Wright Express CORP
Form S-1/A
February 01, 2005

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As Filed With The Securities And Exchange Commission On February 1, 2005

Registration No. 333-120679

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Amendment No. 3

to

FORM S-1

REGISTRATION STATEMENT

UNDER THE SECURITIES ACT OF 1933

Wright Express LLC

to be converted to a corporation to be renamed

WRIGHT EXPRESS CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware	7549	01-0526993
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S Employer Identification No.)

97 Darling Avenue

South Portland, Maine 04106

(207) 773-8171

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)

Hilary A. Rapkin, Esq.

Senior Vice President, General Counsel and Corporate Secretary

Wright Express Corporation

97 Darling Avenue

South Portland, Maine 04106

(207) 773-8171

(Names, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

With Copies To:

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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ¨

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. ¨

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We and the selling stockholder may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and we and the selling stockholder are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated February 1, 2005

Preliminary Prospectus

40,000,000 *shares*

Common stock

This is an initial public offering of shares of common stock of Wright Express Corporation. Cendant Corporation, the sole stockholder of Wright Express, is offering 40,000,000 shares and is selling its entire ownership interest in Wright Express in connection with this offering. Wright Express will not receive any proceeds from the sale of the shares being offered hereby, unless the underwriters exercise their option to purchase additional shares. Prior to this offering, there has been no public market for the common stock. The estimated initial public offering price is between $19.00 and $21.00 per share.

We have applied to list our common stock on the New York Stock Exchange under the symbol WXS.

	Per share	Total
Initial public offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds, before expenses, to Cendant	$	$

Wright Express has granted the underwriters an option for a period of 30 days to purchase up to 6,000,000 additional shares of common stock to cover any over-allotments.

Investing in our common stock involves a high degree of risk. See Risk factors beginning on page 13.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

JPMorgan **Credit Suisse First Boston** **Merrill Lynch & Co.**

Banc of America Securities LLC

Citigroup

Deutsche Bank Securities

Goldman, Sachs & Co.

Lehman Brothers

UBS Investment Bank

Wachovia Securities

, 2005

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Prospectus summary

This summary highlights information contained elsewhere in this prospectus. You should read the entire prospectus carefully, including the section entitled Risk factors and our financial statements and the related notes included elsewhere in this prospectus, before making an investment decision. Unless otherwise indicated, the terms Wright Express, the Company, we, us and our refer to Wright Express Corporation together with its subsidiaries as of the date of the closing of this offering.

Wright Express

We are a leading provider of payment processing and information management services to the U.S. commercial and government vehicle fleet industry. We provide fleets using our services with detailed transaction data, analysis tools and purchase control capabilities. We capture transaction data at approximately 180,000 fuel and vehicle maintenance locations, including over 90% of the nation s retail fuel locations and 41,000 vehicle maintenance locations. We market our services directly to businesses and government agencies with vehicle fleets, as well as through 83 strategic relationships with fleet management companies, automotive manufacturers, fuel retailers and other companies.

We collect a broad array of transaction information at the point of sale, including the amount of the expenditure, the identification of the driver and vehicle, the odometer reading, the identity of the fuel or vehicle maintenance provider and the items purchased. This data is captured through our network, which consists of fuel and maintenance locations utilizing our proprietary software. Our network is one of the largest of its kind, and we refer to it as a closed network because it is only accessible through the use of our fleet charge cards. Data collected through our network, together with our purchase controls, allows us to provide fleets with comprehensive information and analysis tools to effectively manage their vehicle fleets and control costs.

We maintain long-standing relationships with our customers and strategic relationships whose ongoing fuel requirements provide us with a recurring transaction base upon which we continue to grow our business. We currently process transactions for over 280,000 commercial and government vehicle fleets with approximately 3.9 million vehicles. During the five-year period ended December 31, 2004, the number of transactions we processed for fleets grew at a compound annual rate of 13% to 205.8 million, while the aggregate dollar value of those transactions grew at a compound annual rate of 24% to $7.4 billion.

Our revenues are primarily affected by the number and dollar value of the transactions we process through our network. Depending on the nature of the products and services we provide to fleets, we earn payment processing revenue, transaction processing revenue and account servicing revenue.

Payment processing revenue is generated from transactions in which we process and make payments to fuel or maintenance providers on behalf of fleets. A majority of payment processing revenue is based on a percentage of the aggregate dollar amount of purchases made by fleet customers at fuel and vehicle maintenance locations on our

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network. We typically collect the total purchase price from the fleet within one month of the billing date.

Transaction processing revenue is typically generated from fixed fees we charge to some of our strategic relationships for each transaction we process and for which we generally do not make payment to fuel and maintenance providers on behalf of fleets.

Account servicing revenue is generated from recurring monthly account servicing fees paid by fleet customers and strategic relationships and is based on the number of vehicles for which we provide services.

In 2004, our revenues and net income were $189.1 million and $51.2 million, respectively, which represent five-year compound annual growth rates of 21% and 61%, respectively.

We market our payment processing and information management services across multiple channels by utilizing both our own sales force and the sales forces of companies with which we have strategic relationships. The table below sets forth, as of December 31, 2004, information about the fleets and vehicles we service by marketing channel:

Channel	Description	Number of fleets	Number of vehicles (in millions)	Select customers and strategic relationships
Direct	Services branded with the Wright Express name	62,000	1.4	Con-way Transportation Services, Inc., Pepsi-Cola Metropolitan Bottling Company, Inc., United Parcel Service of America, Inc. and 18 fleets operated by state governments
Co-branded	Services marketed for and in collaboration with 27 fleet management companies and automotive manufacturers Uses both the brand names of the strategic relationship and Wright Express	25,000	1.1	8 of the 10 largest domestic fleet management companies, which collectively manage over 2.5 million vehicles
Private label	Services marketed for and in collaboration with 24 fuel retailers Uses only the brand name of the strategic relationship	183,000	1.3	2 of the largest North American oil companies as well as Amerada Hess Corporation, Gulf Oil Limited Partnership, QuikTrip Corporation and Sheetz, Inc.

We also offer a corporate MasterCard charge card product, primarily to businesses outside of the fleet vehicle industry. In 2004, we processed $717.4 million of corporate MasterCard purchase volume. Over the three-year period ended December 31, 2004, the aggregate purchase volume of our MasterCard product grew at a compound annual rate of 32%. Our MasterCard business customers generally pay their balance within one month from the billing date.

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Competitive strengths

We believe the following competitive strengths distinguish us in our industry:

- leading industry position;
- broad go-to-market approach across our marketing channels;
- proprietary closed network of approximately 180,000 fuel and vehicle maintenance locations;
- comprehensive information services, purchase controls and technology capabilities;
- highly scalable business model;
- superior customer service; and
- experienced senior management team.

Our growth strategies

We intend to pursue the following growth strategies:

Enhance our leadership position. We plan to enhance our industry position as a leading provider of payment processing and information management services to commercial and government fleets in the United States by continuing to deliver superior services to our customers and by continuing to establish new strategic relationships.

Increase our penetration of the small fleet category. We plan to increase our penetration into the small fleet category, which is comprised of fleets with fewer than 25 vehicles. We believe the small fleet category is large and under-penetrated by payment processing and information management services similar to ours. We plan to target small fleets through our affiliations with local fuel distributors.

Expand our product and service offerings. We believe there are significant opportunities for us to expand our product and service offerings by:

- expanding the Wright Express Service Network, which is the vehicle maintenance portion of our proprietary closed network;
- further penetrating heavy truck fleets;
- adding additional fueling sites, such as truckstops and private locations, as well as mobile fueling; and
- expanding internationally.

Utilize our technology to continue to improve our information management services and reporting capabilities. We have invested, and will continue to invest, in updating our technology infrastructure in order to:

- enhance our ability to capture additional data and enable fleets to have more control over purchases at the point of sale;

increase the speed and the degree of customization of the reporting we provide to our customers; and

increase the scalability of our technology platform to help us better address the different data needs of customers and strategic relationships and to provide our services internationally.

Broaden our MasterCard product. We believe we can offer a differentiated charge card product to businesses in other industries that can utilize our information management services. In addition, we consider our corporate MasterCard charge card to be a beneficial supplement to our core product offering for fleets that need to make non-vehicle related purchases. We also plan to expand our MasterCard charge card product to increase our transaction processing volume in areas such as commercial travel and entertainment and purchasing.

Our liquidity sources

We fund our operating requirements primarily through cash flow generated from our operations and the issuance of certificates of deposit, money market accounts, customer deposits and borrowed federal funds through our bank subsidiary. As discussed below in Concurrent transaction, concurrently with the closing of this offering, we intend to enter into a new revolving credit facility that will provide for borrowings of up to $130.0 million, of which we expect $50.0 million will be borrowed at closing to fund a portion of a special dividend that we intend to pay to Cendant in connection with this offering and $33.8 million will be used to support letters of credit.

Concurrent transaction

Concurrently with the closing of this offering, we intend to enter into a new credit agreement with a syndicate of financial institutions, including affiliates of certain underwriters of this offering, consisting of a five-year $220.0 million term loan and a five-year revolving credit facility that will provide for borrowings of up to $130.0 million. The term loan and the revolving credit facility will bear interest at floating rates tied to either the Prime Rate or LIBOR. We expect to use all of the net proceeds from the term loan and approximately $50.0 million of borrowings under our revolving credit facility to fund part of the cash portion of the special dividend to be paid to Cendant. The new credit agreement will contain restrictions on our operating flexibility and our ability to pay dividends to our stockholders. The closing of this offering and the entry into the new credit agreement are mutually conditioned upon one another.

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Risk factors

An investment in our common stock is subject to a number of risks and uncertainties. Before investing in our common stock, you should carefully consider the following, as well as the more detailed discussion of risk factors and other information included in this prospectus:

the majority of our revenues and net income directly correlates to the dollar amount of fuel purchased by our customers, and, as a result, volatility in fuel prices could have an adverse effect on our results of operations;

derivative transactions may not adequately protect us from an extended decline in gasoline prices and may cause volatility in our net income;

we face significant competition and pricing pressure from existing competitors in our industry and may face increased competition from large financial institutions and major oil companies;

since we will have variable-rate indebtedness under our new credit agreement and we finance customer transactions with operating debt, rising interest rates would reduce our net income;

as an independent public company, we will incur increased costs;

we will rely on Cendant to provide transitional services to us and may not be able to replace those services at the same cost;

we may incur significant liability to Cendant pursuant to the indemnification provisions of the transitional agreement; and

prior to the completion of this offering, we will declare a special dividend to Cendant in an amount not expected to exceed $325.0 million. The cash portion of the special dividend will be funded from borrowings under our new credit agreement and excess cash on hand at the time of the special dividend. The special dividend will benefit only Cendant and not you as a stockholder following this offering.

Relationship with Cendant

Wright Express, which began operations in 1983, was acquired in February 1996 by an entity that subsequently merged with HFS Incorporated to form Cendant in December 1997. In June 1999, Wright Express was sold to Avis Group Holdings, Inc., which was acquired by Cendant in March 2001. Between June 1999 and March 2001, Cendant beneficially owned approximately 20% of Avis s common stock and was Avis s largest stockholder. Accordingly, Cendant has played a significant role in the management and growth of Wright Express since 1997. See Business Our history.

Cendant is selling its entire ownership interest in us in connection with this offering. We will not receive any proceeds from this offering unless the underwriters option to purchase additional shares is exercised. Assuming this offering is completed at the midpoint of the offering price range set forth on the cover page of this prospectus, Cendant anticipates that it will receive

approximately $1.1 billion in connection with the disposition of its ownership interest in us. This amount primarily consists of $760.0 million in net proceeds from the sale of shares of common stock offered by Cendant in this offering and a special dividend to Cendant of approximately $310.0 million. The special dividend, which will be declared prior to the completion of this offering, will consist of a cash and a non-cash portion. The cash portion of the special dividend will be funded through borrowings of $270.0 million under a new credit agreement that we intend to enter into concurrently with the closing of this offering, and approximately $14.9 million of excess cash on hand at the time of the special dividend. The $25.1 million non-cash portion of the special dividend relates to the cancellation of the entire balance of a net receivable from Cendant. Because the amount of excess cash on hand varies over time and the amount of the net receivable balance changes periodically in the ordinary course of our business, the actual amount of the special dividend may be different than the amount stated above. As funds generated by our operations are transferred to Cendant, the net receivable balance increases (thereby increasing the amount of the special dividend), and as costs are allocated by Cendant to us, the net receivable balance is reduced (thereby decreasing the amount of the special dividend). However, the special dividend is not expected to exceed $325.0 million.

Concurrently with the closing of this offering, we will enter into a transitional agreement with Cendant to provide for an orderly transition to being an independent public company and to govern continuing business arrangements between us and Cendant. Under the transitional agreement, Cendant will agree to provide us with various services that are important to our business.

These services will include, among others:

- human resources, employee benefits and payroll;
- internal audit services; and
- telecommunications and information technology.

We estimate that we will incur costs of approximately $0.6 million for transitional services for the first 12-month period following the closing of this offering. These costs are comparable to the costs we have incurred for similar services provided by Cendant prior to this offering. The transitional agreement will also provide that we will indemnify Cendant and its affiliates for potential losses related to the operation of our business prior to this offering and for other matters.

We expect to enter into a tax receivable agreement with Cendant in connection with this offering and related transactions. We expect that, as a result of these transactions, future income taxes that we might otherwise be required to pay to various tax authorities will be reduced as a result of an increase in the tax basis of our tangible and intangible assets. Pursuant to the tax receivable agreement, we will be required to pay to Cendant 85% of the amounts by which our income taxes are actually reduced, subject to repayment provisions if it is determined that these tax savings should not have been available to us. While the actual amount and timing of any payments under the tax receivable agreement will vary depending upon a number of factors, such payments could be substantial. See Certain relationships and related-party transactions Tax receivable agreement.

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Corporate information

Throughout this prospectus, we refer to Wright Express Corporation, which will be a Delaware corporation, as the Issuer. Wright Express LLC is a wholly owned subsidiary of Cendant and currently owns and manages all of the operations described in this prospectus. Wright Express LLC began operations in 1983 as a Maine corporation and was acquired in February 1996 by an entity that subsequently merged with HFS Incorporated to form Cendant in December 1997. In June 1999, Wright Express was sold to Avis Group Holdings, Inc., which was acquired by Cendant in March 2001.

On January 19, 2005, the assets of Wright Express Solutions and Technologies, LLC were transferred to Wright Express LLC. Prior to the completion of this offering, Wright Express LLC will be converted from a Delaware limited liability company to a Delaware corporation and will change its name to Wright Express Corporation. All of the outstanding membership interests of Wright Express LLC will be converted into 40,000,000 shares of common stock and 500,000 shares of non-voting convertible preferred stock, with an aggregate liquidation preference of $10.0 million and an aggregate dividend preference of $0.5 million per annum.

Our principal executive offices are located at 97 Darling Avenue, South Portland, Maine 04106. Our Internet website address is http://www.wrightexpress.com. Information accessible on our website is not, and should not be considered, part of this prospectus.

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The offering

Common stock offered by Cendant	40,000,000 shares
Common stock to be outstanding following the offering	40,232,000 shares (or 46,232,000 shares if the underwriters exercise their option to purchase additional shares in full). Amounts include an estimated 232,000 shares of common stock expected to be issued under our 2005 Equity and Incentive Plan to our executive officers and employees following this offering in exchange for Cendant securities they currently hold.
Use of proceeds	We will not receive any proceeds from the sale of shares of common stock offered by Cendant. If the underwriters exercise their option to purchase additional shares in full, we estimate that the net proceeds to us from the sale of the additional shares of common stock will be $114.0 million. We expect to use any net proceeds from the exercise of the underwriters option for general corporate purposes, which may include repayment of borrowings under our new revolving credit facility and share repurchases.
Risk factors	See Risk factors and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.
Dividend policy	We have no present intention to pay regular dividends on our common stock.
Stock exchange listing	We have applied to list our common stock on the New York Stock Exchange under the symbol WXS.

Unless otherwise indicated, information throughout this prospectus excludes:

The exercise by the underwriters of their option to purchase additional shares of our common stock. If the underwriters exercise their option to purchase additional shares in full, we will issue an additional 6,000,000 shares of common stock;

400,000 shares of common stock issuable at any time following the five-year anniversary of the date of issuance upon conversion of 500,000 shares of Series A non-voting convertible preferred stock that will be outstanding following completion of this offering; and

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Approximately 4,000,000 shares of common stock (or approximately 10% of the shares of common stock outstanding after this offering) consisting of:

approximately 313,000 shares of common stock underlying restricted stock units to be granted on the date of pricing of this offering under our 2005 Equity and Incentive Plan;

approximately 627,000 shares of common stock issuable upon the exercise of vested employee stock options that will be issued upon completion of this offering under our 2005 Equity and Incentive Plan in exchange for vested and unvested Cendant stock options currently held by our executive officers and employees, at a weighted average exercise price of $15.65 per share; and

approximately 3,060,000 additional shares of common stock reserved for future grants under our 2005 Equity and Incentive Plan, our 401(k) plan and our employee stock purchase plan.

Throughout this prospectus, share numbers and stock option amounts to be issued in exchange for Cendant restricted stock units and stock options are based on the midpoint of the initial public offering price range set forth on the cover page of this prospectus and the average closing price of Cendant s common stock over a recent three trading day period. The actual amounts will change based on our stock price and Cendant s stock price for the three trading days following the date of the final prospectus. Actual amounts outstanding may also be reduced to the extent our executive officers and employees elect not to exchange their vested Cendant stock options prior to the pricing of this offering.

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Summary combined financial information

The following tables contain summary combined financial data for Wright Express LLC and Wright Express Solutions and Technologies, LLC. On January 19, 2005, the assets of Wright Express Solutions and Technologies, LLC were transferred to Wright Express LLC. You should read the summary combined financial data set forth below in conjunction with Management s discussion and analysis of financial condition and results of operations and the financial statements and the related notes included elsewhere in this prospectus. We derived the financial data as of and for the years ended December 31, 2004, 2003 and 2002 from our audited financial statements included elsewhere in this prospectus.

The following tables also contain summary pro forma as adjusted financial data. The summary pro forma as adjusted combined statement of income data for the year ended December 31, 2004 and the summary combined balance sheet data as of December 31, 2004 are unaudited and have been derived from the historical combined financial statements of Wright Express LLC and Wright Express Solutions and Technologies, LLC adjusted to give effect to the following:

the conversion of Wright Express LLC from a Delaware limited liability company to a Delaware corporation to be renamed Wright Express Corporation;

the special dividend to Cendant;

borrowings under our new credit agreement to fund a portion of the special dividend;

incremental public company costs and differences in costs resulting from our separation from Cendant and related transactions; and

a tax receivable agreement into which we will enter with Cendant.

For more information, see our unaudited pro forma combined financial statements and the accompanying notes included elsewhere in this prospectus.

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(in thousands, except per share, per gallon and per transaction data)	2004 Pro forma as adjusted	2004 Actual	Year ended December 31, 2003	2002
Income statement data				
Revenues:				
Payment processing revenue	$ 129,987	$ 129,987	$ 105,263	$ 83,730
Transaction processing revenue	18,113	18,113	16,490	11,945
Account servicing revenue	21,167	21,167	19,118	18,039
Finance fees	9,603	9,603	7,650	5,466
Other	10,230	10,230	8,418	7,421
Total revenues	189,100	189,100	156,939	126,601
Expenses:				
Salary and other personnel	51,559	49,420	47,205	42,058
Service fees	13,418	9,534	9,661	5,092
Provision for credit losses	8,131	8,131	9,431	4,977
Depreciation and amortization	7,376	7,376	7,284	8,075
Operating interest expense	6,105	5,625	4,208	4,835
Operating interest income		(3,197)	(1,393)	(763)
Financing interest expense	10,866			
Other	27,079	28,051	23,609	22,204
Total expenses	124,534	104,940	100,005	86,478
Income before income taxes	64,566	84,160	56,934	40,123
Provision for income taxes	25,448	32,941	22,294	15,702
Net income	$ 39,118	$ 51,219	$ 34,640	$ 24,421
Pro forma earnings per share data				
Earnings per share of common stock[1]	$ 0.98	$ 1.28	$ 0.87	$ 0.61
Weighted average shares of common stock outstanding[1]	40,000	40,000	40,000	40,000
Other operating data				
Number of transactions processed:				
Payment processing transactions		145,597	133,206	119,215
Transaction processing transactions		60,176	55,866	54,673
Total transactions processed		205,773	189,072	173,888
Average expenditure per payment processing transaction		$ 36.07	$ 29.98	$ 25.88
Average price per gallon		$ 1.84	$ 1.55	$ 1.35
Average number of vehicles serviced		3,745	3,403	3,217
Total MasterCard purchase volume[2]		$ 717,366	$ 570,928	$ 375,165

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(in thousands)	As of December 31, 2004		As of December 31, 2003
	Pro forma as adjusted	Actual	
Selected balance sheet data			
Cash and cash equivalents	$ 27,431	$ 31,806	$ 22,134
Accounts receivable, net	447,169	447,169	302,317
Total assets	1,255,817	812,689	583,610
Accounts payable	197,647	197,647	125,666
Deposits and borrowed federal funds	221,457	221,457	115,784
Revolving credit facility	50,000		
Term loan	220,000		
Series A non-voting convertible preferred stock[(3)]	10,000		
Member s/stockholders equity	48,131	284,250	258,332

(1) Earnings per share of common stock and the weighted average shares of common stock outstanding reflect the estimated number of shares of common stock we expect to have outstanding upon the completion of this offering. The dilutive effect of existing awards related to Cendant common stock to be converted, subject to the consent of the holders, into equity awards related to our common stock in connection with this offering has not been reflected in either earnings per share of common stock or the weighted average shares of common stock outstanding as such amounts are not determinable until completion of this offering and future periods.

(2) Total MasterCard purchase volume reflects the aggregate dollar value of MasterCard purchase transactions processed by us on behalf of our customers.

(3) The Series A non-voting convertible preferred stock has been classified outside of stockholders equity because it is subject to redemption at the option of the holder five and one-half years from the date of issuance and mandatorily redeemable ten years from the date of issuance. Dividends paid on the Series A non-voting convertible preferred stock will be included on our combined statement of income as financing interest expense.

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Risk factors

You should carefully consider the following risks and all the information set forth in this prospectus before investing in our common stock.

Risks relating to our company

The majority of our revenues and net income directly correlates to the dollar amount of fuel purchased by our customers, and, as a result, volatility in fuel prices could have an adverse effect on our results of operations.

In 2004, approximately 64% of our total revenues was attributable to fees paid to us by fuel and vehicle maintenance providers based on a negotiated percentage of the purchase price paid by our customers. Our customers primarily purchase fuel. Accordingly, our revenues and profitability are largely dependent on fuel prices, which are prone to significant volatility. For example, we estimate that during 2004, a ten cent decline in average fuel prices below average actual prices would have resulted in approximately a $6.0 million decline in 2004 revenue and a $3.2 million decline in 2004 net income. Although we have benefited from historically high fuel prices during 2003 and 2004, a significant decline in the price of fuel in future periods could have a material adverse effect on our results of operations.

Fuel prices are dependent on several factors, all of which are beyond our control. These factors include, among others:

- supply and demand for oil and gas, and expectations regarding supply and demand;
- actions by the Organization of Petroleum Exporting Countries (OPEC), Russia, Mexico or other major oil producing nations;
- political conditions in other oil-producing and gas-producing countries, including insurgency, terrorism or war;
- refinery capacity;
- weather;
- the prices of foreign exports and the availability of alternate fuel sources;

general worldwide economic conditions; and

governmental regulations and tariffs.

Derivatives transactions may not adequately protect us from an extended decline in gasoline prices and may cause volatility in our net income.

Because the majority of our revenues and net income correlate directly to fuel prices, which are prone to significant volatility, in January 2005 we entered into contracts to economically hedge our exposure to the volatility of future fuel prices. These transactions may expose us to the risk of financial loss if for example the counterparties fail to perform under the contracts governing those arrangements, we unwind our position before the expiration of the contract or there is a sudden material change in fuel prices. The success of our derivatives strategy depends upon, among other things, our ability to forecast the amount of fuel purchases by fleets using our services. To the extent our forecasts are inaccurate these derivative contracts may be inadequate

to protect us against significant changes in fuel prices or over-expose us to fuel price volatility. Unrealized gains and losses on these contracts will be recorded each quarter to reflect changes in the market value of the underlying contracts. As a result, our quarterly net income may be prone to significant volatility.

Our industry has become increasingly competitive, which makes it more difficult for us to maintain profit margins at historical levels.

We face increased levels of competition in each category of the overall industry from several companies that seek to offer competing capabilities and services. Historically, we have primarily been able to provide customers with a unique spectrum of services and capabilities and, therefore, we have not considered price to be the exclusive or even the primary basis on which we compete. As our competitors have continued to develop their service offerings, it has become increasingly more difficult for us to compete solely on the basis of superior capabilities or service. In some areas of our business, we have been forced to respond to competitive pressures by reducing our fees. For example, over the past few years we have experienced a steady decline in account servicing revenue as a percentage of total revenues. Account servicing revenue is the revenue we earn from establishing and maintaining customer accounts. We have also experienced a small decline in the percentage of the dollar amount that we retain from transactions we process, which percentage we negotiate with fuel and vehicle maintenance providers. If these trends continue and if competition intensifies, our profitability may be adversely impacted.

While we have traditionally offered our services to all categories of the fleet industry, with particular emphasis on mid-sized and large commercial fleets, some of our competitors have successfully garnered significant share in particular categories of the overall industry. For example, we believe U.S. Bank Voyager Fleet Systems, Inc. has the largest share among the government fleet category of the industry and Comdata Corporation has a significant share of the heavy truck category. To the extent that our competitors are regarded as leaders in specific categories, they may have an advantage over us as we attempt to further penetrate these categories.

We also face increased competition from our competitors servicing the fleet industry in our efforts to forge relationships with companies that can afford us access to their fleet customers. This heightened level of competition makes it more difficult for us to enter into new relationships and renew existing relationships on the same terms.

We may face competition from large financial institutions which have not traditionally focused on our business.

Large financial institutions have not traditionally focused on providing fleets with products and services similar to ours, but they may do so in the future. Potential competitors, such as financial institutions that can issue Visa and MasterCard products and American Express credit and charge cards, may have substantially greater financial resources and brand name recognition than we have. Although these companies offer products and services with similar features to ours, they do not currently offer fleets the level of information management, security and purchasing control that we provide through our proprietary closed network. These companies may either develop applications that allow them to offer products with similar features to ours or enter into strategic alliances or other relationships. Large financial institutions may have pre-existing financial and

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other business relationships with companies with which we have strategic relationships. These companies could potentially bundle fleet services similar to those that we offer with a larger array of financial services. If these companies were to focus on providing these services to fleets, we could face significant competition and our ability to maintain and attract customers could be diminished.

Major oil companies may provide service offerings targeted toward their fleet customers, which may compete with our services.

Major oil companies have not traditionally provided universally-accepted transaction processing and information management services specifically tailored to their fleet customers. Rather, oil companies have entered into strategic relationships with us and other companies to provide these services, typically for a fee equal to a small percentage of the dollar amount of purchases or a fixed fee made by the small fleet customer at the oil company s locations. To the extent major oil companies were to develop and promote universally-accepted fleet transaction services similar to ours, they could potentially offer fleets using their transaction services better fuel pricing at their locations than would be available to our customers, which would diminish the attractiveness of our offerings.

Our business and results of operations are dependent on several key strategic relationships, the loss of which could adversely affect our combined results of operations.

Revenue we received from services we provided to our top five strategic relationships accounted for approximately 23% of our revenues in 2004. Included in our top five strategic relationships are two of the largest North American oil companies and three of the largest domestic fleet management companies. For our co-branded and private label relationships, the ultimate fleet customer maintains a primary relationship with the fleet management company, automobile manufacturer or fuel retailer with which we have contracted to provide our services. These fleets are often unaware of our role in providing services to them, and we are not in primary control of the relationship with the fleet customer. Accordingly, we are highly dependent on maintaining our strategic relationships and our business and results of operations may be prone to greater volatility and uncertainty than would be the case if we had direct relationships with all of the fleets for which we provided services.

Likewise, we also have agreements with the major oil companies and fuel retailers whose locations accept our payment processing services. Through these agreements, we are able to include their locations in our proprietary closed network. If the termination of any of these agreements reduces the number of locations where our payment processing services are accepted, we could lose our competitive advantage and our business and results of operations could be adversely affected.

Decreased demand for fuel and other vehicle products and services could harm our business and results of operations.

Our results of operations are dependent on the number of transactions we process and the dollar value of those transactions. We believe that our transaction volume is correlated with general economic conditions in the United States. A downturn in the United States economy is generally characterized by reduced commercial activity and, consequently, reduced purchasing of fuel and other vehicle products and services.

In addition, demand for fuel and other vehicle products and services may be reduced by other factors that are beyond our control, such as the development by vehicle manufacturers and adoption by our fleet customers of vehicles with greater fuel efficiency or alternative non-liquified fuel sources.

Our ability to remain competitive depends on our rapid implementation of new technology and systems, and our failure to effectively implement new technology could jeopardize our position as a leader in our industry.

As a provider of information management and payment processing services, we must constantly adapt and respond to the technological advances offered by our competitors and the informational requirements of our customers, including those related to the Internet, in order to maintain and improve upon our competitive position. We may not be able to expand our technological capabilities and service offerings as rapidly as our competitors, which could jeopardize our position as a leader in our industry.

In March 2005, we intend to transition a large strategic relationship to our new technology platform and we expect to continue to transition our customers and strategic relationships to our new technology platform over time. As we commence widespread implementation of our new technology platform, there is a risk that programming errors, hardware constraints or other problems may occur. Such problems could result in service outages or delays, corruption or loss of important data and/or customer dissatisfaction. We may not be able to implement our new operating systems without encountering problems that could harm our business.

We are dependent on technology systems and electronic communications networks managed by third parties which could result in our inability to prevent service disruptions.

Our ability to process and authorize transactions electronically depends on our ability to electronically communicate with our fuel and vehicle maintenance providers through point-of-sale devices and electronic networks that are owned and operated by third parties. The electronic communications networks upon which we depend are often subject to disruptions of various magnitudes and durations. Any severe disruption of one or all of these networks could impair our ability to authorize transactions or collect information about such transactions, which, in turn, could harm our reputation for dependable service and adversely affect our results of operations. In addition, our ability to collect enhanced data relating to our customers purchases may be limited by the use of older point-of-sale devices by fuel and vehicle maintenance providers. To the extent that fuel and vehicle maintenance providers within our network are slow to adopt advanced point-of-sale devices, we may not be able to offer the services and capabilities our customers demand.

If we fail to adequately assess and monitor credit risks of our customers, we could experience a significant increase in bad debt expense.

We are subject to the credit risk of a majority of our customers, many of which are small to mid-sized businesses. We use various formulae and models to screen potential customers and establish appropriate credit limits, but these formulae and models cannot eliminate all potential bad credit risks and may not prevent us from approving applications that are fraudulently completed. Increases in average fuel prices can require us to periodically increase credit limits for a significant number of our customers. Moreover, businesses that are good credit risks at the time of application may become bad credit risks over time and we may fail to detect such change. In

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times of economic recession, the number of our customers who default on payments owed to us tends to increase. If we fail to adequately manage our credit risks, our bad debt expense could be significantly higher than it has been in the past.

The loss or suspension of our charter for our Utah industrial bank would be disruptive to our operations and increase costs.

Our bank regulatory status enables us to issue certificates of deposit, accept money market deposits and borrow federal funds. In 2004, average deposits and borrowings by our bank subsidiary were approximately $183.2 million. These funds were used to support our payment processing operations, which require us to make payments to fuel and maintenance providers on behalf of fleets. Our bank subsidiary also enables us to operate under a uniform set of state lending laws. Our bank operations are subject to extensive state and federal regulation. We are currently licensed on the state level by the Utah Department of Financial Institutions and at the federal level by the Federal Deposit Insurance Corporation. Continued licensing and federal deposit insurance are subject to ongoing satisfaction of compliance and safety and soundness requirements. For example, our bank must be well capitalized and satisfy a range of additional capital requirements. If we were to lose our bank charter, we would either outsource our credit support activities or perform these activities through our corporate parent company which would subject us to the credit laws of each individual state in which we conduct business. Any such change would be disruptive to our business and could result in significant incremental costs. Moreover, our bank s ability to pay dividends is subject to regulatory constraints, which may affect our ability to pay dividends to our stockholders. In addition, changes in the bank regulatory environment, including the implementation of new or varying measures or interpretations by the state of Utah or the U.S. federal government, may significantly affect or restrict the manner in which we conduct our business in the future.

We may not be able to adequately protect the data we collect about our customers, which could subject us to liability and damage our reputation.

We collect and store data about our customers and their fleets, including bank account information and spending data. Our customers expect us to keep this information in our confidence. We may experience attempts by experienced programmers or hackers to penetrate our network security. A party who is able to penetrate our network security could misappropriate our proprietary information or cause interruptions in our WEXOnline® web site. We may be required to expend significant capital and other resources to protect against the threat of such security breaches or to alleviate problems caused by such breaches. Moreover, any security breach or inadvertent transmission of information about our customers could expose us to liability and/or litigation and cause damage to our reputation.

In addition, when we fund customer transactions, we typically assume the risk of losses due to unauthorized or fraudulent use of our charge cards, which could be substantial. We do not maintain any insurance to protect us against any such losses.

Since we will have approximately $270.0 million of variable-rate indebtedness under our new credit agreement and we finance customer transactions with deposits and borrowed federal funds, rising interest rates would reduce our net income.

We will have approximately $270.0 million of indebtedness outstanding following this offering under our new credit agreement that will bear interest at rates that vary with changes in overall

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market interest rates for instruments of similar term. Market interest rates, which were at historical low levels in 2003 and 2004, have been rising steadily over the past several months. For every 1.0%, or 100 basis point, increase in market interest rates following this offering, we would incur approximately $2.7 million per year in incremental financing interest expense under our new credit agreement.

We would also face increased borrowing costs to fund our payment processing operations during periods of higher interest rates. During 2004, we had an average accounts receivable balance in respect of these funding activities of $418.9 million. We generally support our funding activities through the issuance of certificates of deposit, escrow deposits in the form of money market deposits, customer deposits and borrowed federal funds through our bank subsidiary, in each case, with maturities of less than six months. Accordingly, our borrowing costs fluctuate in proportion to short term-interest rates prevailing in the market. Our operating interest expense was $5.6 million in 2004. However, for every 1.0%, or 100 basis point, increase in average market interest rates, we would have incurred approximately $1.8 million in incremental operating interest expense in 2004.

To the extent we do not to hedge or otherwise mitigate our exposure to rising interest rates in the future, our income before income taxes will be reduced by the amount of incremental interest expense.

We depend on key management and if we are unable to retain those employees, we could lose valuable strategic and customer relationships.

We believe that our future depends, in part, on the continued services of our senior management team, including Michael Dubyak, our president and chief executive officer, who has been with Wright Express since 1986. Losing the services of Mr. Dubyak or other members of our senior management team could adversely affect our strategic and customer relationships and impede our ability to execute our growth strategies. We do not currently maintain key person life insurance policies with respect to our executive officers.

We intend to enter into a credit agreement that may restrict our operating flexibility.

Concurrently with the closing of this offering, we intend to enter into a new credit agreement that will consist of a $220.0 million term loan and a revolving credit facility that will provide for borrowings of up to $130.0 million. The credit agreement will contain restrictions on our ability to, among other things:

- pay dividends to our stockholders;
- sell or transfer any of our property or assets;
- incur more indebtedness;

grant or incur liens on our assets;

make investments, loans, advances or acquisitions;

enter into leases, make guarantees or assume contingent obligations;

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engage in mergers, consolidations, liquidations or dissolutions;

engage in transactions with our affiliates;

enter into sales or leasebacks; and

change our accounting policies or reporting practices.

The restrictions contained in the credit agreement could hurt our ability to finance our future operations or capital needs or make acquisitions that may be in our best interest. In addition, our credit agreement will require that we comply with several financial maintenance covenants. Specifically, we expect that our new credit agreement will contain financial covenants requiring us to maintain a maximum consolidated leverage ratio of 3.00 to 1.00 at December 31, 2005, 2.50 to 1.00 at December 31, 2006, 2.00 to 1.00 at December 31, 2007 and 1.50 to 1.00 from December 31, 2008 to maturity and to maintain a minimum consolidated fixed charge coverage ratio of 1.25 to 1.00 at December 31, 2005 and 2006 and 1.50 to 1.00 at December 31, 2007, 2008 and 2009. We also expect our credit agreement will contain additional quarterly covenants. Our ability to comply with these financial requirements and other restrictions may be affected by events beyond our control, and our inability to comply with them could result in a default under our credit agreement. If a default occurs under our credit agreement, the lenders under the revolving credit facility or term loan could elect to declare all of the outstanding borrowings, as well as accrued interest and fees, to be due and payable and require us to apply all of our available cash to repay those borrowings. In addition, a default may result in higher rates of interest and the inability to obtain additional capital.

We have benefited from being a subsidiary of much larger entities and we may not be able to maintain our historical growth rate as an independent company.

Cendant has been our parent company since March 2001. From June 1999 to March 2001, Avis Group Holdings, Inc., or Avis, was our parent company. From December 1997 to June 1999, we were a wholly owned subsidiary of Cendant and, from February 1996 to December 1997, we were a wholly owned subsidiary of an entity that subsequently merged with HFS Incorporated to form Cendant. Accordingly, all of our recent growth has occurred while we were a subsidiary of much larger entities. In the past, our ability to establish important business relationships has been facilitated by our affiliation with these respective parent companies. Our co-branded strategic relationship with PHH Vehicle Management Services, LLC was established while we and it were subsidiaries of Avis. In addition, as a subsidiary of Cendant, we entered into agreements with Jackson Hewitt Tax Service Inc., formerly a subsidiary of Cendant, and Cendant Travel Distribution Services, Inc. to provide MasterCard products. These business relationships have contributed to our historical growth. As an independent company, we may not be able to sustain the same level of growth in our business as we have experienced as a subsidiary of Cendant or Avis. See Certain relationships and related-party transactions.

We will rely on Cendant to provide transitional services to us and may not be able to replace those services at the same cost.

Simultaneously with the closing of this offering, we will enter into an agreement that will require Cendant to provide transitional services to us. The terms of the services to be provided under the transitional agreement vary depending on the specific service to be provided, with the majority of the terms expiring by December 31, 2005. We may be unable to sustain these services at the same level as when we were controlled by Cendant. After the expiration of this agreement, we may not be able to replace these services in a timely manner or on terms and conditions, including cost, as those we have historically received from Cendant. This agreement

will be entered into in the context of a parent-subsidiary relationship and will be negotiated in the context of this offering. Accordingly, this agreement may not reflect terms that would have resulted from arms-length negotiations with unaffiliated third parties. After this offering, we intend to transition such services to similar services to be provided by our internal resources, as well as to contract with unaffiliated third party providers for which we expect to incur higher costs.

We may incur significant liability to Cendant pursuant to the indemnification provisions of the transitional agreement.

The transitional agreement will provide that we will indemnify Cendant and its affiliates against potential losses based on, arising out of or resulting from:

any breach by us of the transitional agreement with Cendant;

claims by third parties relating to the ownership or the operation of our assets or properties and the operation or conduct of our business, whether in the past or future, including any litigation pending against Cendant at the time of closing, if any, with respect thereto;

any other activities we engage in;

tax sharing arrangements;

any third party claims relating to other acts or omissions arising out of performance of the transitional agreement, the sublease or the sublease assignment and assumption agreement whether in the past or future;

any guaranty, keepwell, net worth or financial condition maintenance agreement of or by Cendant provided to any parties with respect to any of our or our subsidiaries actual or contingent obligations;

liabilities under the Securities Act of 1933 related to this offering; and

other matters described in the transitional agreement.

We will be required to pay Cendant for most of the tax benefits we receive in connection with this offering and related transactions.

We expect that, as a result of this offering and related transactions, the tax basis of our tangible and intangible assets will be increased to reflect their fair market value. For this purpose, we believe that the fair market value of our assets will be based in part upon the initial public offering price of our common stock. We further expect that this increase in tax basis will reduce the amount of United States federal income tax that we might otherwise be required to pay in the future. In this regard, we intend to enter into a tax receivable agreement with Cendant that will require us to pay Cendant 85% of any tax savings that we realize. Under the tax receivable agreement, tax savings that we realize will equal the difference between (i) the income taxes that we would pay if the tax basis of our assets was as currently shown on our books and (ii) the income taxes that we actually pay taking into account depreciation and

amortization deductions attributable to the basis step-up in our assets. We expect to make these payments to Cendant on a quarterly basis over the period in which tax savings are realized, which could exceed 20 years. While the actual amount and timing of payments under the tax receivable agreement will vary depending upon a number of factors, including the actual initial public offering price for our common stock and the effective tax rate during the amortization period, we expect that, as a result of the size of the increase in the tax basis of our tangible and intangible assets, during the amortization period for such increased tax basis, the payments that may be made to Cendant could be substantial. Based on the midpoint of the range of the initial offering price for our common stock and assuming no material changes in the relevant tax law and that we earn sufficient taxable income to realize the full tax benefit of the increased amortization of our assets, we anticipate that future payments to Cendant will be approximately $490.7 million in the aggregate over the expected term of the tax receivable agreement.

Actions taken by us prior to the completion of this offering are intended to be in the best interest of Cendant and such actions may conflict with your interests.

Prior to the completion of this offering, we have operated as a wholly owned subsidiary of Cendant. The purpose of this offering, the borrowings under our new credit agreement, the tax receivable agreement and the payment of the special dividend to Cendant, each as described in this prospectus, is to benefit Cendant in connection with its disposition of its entire ownership interest in us. This purpose is not aligned with the interests of our stockholders following this offering, and in evaluating the transactions and agreements with Cendant that are described in this prospectus, you should be aware that actions taken by us prior to the completion of this offering are intended to be in the best interest of Cendant and such actions may conflict with your interests.

Specifically, prior to the completion of this offering, we will declare a special dividend to Cendant of approximately $310.0 million (consisting of approximately $284.9 million of cash and the cancellation of the entire balance of the net receivable from Cendant of up to $25.1 million). We intend to borrow $270.0 million under our new credit agreement and use excess cash on hand in order to fund the cash portion of the special dividend. The total amount of the special dividend may be different than the amount set forth above because of changes in the amount of excess cash on hand and the balance of the net receivable from Cendant as a result of our ongoing business activities, but is not expected to exceed $325.0 million. The special dividend will benefit only Cendant and not you as a stockholder following this offering.

Risks related to our common stock

There may be a limited public market for our common stock, and our stock price may experience volatility.

An active trading market for our common stock may not develop as a result of this offering or be sustained in the future. In addition, the stock market has from time to time experienced extreme price and volume fluctuations that often have been unrelated to the operating performance of particular companies. Changes in earnings estimates by analysts and economic and other external factors may have a significant impact on the market price of our common stock. Fluctuations or decreases in the trading price of our common stock may adversely affect the liquidity of the trading market for our common stock and our ability to raise capital through future equity financing.

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If any entity controls 5% or more of our common stock and such entity has caused a violation of applicable banking laws by its failure to obtain any required approvals prior to acquiring such common stock, we will have the power to restrict such entity s ability to vote such shares.

As owners of a Utah industrial bank, we are subject to banking regulations that require any entity that controls 5% or more of our common stock to obtain the prior approval of Utah banking authorities, and any person or entity who controls 10% or more of our common stock must obtain the prior approval of federal banking regulators. A failure to comply with these requirements could result in sanctions, including the loss of our Utah industrial bank charter. Our certificate of incorporation will require that if any stockholder fails to provide us with satisfactory evidence that any required approvals have been obtained, we may, or will if required by state or federal regulators, restrict such stockholder s ability to vote such shares with respect to any matter subject to a vote of our stockholders.

Provisions in our charter documents, Delaware law and applicable banking law may delay or prevent our acquisition by a third party.

Our certificate of incorporation, by-laws and our rights plan will contain several provisions that may make it more difficult for a third party to acquire control of us without the approval of our board of directors. These provisions include, among other things, a classified board of directors, the elimination of stockholder action by written consent, advance notice for raising business or making nominations at meetings of stockholders and blank check preferred stock. Blank check preferred stock enables our board of directors, without stockholder approval, to designate and issue additional series of preferred stock with such special dividend, liquidation, conversion, voting or other rights, including the right to issue convertible securities with no limitations on conversion, as our board of directors may determine, including rights to dividends and proceeds in a liquidation that are senior to the common stock. These provisions may make it more difficult or expensive for a third party to acquire a majority of our outstanding voting common stock. We are also subject to certain provisions of Delaware law which could delay, deter or prevent us from entering into an acquisition, including Section 203 of the Delaware General Corporation Law, which prohibits a Delaware corporation from engaging in a business combination with an interested stockholder unless specific conditions are met. These provisions also may delay, prevent or deter a merger, acquisition, tender offer, proxy contest or other transaction that might otherwise result in our stockholders receiving a premium over the market price for their common stock.

In addition, because we own a Utah industrial bank, any purchaser of our common stock who would own 5% or more of our common stock after such purchase would be required to obtain the prior consent of Utah banking authorities and any purchaser of our common stock who would own 10% or more of our common stock would be required to obtain the consent of federal banking authorities prior to consummating any such acquisition. These regulatory requirements may preclude or delay the purchase of a relatively large ownership stake by certain potential investors.

Our stockholder rights plan could prevent you from receiving a premium over the market price for your shares of common stock from a potential acquirer.

Prior to the completion of this offering, our board of directors will approve the adoption of a stockholder rights plan, which will become effective upon completion of this offering. This plan

will entitle our stockholders to acquire shares of our common stock at a price equal to 50% of the then current market value in limited circumstances when a third party acquires 15% or more of our outstanding common stock or announces its intent to commence a tender offer for at least 15% of our common stock, in each case, in a transaction that our board of directors does not approve. The existence of these rights would significantly increase the cost of acquiring control of our company without the support of our board of directors because, under these limited circumstances, all of our stockholders, other than the person or group that caused the rights to become exercisable, would become entitled to purchase shares of our common stock at a discount. The existence of the rights plan could therefore deter potential acquirers and thereby reduce the likelihood that you will receive a premium for your common stock in an acquisition.

You will be immediately diluted by $22.24 per share of common stock you purchase in this offering.

The net tangible book value of our assets as of December 31, 2004, after giving effect to adjustments relating to this offering and related transactions, would have been approximately $(89.3) million, or $(2.24) per share. Based on the book value of our tangible assets and liabilities and assuming an initial public offering price of $20.00 per share, which represents the midpoint of the price range on the cover of this prospectus, you will experience an immediate dilution of $22.24 for each share of common stock that you purchase in this offering.

Some of the underwriters participating in this offering will indirectly receive benefits from this offering in addition to their underwriting discounts and commissions.

As described in Underwriting , Cendant intends to use all or a portion of the net proceeds from this offering to repay the debt outstanding under its credit facilities. Assuming Cendant uses all of such proceeds to repay outstanding amounts under the credit facilities, affiliates of several of the underwriters of this offering, including JPMorgan and Citigroup, may receive in the aggregate up to approximately $461.0 million in connection with such repayment. In addition, affiliates of some of the underwriters will receive arrangement, commitment and placement fees not to exceed $5.0 million in the aggregate in connection with the transactions described in this prospectus. The intended use of proceeds by Cendant and the additional fees associated with our new credit agreement may create a conflict of interest because they may give affiliates of the underwriters an interest in the successful completion of this offering beyond the underwriting discounts and commissions the underwriters will receive from this offering. Because some of the underwriters may receive more than 10% of the entire net proceeds in this offering, this offering is being made using a qualified independent underwriter as contemplated by Rule 2720 of the Conduct Rules of the NASD, Inc. Credit Suisse First Boston LLC will assume the responsibilities of acting as a qualified independent underwriter. In such role, Credit Suisse First Boston LLC has performed due diligence investigations and reviewed and participated in the preparation of this prospectus and the registration statement. The initial public offering price of the shares of common stock offered hereby will be no higher than the price recommended by Credit Suisse First Boston LLC.

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Special note regarding forward-looking statements

This prospectus, including the sections entitled Prospectus summary, Risk factors, Management s discussion and analysis of financial condition and results of operations and Business, contains forward-looking statements. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include those listed under Risk factors and elsewhere in this prospectus. In some cases, you can identify forward-looking statements by terminology such as may, will, should, expects, intends, plans, anticipates, believes, estimates, pred continues or the negative of these terms or other comparable terminology. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by law, we do not undertake any obligation to update any forward-looking statements for any reason after the date of this prospectus or to conform these statements to actual results or to changes in our expectations. All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause results to differ materially from those indicated in such statements. We believe that these factors include, but are not limited to, the following:

volatility in fuel prices;

effectiveness of our derivatives transactions;

competition from existing competitors in our industry and from large financial institutions and major oil companies that have not traditionally focused on our business;

the loss of key strategic relationships;

decreased demand for fuel and other vehicle products and services and the effect of general economic conditions on the commercial activity of fleets;

our ability to rapidly implement new technology and systems;

our dependence on technology systems and electronic communications networks managed by third parties;

the credit risk of our customers;

the loss or suspension of our charter for, and changes in the governmental regulations relating to, our bank subsidiary;

our ability to adequately protect the data we collect about our customers;

changes in interest rates;

changes in our key management;

our compliance with covenants in our new credit agreement;

our ability to sustain or negotiate services currently provided by Cendant at reasonable costs;

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liability incurred pursuant to the indemnification provisions of the transitional agreement with Cendant;

our payment to Cendant for tax benefits; and

changes in accounting policies.

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Use of proceeds

We will not receive any proceeds from the sale of shares of common stock being offered by Cendant. If the underwriters exercise their option to purchase additional shares in full, we estimate that the net proceeds to us from the additional shares of common stock will be $114.0 million. We expect to use any net proceeds from the exercise of the underwriters option for general corporate purposes, which may include repayment of borrowings under our new revolving credit facility and share repurchases. Pending the use of such proceeds, we intend to invest the proceeds in short-term interest-bearing instruments or money-market accounts.

Dividend policy

We have no present intention to pay regular dividends on our common stock. Any determination to pay dividends to holders of our common stock in the future will be at the discretion of our board of directors and will depend on many factors, including our financial condition, earnings, legal requirements and other factors as the board of directors deems relevant.

In addition, any dividends on our common stock will be subject to the prior payment of the dividend preference on the shares of our Series A non-voting convertible preferred stock, which will equal approximately $0.5 million per annum in the aggregate.

We will depend on future dividends and other permitted payments from our subsidiaries to pay dividends to our stockholders. Our wholly owned bank subsidiary s ability to pay dividends, as well as our ability to pay dividends, is subject to regulatory and other constraints. See Business Regulation Restrictions on dividends. In addition, our new credit agreement will limit our ability to pay dividends and we may in the future become subject to debt instruments or other agreements that further limit our ability to pay dividends. We have been, and until the completion of this offering will be, a wholly owned subsidiary of Cendant. We paid no dividends to Cendant in 2003 and $25.3 million of dividends to Cendant in the year ended December 31, 2004 in order to distribute excess cash on hand to our parent company, Cendant; however, such payments are not indicative of our future dividend policy.

Prior to this offering, we will declare a special dividend to Cendant in an amount expected to be approximately $310.0 million, which will consist of a cash and non-cash portion. Because the amount of excess cash on hand varies over time and because the non-cash portion of the special dividend relates to the cancellation of a net receivable balance that changes periodically in the ordinary course of our business as funds generated by our operations are transferred to Cendant and costs are allocated by Cendant to us, the actual amount of the special dividend may be different than the amount stated above. The special dividend is not expected to exceed $325.0 million.

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Capitalization

The following table, which should be read in conjunction with Management s discussion and analysis of financial condition and results of operations and the combined financial statements and the accompanying notes included elsewhere in this prospectus, sets forth the cash and cash equivalents and combined capitalization as of December 31, 2004 for:

Wright Express LLC and its consolidated subsidiaries and Wright Express Solutions and Technologies, LLC on an actual basis;

Wright Express Corporation on a pro forma basis to reflect the conversion of Wright Express LLC from a Delaware limited liability company to a Delaware corporation; and

Wright Express Corporation on a pro forma as adjusted basis to also reflect:

the special dividend to Cendant; and

borrowings under our new credit agreement.

As of December 31, 2004			**Pro forma**
(in thousands)	**Actual**	**Pro forma**	**as adjusted**
Cash and cash equivalents	$ 31,806	$ 31,806	$ 27,431
Revolving credit facility			50,000
Term loan			220,000
Preferred stock; 10,000 shares authorized:			
Series A non-voting convertible preferred stock; 500 shares authorized, issued and outstanding[1]		10,000	10,000
Member s/stockholders equity:			
Member s contribution	182,379		
Common stock $0.01 par value; 175,000 shares of common stock authorized; 40,000 shares of common stock issued and outstanding		400	400
Additional capital		171,979	47,729
Retained earnings	101,869	101,869	
Accumulated other comprehensive income	2	2	2
Total member s/stockholders equity	284,250	274,250	48,131

Total capitalization	$ 284,250	$ 284,250	$ 328,131

(1) The Series A non-voting convertible preferred stock has been classified outside of stockholders equity because it is subject to redemption at the option of the holder five and one-half years from the date of issuance and mandatorily redeemable ten years from the date of issuance. Dividends paid on the Series A non-voting convertible preferred stock will be included on our combined statement of income as financing interest expense.

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Dilution

Purchasers of our common stock in this offering will suffer an immediate and substantial dilution in net tangible book value per share. Dilution is the amount by which the offering price paid by the purchasers of our common stock exceeds the pro forma as adjusted net tangible book value per share of our common stock after the offering. Pro forma net tangible book value per share is determined at any date by subtracting our total liabilities from the total book value of our tangible assets and dividing the difference by the number of shares of our common stock deemed to be outstanding on the date the book value is determined.

At December 31, 2004, we had a net tangible book value of $136.8 million, or $3.42 per share of common stock on a pro forma basis to give effect to the issuance of 40,000,000 shares of common stock and 500,000 shares of Series A non-voting convertible preferred stock to Cendant in the conversion of Wright Express LLC to Wright Express Corporation. After giving effect to the other adjustments relating to this offering and related transactions as if they had occurred on December 31, 2004, our pro forma as adjusted net tangible book value at December 31, 2004 would have been $(89.3) million, or $(2.24) per share of common stock. We also adjusted the net tangible book value of our assets to give effect to the special dividend to Cendant.

The following table illustrates this per share dilution:

Initial public offering price per share		$ 20.00
Pro forma net tangible book value per share at December 31, 2004	$ 3.42	
Decrease in pro forma net tangible book value per share resulting from the special dividend to Cendant	(7.82)	
Increase in pro forma net tangible book value per share resulting from adjustments associated with the tax receivable agreement	2.16	
Pro forma as adjusted net tangible book value per share at December 31, 2004		(2.24)
Dilution per share to new investors		$ 22.24

The discussion and table above exclude 1,172,000 shares of common stock issuable upon the exercise of stock options or vesting of restricted stock units that will be issued under our 2005 Equity and Incentive Plan on or about the closing date of this offering and 2,828,000 shares that will be available for future issuance under our equity incentive plans. To the extent that any of these options are exercised or restricted stock units vest, there will be further dilution to new investors. This table also excludes 400,000 shares of common stock issuable at any time following the five year anniversary of the date of issuance upon conversion of 500,000 shares of Series A non-voting convertible preferred stock that will be outstanding following completion of this offering.

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Selected historical combined financial data

Wright Express LLC and Wright Express Solutions and Technologies, LLC have been wholly owned subsidiaries of Cendant since March 2001. On January 19, 2005, the assets of Wright Express Solutions and Technologies, LLC were transferred to Wright Express LLC. The following tables contain selected historical combined financial data of Wright Express LLC and Wright Express Solutions and Technologies, LLC as of and for the ten months ended December 31, 2001 and for the years ended December 31, 2002, 2003 and 2004. The tables also contain selected historical combined financial data of Wright Express LLC and Wright Express Solutions and Technologies, LLC when they were owned by Avis, the predecessor owner to Cendant, which are reflected at the historic cost basis of Avis as of and for the year ended December 31, 2000 and the two months ended February 28, 2001. The combined statement of income data and combined balance sheet data of Wright Express LLC and Wright Express Solutions and Technologies, LLC as of and for the ten months ended December 31, 2001 and the years ended December 31, 2002, 2003 and 2004 have been derived from the audited combined financial statements. The combined statement of income data and combined balance sheet data as of and for the year ended December 31, 2000 and the two months ended February 28, 2001 have been derived from our unaudited combined financial statements. Prior to the closing of this offering, Wright Express LLC will be converted from a Delaware limited liability company to a Delaware corporation to be renamed Wright Express Corporation.

The combined financial statements of Wright Express LLC and Wright Express Solutions and Technologies, LLC as of December 31, 2004 and 2003 and for each of the three years in the period ended December 31, 2004 and Deloitte & Touche LLP s audit report on these historical combined financial statements is included elsewhere in this prospectus. These financial statements may not be indicative of revenues, expenses, assets and liabilities that would have existed or resulted if Wright Express LLC and Wright Express Solutions and Technologies, LLC had operated independently of Cendant. The unaudited combined financial statements of Wright Express LLC and Wright Express Solutions and Technologies, LLC as of and for the year ended December 31, 2000 and the two month period from January 1, 2001 to February 28, 2001 are not included in this prospectus. These financial statements may not be indicative of revenues, expenses, assets and liabilities that would have existed or resulted if Wright Express LLC and Wright Express Solutions and Technologies, LLC had operated independently of Avis.

Historical results do not necessarily indicate results expected for any future period. The information below is qualified in its entirety by the detailed information included elsewhere in this prospectus and should be read in conjunction with Management s discussion and analysis of financial condition and results of operation, Business and the combined financial statements and the accompanying notes included elsewhere in this prospectus.

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	Owned by Cendant				Owned by predecessor	
				March 1 to	January 1 to	Year ended
	Year ended December 31,			December 31,	February 28,	December 31,
(in thousands, except per share, per gallon and per transaction data)	**2004**	**2003**	**2002**	**2001**	**2001**	**2000**
Income statement data						
Revenues:						
Payment processing revenue	$ 129,987	$ 105,263	$ 83,730	$ 65,715	$ 12,356	$ 69,655
Transaction processing revenue	18,113	16,490	11,945			