

Thomas Cook

THE MARKET

Thomas Cook is a leading international travel and financial services group and the world's largest provider of travellers cheques and foreign currency.

In Australia, the travel market is buoyant, with strong growth predicted for international travel. The financial services and foreign exchange business is growing with the development of new products and markets.

ACHIEVEMENTS

Thomas Cook has played a key role in the development of travel. Until Thomas Cook's first rail excursion, most travellers were the wealthy and the aristocracy who travelled independently.

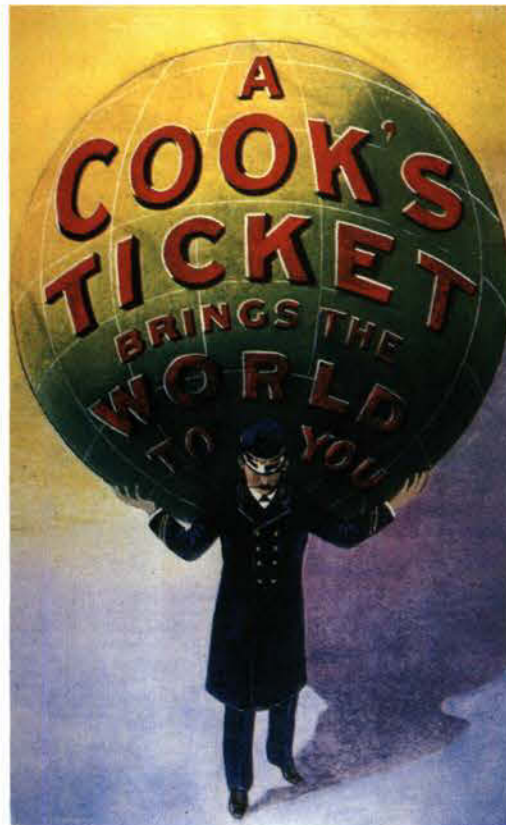
Thomas Cook made travel available to the ordinary man. Since then Thomas Cook has grown into the largest international travel and financial services company in the world.

Thomas Cook's worldwide network provides services to customers at more than 3000 locations in over 100 countries. Internationally Thomas Cook has over 14,000 employees, who service over 20 million customers a year, ranging from leisure travellers on vacation to major international corporations looking for better ways to conduct their financial dealings.

The group generates sales of well over \$40 billion from its travel related and financial services businesses. Through its relationships with 4200 financial institutions in 188 countries, Thomas Cook is the world's largest supplier of travellers cheques outside North America, and owns the world's largest network of retail foreign exchange bureaux, with over 100 locations worldwide.

HISTORY

On the 9 June 1841, in the English Midlands, a 32-year old printer named Thomas Cook walked from his home in Market Harborough to the nearby



town of Leicester to attend a temperance meeting. Thomas believed that most social problems were related to alcohol and that the lives of the working people would be greatly improved if they drank less and became better educated. He later recalled that as he walked along the road: "the thought suddenly flashed across my mind as to the practicability of employing the great powers of railways and locomotion for the furtherance of this social education and reform".

The following day Thomas organised a special train of the Midland Railway Company to carry temperance supporters to their quarterly meeting. On the 5 July 1841, 500 passengers were conveyed 12 miles to the meeting at a cost of one shilling each.

By the end of 1850 Thomas Cook had extended his tours beyond the UK to Europe. In 1855 the first International Exhibition was held in Paris and Thomas tried to negotiate concessions from the companies commanding the Channel traffic. When they refused to work with him, Thomas led his first European tour through the only route open to him, between Harwich and Antwerp.

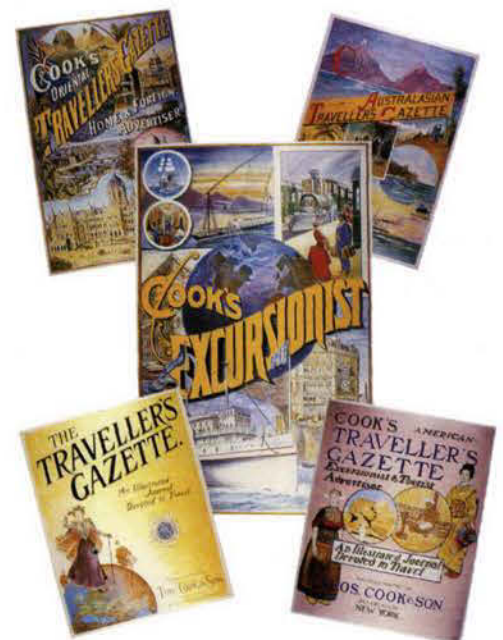
In 1863 and 1864 Thomas Cook escorted his first tours to Switzerland and Italy and by the end of 1864 more than 500 tourists travelled abroad under his arrangements. These people were from the growing middle classes and they expected better accommodation than his previous working class customers. He therefore negotiated with innkeepers and hotel proprietors to provide rooms and meals at good prices. This led him to develop the first Hotel Coupón, launched in 1868.

In early 1869 Thomas Cook personally led a group to attend the opening of the Suez Canal. In 1872 Thos.Cook and Son, as the firm had become known, opened an office in Cairo. The opening of the Suez Canal allowed Thomas Cook to organise his first world tour, and on the 26 September 1872 he left Liverpool with a small party for a six week journey. They crossed the Atlantic by steamship, and made their way across the United States by rail. They travelled by Pacific Steamer to Japan, then through the Inland Sea to China, and afterwards visited Singapore, Ceylon and India before crossing the Indian Ocean for Cairo, then back to London.

In 1879 Thomas's son, John Mason Cook, took control of the business and set about expanding the company internationally. John created overseas editions of *The Excursionist*, the newspaper started by his father in 1851, to inform customers in France, Germany, India, Australasia, America and the Far East about the services he offered. This continued in publication until 1939.

During the 1890s the business was inherited by John Mason's three sons: Frank Henry, Ernest Edward and Thomas Albert.

At the start of the 20th century Thos.Cook and Son dominated the world travel scene, but in 1928 the business was sold to the *Compagnie Internationale des Wagons-Lits des Grands Express Europeens* of Paris and Brussels, its only real international rival at the time. Shortly after the outbreak of World War 2 the *Wagons-Lits* headquarters in Brussels and Paris fell into enemy hands and Thos.Cook and Son Ltd was eventually made part of the nationalised British Railways. In 1972 Thos.Cook and Son Ltd returned to private ownership and in 1977 became part of the





Midland Bank Group. Today Thomas Cook is a wholly owned subsidiary of Westdeutsche Landesbank, one of the largest banks in Germany.

One reason for the company's longevity and continued success is its commitment to providing exceptional service. Thomas Cook once described himself as "the willing and devoted servant of the travelling public". More than 150 years after his pioneering excursion these words remain a fitting description of the company he founded.

THE PRODUCT

Throughout all aspects of its business, Thomas Cook's clear goal is quality service. The company prides itself on the enviable reputation it has earned in seeking to fulfill that mission.

Thomas Cook's worldwide Financial Services Division is the world's largest supplier of travellers cheques outside the US, and the largest retail foreign exchange network in the world. The network comprises more than 1000 bureaux in 26 countries where customers can purchase and sell travellers cheques, currency bank notes and international money transfers and complementary products.

The travellers cheque is one of the most enduring legacies of Thomas Cook, the company founder, who developed its precursor, the Circular Note, in 1874. Today, Thomas Cook offers travellers cheques in the widest range of currencies available.

Thomas Cook purchases encashed travellers cheques and bank notes from other organisations through its Wholesale Foreign Exchange business. This operation also provides international and local banking customers, as well as the company's own bureaux, with currency notes in bulk. In Australia, Thomas Cook makes a wide range of foreign currencies instantly available.

Commercial foreign exchange services provide international drafts and wires, forward contracts and other products to corporations involved in importing and exporting.

Whether its customers seek adventure or relaxation, internationally or within Australia, Thomas Cook can arrange a holiday to suit. Thomas Cook has 70 branches, covering every Australian state, and providing expert knowledge for people travelling intrastate, interstate and internationally. Thomas Cook is committed to increasing the number of branches in Australia. Globally, Thomas Cook's Travel-Related Business Division encompasses major travel retailing businesses in the UK, Germany, Egypt, Australia, New Zealand and India. In many countries where the Group does not have wholly owned travel operations, it has alliances with major travel companies that share the same commitment to customer service.

The breadth of its network enables Thomas

Cook to offer its leisure travel customers a service free of agency charges which covers airline reservations changes, ticket revalidation or re-routing, hotel and car rental reservations, changes to travel arrangements, travel planning and emergency local telephone call assistance.

In 1997 Thomas Cook offers customers over 80 titles of touring handbooks including guides, maps, and train timetables.

Thomas Cook Australia, through its World Rail Division, is the major distributor of European rail products to the Australian travel industry.

Over 50,000 rail passes are sold in Australia each year. The Division also provides theatre tickets through Box Office, which sells to both the travel industry and the general public for shows in London, Paris, New York and Las Vegas.

Thomas Cook offers Australian customers the ability to book their travel through one of 66 branches nationally, or by phone through Thomas Cook Direct, a call centre offering Thomas Cook's complete quality travel service by phone.

Thomas Cook also has a division dedicated to organisation and management of business conferences of all sizes. These range from small one-night events to major international conferences with thousands of delegates. This division can organise and run successful company incentive packages.

Thomas Cook in Australia is one of the largest inbound operators, coordinating Australian arrangements for more than 70,000 international visitors each year, most of them from Japan, Europe, North and South America. As Australia's tourism industry grows steeply over the next five years, Thomas Cook will become an even more significant contributor to the tourist dollar coming into Australia.

RECENT DEVELOPMENTS

In April 1996 Thomas Cook Australia launched a new sales division offering customers the option of booking their travel by phone. Thomas Cook Direct is a call centre with over 30 employees, and works in partnership with some leading non-travel related companies to give customers added value travel services. These companies include banks and other financial institutions, as well as retailers, clubs and associations.

Thomas Cook Australia is investing in internet and intranet strategies. In the long term Australian customers will be able to investigate their travel options and search for available flights on-line, and even organise their foreign exchange and travel insurance from a computer at home or work.

Over the past 12 months Thomas Cook has introduced a variety of new financial services. Moneygram was launched in December 1996 to allow instantaneous telegraphic transfer of money anywhere in the world. Thomas Cook has partner relationships with both Mastercard International and VISA International.

Thomas Cook is also launching a disposable card giving customers access to cash anywhere in the world: VISA TravelMoney combines the safety of carrying travellers cheques with instant access to cash at VISA machines internationally.

PROMOTION

Over the years the Thomas Cook logo has been used in promotional campaigns creatively and consistently, making it one of the world's most recognisable symbols for travel and foreign exchange. The brand is known to stand for reliability and quality: attributes Thomas Cook has always maintained and built upon.

In 1997 Thomas Cook aligned with the Seven Network in a major sponsorship of their prime time top rating travel program, The Great Outdoors. By linking quality holiday packages and flights with the destinations featured on the TV program, Thomas Cook is able to increase awareness of the brand, and inform viewers that Thomas Cook provides a wide range of travel options. The promotion allowed Thomas Cook to capitalise on its resources at Thomas Cook Direct, and the company invites viewers to phone the consultants in their call centre at once to book travel. This was the first promotion of its type for Australia and has helped consolidate Thomas Cook as a major Australian brand.

Meanwhile, Thomas Cook maintains a strong presence in press advertising.

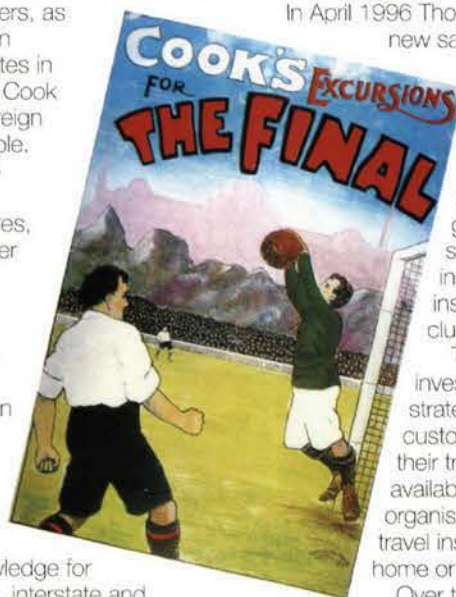
Throughout its branch network Thomas Cook joins with preferred suppliers such as wholesalers and airlines to carry out ongoing promotions, both in window design and in-store promotional activities. Thomas Cook's travel customers also receive the benefits of

foreign money promotions as the travel consultants and foreign exchange consultants work together to provide all customers with the benefits of both services.



BRAND VALUES

Thomas Cook signifies quality, information, knowledge and service. The company is prepared to face the challenge of continuously improving customers' travel experience. As a major international force in travel and foreign exchange, Thomas Cook will continue to strengthen its leadership as customer needs increase and diversify, by providing customers with alternative products and services, and new ways to satisfy their travel needs, through branch, phone or computer.



Things you didn't know about Thomas Cook...

- Thomas Cook has the rights to conduct the first tourist lunar trip, and some adventurous people have already booked!
- Thomas Cook produced the first known travel guidebook in 1845.
- Thomas Cook's first guided tour was for 12 miles and cost each traveller one shilling each.
- The first around-the-world Cook tour was in 1872 and had eleven participants, from America, England, Scotland, Russia, Greece and Armenia.
- Tickets on Cook's first excursion to Liverpool were sold out, with some tickets even sold on the blackmarket.
- In 1855 Thomas Cook made his first foreign exchange transaction.