone while they buy €60 worth of Gift Vouchers at a time in Post Offices, according to Mr Michael Dawson, Managing Director, The Gift Voucher Shop (GVS). He was speaking today 22 September 2004 at the announcement that the Roches Stores Group, one of Ireland's leading department stores, is the latest addition to GVS's extensive merchant portfolio of more than 500 merchants.

He also announced that a number of other leading merchants including The Carphone Warehouse, Hoggis & Figgis, Bests Menswear, Waterstones and Dominos Pizzas have joined GVS's merchant portfolio. Gift vouchers for all of these stores are available immediately on www.giftvouchershop.ie and from 1,000 Post Offices nationwide from the end of September. The Gift Voucher Shop, the market leader in the Irish Gift Voucher market, is part of FEXCO, the Kerry, Ireland-based global payments company.

The company reported that the Irish Gift Voucher market grew to €250 million in 2003 which represented 10 per cent of the entire gifting market of €2.5 billion. According to GVS, since its launch in September 2002, the Post Office sales of its Gift Vouchers have increased 20 per cent month-on-month. In addition, total sales of GVS Gift Vouchers have more than doubled with sales growth of 120 per cent compared with the previous 12 months.

Department stores are the most popular Gift Voucher sales category and account for more than 60 per cent of all Gift Voucher sales, according to GVS. The average amount spent overall is €78. Other leading categories for Gift Voucher sales are hotel and accommodation, home and garden, fashion, sports and fitness, and music and entertainment.


Looking forward to the rest of the year for the Gift Voucher market, Mr Dawson predicted that the last quarter of 2004 would deliver strong annual growth with increases of up to 300 per cent possible compared with last year. He

explained that this significant increase would be driven by pre-Christmas and Christmas spending, increasing consumer awareness of Gift Vouchers and GVS's extensive advertising and marketing campaign.

This GVS campaign is worth €900,000 and includes advertising and promotional activity across a range of media such as national press, radio and television, point-of-sale in 1,000 automated Post Offices nationwide and a direct-mail campaign targeted to reach 1.3 million homes.

GVS attributed the Irish Gift Voucher market's rapid rise to increasing consumer growth and, in particular, a growing affluence which has pushed up the level of disposable income spent on gifts. The company also identified the emergence of a more discerning consumer coupled with the choice and flexibility offered by a Gift Voucher as reasons for the growth in Gift Voucher sales.

GVS also linked the growth in its merchant portfolio to the downturn in the corporate gift giving market



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which resulted from the Government's legislative change regarding Benefit-In-Kind (BIK).

The company said that the increase in the range of its merchant portfolio was due to the commercial benefits that accrue to GVS merchant members. These include access to four additional gift voucher sales avenues: the Post Office network, the telesales unit, www.giftvouchershop.ie, and its corporate sales team. Corporate sales include the establishment of programmes such as the Esso TigerMiles scheme and other trade marketing promotions with clients such as O2, Nestle, Dillon & Company and Masterfoods.

"We are delighted to be associated with The Gift Voucher Shop. Roches Stores is introducing the programme to facilitate our customers with the approaching festive season in mind," said Mr Robert Ward, Head of Marketing, Roches Stores.

This latest announcement from The Gift Voucher Shop follows the company's announcement in June 2004 that employers can avail of a Benefit-In-Kind (BIK) concession that allows the tax- and PRSI-free payment of more than €182 million in 'Small Benefits' this year which amounts to €100 for each employee in the country.

Under the Revenue Commissioners' approved 'Small Benefit Exemption' scheme, employers can provide employees with a Gift Voucher up to the value of €100 as a once-off benefit during the tax year which is not subject to PAYE or Employee and Employer PRSI. This €100 Gift Voucher is tax free even if the employee is receiving other taxable BIK.

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Note to Editors:

The Gift Voucher Shop Ltd.

Established in September 2002 by entrepreneur Michael Dawson, the company provides the most comprehensive range of gift vouchers available in the Irish market. FEXCO, the Kerry, Ireland-based global payments company holds a majority shareholding in the company. More than 550 of Ireland's top businesses with over 3,000 outlets across the 32 counties sell their gift vouchers through the Gift Voucher Shop service. Leading stores such as Argos, Brown Thomas, Smyths Toys and Arnotts benefit from the service's unique distribution system.

The company entered a strategic distribution partnership with An Post to sell its gift vouchers through 1,000 Post Offices nationwide in addition to its online shop, www.giftvouchershop.ie, and its call centre service. The Post Office channel gives the company a unique national distribution capability unmatched in the gift voucher market.

FEXCO

FEXCO is a global payments company headquartered in Kerry, Ireland with operations in the Ireland, UK, Spain, Malta, Australia and USA. The company was established in 1981 by its Executive Chairman, Brian McCarthy, and offers a range of Global Consumer Payments, Global Corporate Payments and Business Services. The company is privately owned with USA-based First Data Corporation, the world's leading payment processor, holding a minority shareholding in the business.