Travelex

Results Presentation

for the half year ended June 2014

28 August 2014

Travelex worldwide money

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Six months ended 30 June 2014 – key highlights

Financial highlights

- Core Group Revenue increased by 4% to £341.6m (13% to £371.5m at constant exchange rates)[1,2]
- Core Group EBITDA increased by 40% to £36.7m (56% to £41.1m at constant exchange rates)[1,2]
- Profit performance has been led by Retail where like-for-like revenue growth of 7%, in combination with actions taken to restrain the cost base, including last year's restructuring, has led to a significant EBITDA uplift
- Grupo Confidence was acquired in April 2013; Brazil contributed £29.3m and £7.2m to Core Group Revenue and Core Group EBITDA, respectively
- Usable cash inflow from operating activities of £50.8m (and usable cash at 30 June 2014 of £108.9m)

Operating highlights

- Agreement reached to sell Travelex Holdings Limited to Dr B. R. Shetty together with Centurion, subject to regulatory approvals
- Following the proposed acquisition Travelex will continue with its stated growth strategy in the following four areas:
  - Depth – expanding distribution and business models in existing countries
    - Further network expansion – 37 stores added and 111 additional ATMs became operational during the first 6 months ended June 2014.
    - Online and mobile sales up 24%
  - Breadth – new countries
    - Successful entry into Turkey following the acquisition in May of a 75% shareholding in Arti Döviz, adding 9 stores in Turkey's three leading international airports.
  - Develop payments proposition
    - Appointment of a new Chief Digital Officer defining our digital strategy
  - Leveraging our scale
    - Continued optimisation of our Shared Service Global Delivery Centre in Mumbai, which opened in February 2013
- Current trading
  - The Group is trading in line with management expectations for the year to date

1 Core Group metrics include 100% of Revenue and EBITDA from Joint Ventures. This is a change from previously reported Adjusted metrics which included the Group's proportionate share of Joint Venture revenue and EBITDA. Please see Further information for comparison to Adjusted metrics as previously reported

2 Results at constant exchange rates are Core Group metrics retranslated at the average rates for H1 2013

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Six months ended 30 June 2014 – Group financial performance

Financial Summary

£m, six months ended 30 June	2013	2014	*Change*	2014 CER[2]	*Change*
Core Group Revenue[1]	327.9	341.6	*4%*	371.5	*13%*
Core Group EBITDA[1]	26.3	36.7	*40%*	41.1	*56%*
Core Group EBITDA % Margin	8.0%	10.7%	*3.4%*	11.1%	*3.9%*
Operating Exceptional (Credit) / Debit[3]	(4.3)	7.4	*172%*		

Capex: *£m, six months ended 30 June*	2013	2014	*Change*
System Development & Shared Service Migration	20.5	11.3	*(45)%*
Expansionary & Maintenance	8.3	9.7	*17%*
Total capex	**28.8**	**21.0**	***(27)%***

Balance sheet	Dec 2013	Jun 2014
Usable cash	140.1	108.9
Net debt	(180.3)	(209.0)

1 Core Group metrics include 100% of Revenue and EBITDA from Joint Ventures. This is a change from previously reported Adjusted metrics which included the Group's proportionate share of Joint Venture revenue and EBITDA. Please see Further information for comparison to Adjusted metrics as previously reported
2 Results at constant exchange rates are Core Group metrics retranslated at the average rates for H1 2013
3 Operating exceptional costs principally relate to redundancy costs associated with the Group's cost savings initiatives, including costs relating to the Systems Development and Shared Service Migration that do not meet the Group's criteria for capitalisation, and to other corporate projects

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Six months ended 30 June 2014 – financial performance by segment

Segmental results

Core Group Revenue[1] *£m, six months ended 30 June*	2013	2014	*Change*	*2014 CER*[2]	*Change*
Retail	234.9	232.6	*(1)%*	250.3	*7%*
Wholesale & Outsourcing	51.1	51.1	-	53.4	*5%*
Payments & Technology	10.1	11.0	*9%*	13.1	*30%*
Brazil	16.4	29.3	*79%*	35.5	*116%*
Other Trade	15.4	17.6	*14%*	19.2	*25%*
Core Group[3]	**327.9**	**341.6**	***4%***	**371.5**	***13%***

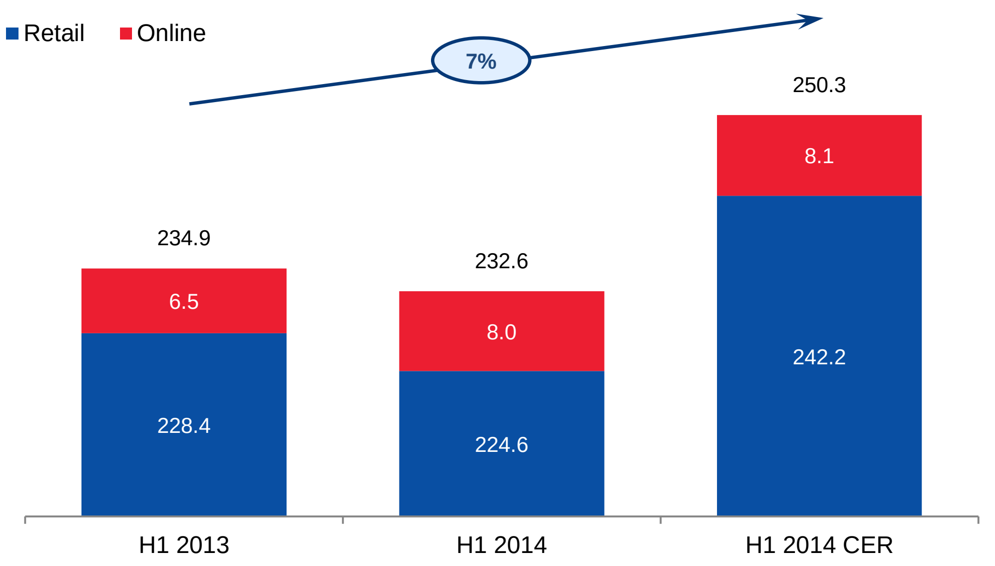
Core Group EBITDA[1] *£m, six months ended 30 June*	2013	2014	*Change*	*2014 CER*[2]	*Change*
Retail	16.7	25.5	*53%*	27.1	*62%*
Wholesale & Outsourcing	22.7	21.5	*(5)%*	22.4	*(1)%*
Payments & Technology	1.3	1.3	-	1.6	*23%*
Brazil	3.2	7.2	*125%*	8.7	*172%*
Other Trade	3.5	4.2	*20%*	4.6	*31%*
EBITDA Contribution	47.4	59.7	*26%*	64.4	*36%*
Central & Shared Costs	(21.1)	(23.0)	*9%*	(23.3)	*10%*
EBITDA[3]	**26.3**	**36.7**	***40%***	**41.1**	***56%***

1 Core Group metrics include 100% of Revenue and EBITDA from Joint Ventures. This is a change from previously reported Adjusted metrics which included the Group's proportionate share of Joint Venture revenue and EBITDA. Please see Further information for comparison to Adjusted metrics as previously reported

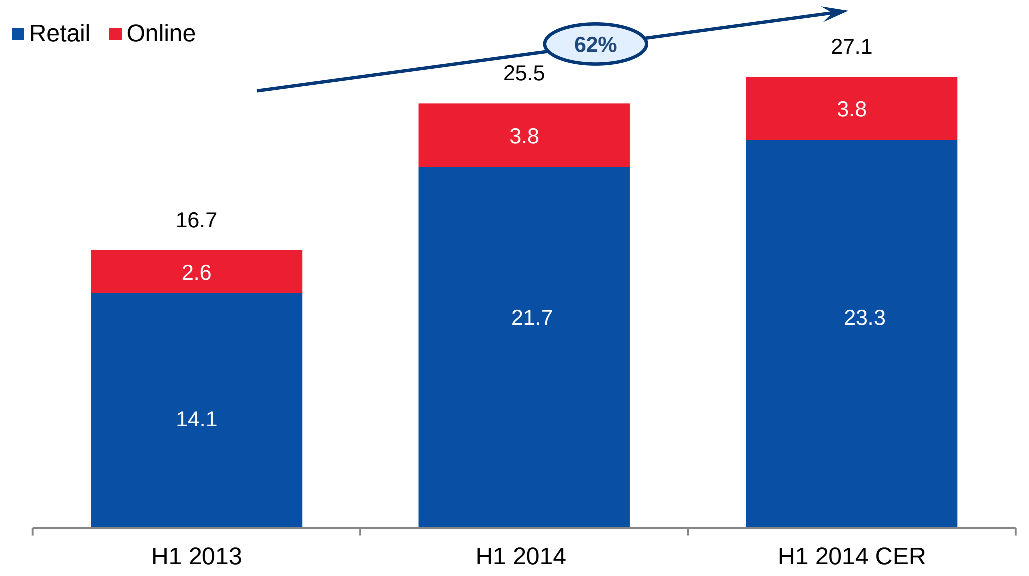
2 Results at constant exchange rates are Core Group metrics retranslated at the average rates for H1 2013.

Retail – Strong LFL revenue growth and significant EBITDA margin improvement

Retail revenue[1,3] (£m)



Retail EBITDA[1,2,3] (£m)



Retail KPIs

Key drivers	H1 2013	H1 2014
LFL revenue growth (%)	6%	7%
Rent as percentage of revenue	46.6%	44.2%
Other costs as a percentage of revenue	46.6%	44.9%
EBITDA margin (%)	7.1%	11.0%

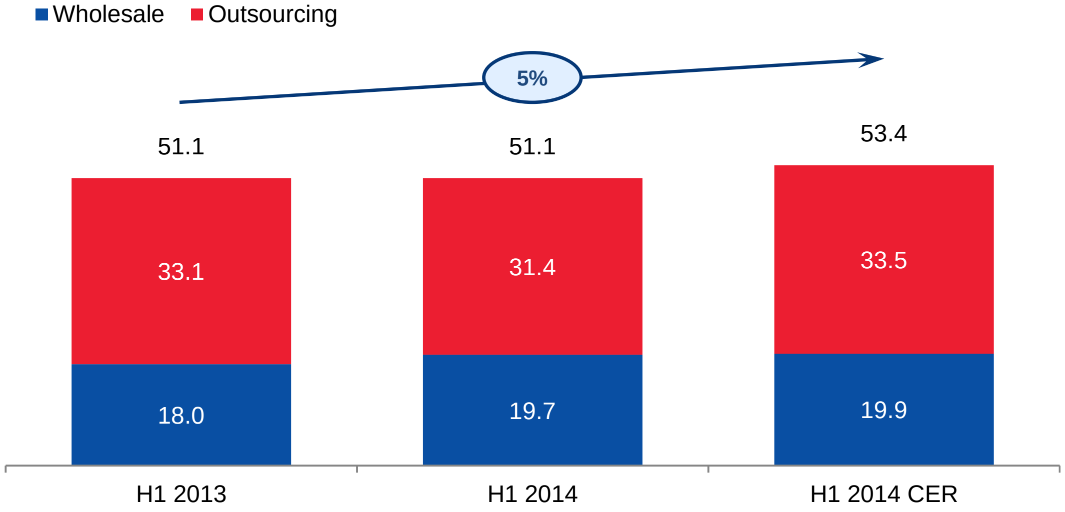
1 All figures are shown on a “Core Group” basis i.e. including 100% of JVs
2 EBITDA before Central & Shared Costs
3 H1 2014 CER shows results retranslated at H1 2013 average exchange rates

Commentary

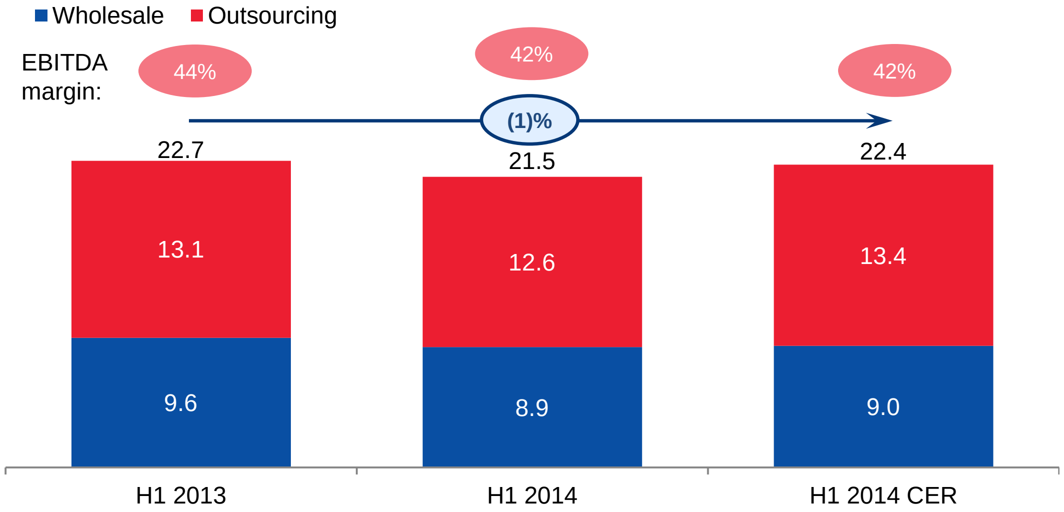
- Strong LFL revenue growth across the global network continued through H1 with all regions achieving growth compared to 2013
- Walk-up sales proved resilient with growth in passenger numbers across major airports globally, whilst investment in Online and ATMs is driving growth with revenues up 24% and 15% respectively through these channels
- VAT Refunds business in the UK and France continues to grow despite experiencing headwinds due to developments impacting inbound traffic from non-EU destinations
- Turkey is included within Retail segment and the initial trading results through the three leading international airports are encouraging ahead of peak season
- EBITDA margin improvement is principally due to benefit of cost saving initiatives in Europe, non-recurrence of losses from contracts exited in the prior year and utilisation of onerous contract provisions against three loss-making contracts

Wholesale & Outsourcing – Resilient revenues; strong margins and opportunities for growth through customer acquisition

Wholesale & Outsourcing revenue[1,3] (£m)



Wholesale & Outsourcing EBITDA[1,2,3] (£m)



Wholesale & Outsourcing KPIs

Sub-segments	Key drivers	H1 2013	H1 2014
Wholesale	Revenue growth (%)	-	10.0%
	EBITDA margin (%)	53.5%	45.2%
Outsourcing	Revenue growth (%)	-	(5.3)%
	EBITDA margin (%)	39.7%	40.1%

1 All figures are shown on a "Core Group" basis i.e. including 100% of JVs
2 EBITDA before Central & Shared Costs
3 H1 2014 CER shows results retranslated at H1 2013 average exchange rates

Commentary

Wholesale

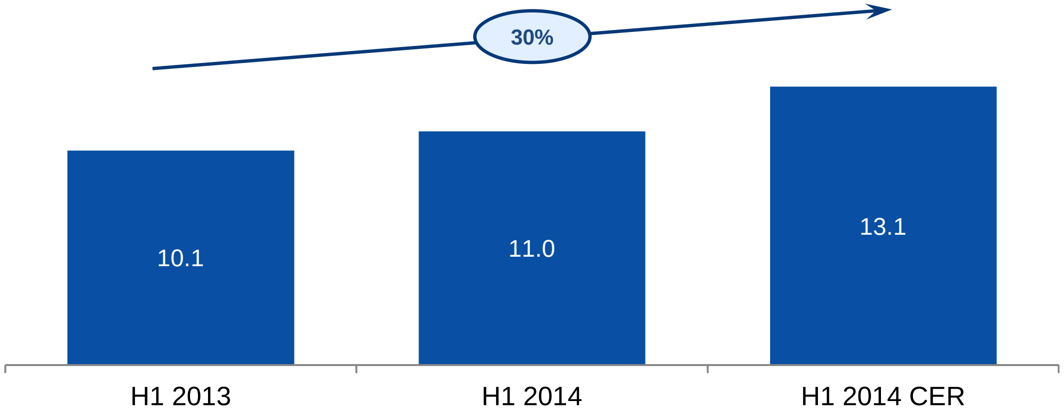
- Strong growth due principally to contribution from GTMS acquisition (completed in December 2013) and cash processing business in Nigeria (launched in April 2013)
- Resilient performance in underlying revenue, with new business wins across African markets compensating for lower trading volumes from Nigeria.
- EBITDA margin reduction due to consolidation of GTMS business but remain strong

Outsourcing

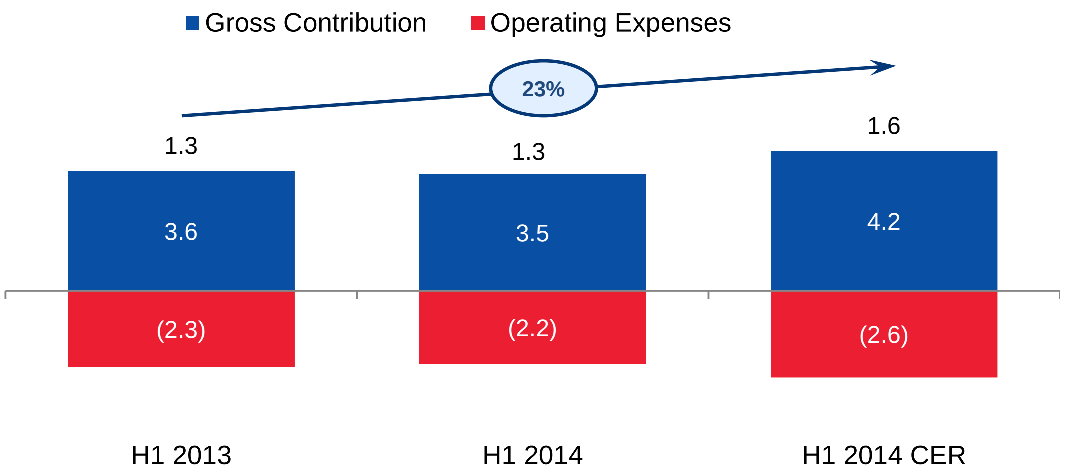
- Underlying revenue excluding the exchange rate impact increased by 1.2%. Australia delivered growth in volumes with financial institutions with higher demand on Asian currencies
- Competitive pressures in Malaysia increased during the second quarter with an impact on both volumes and margins
- EBITDA margin improvement due to benefits of cost saving initiatives across North America and Australia

Payments & Technology – Strong growth from Currency Select

Payments & Technology revenue[1,3] (£m)



Payments & Technology EBITDA[1,2,3] (£m)



Payments & Technology KPIs

Key drivers	H1 2013	H1 2014
Revenue growth (%)	-	9.0%
Gross margin (%)	35.1%	31.8%
EBITDA margin (%)	12.9%	11.8%

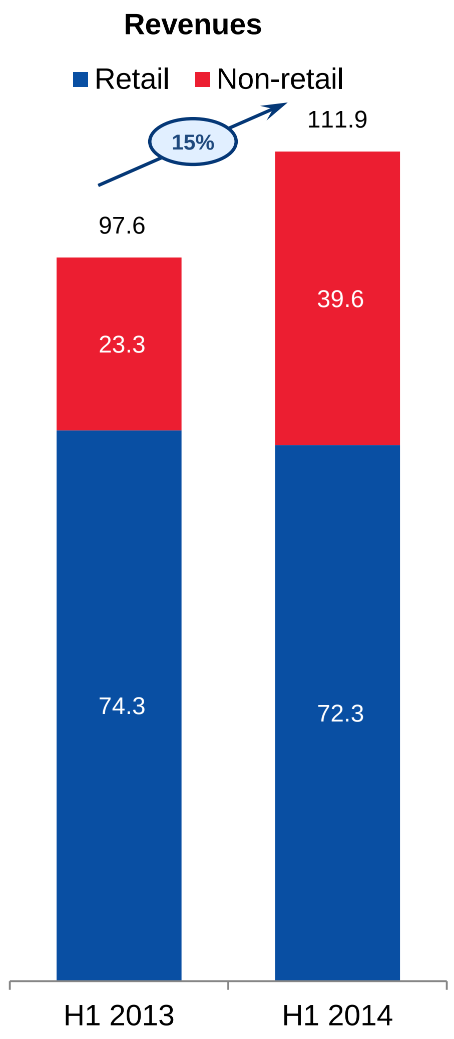
Commentary

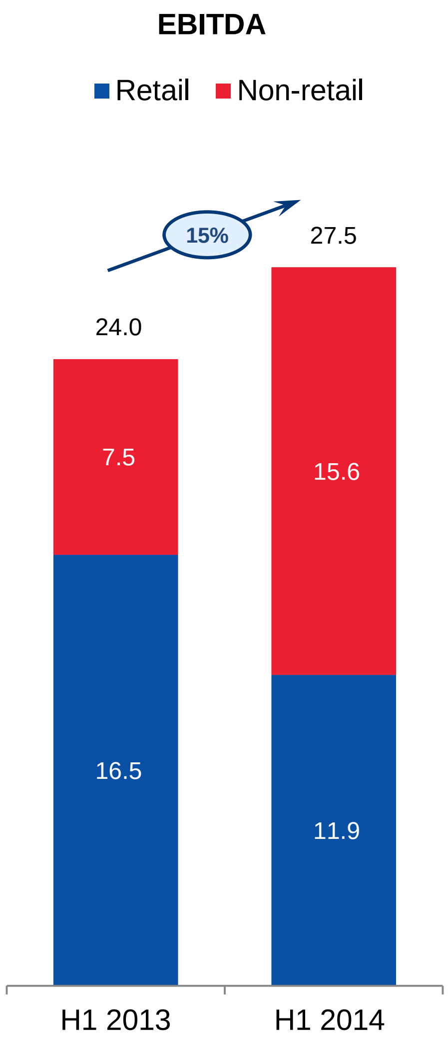
- Growth has been driven by strong POS, ATM and Acquiring volumes for Currency Select
- Currency Select historically benefited from a favourable application of spot rates in certain DCC transactions. This was adjusted in Q2 to comply with the relevant scheme requirements, which was a factor in the decline in margins
- Travelex International Payments has now secured licenses across all key markets in the US, which sets up the platform for future growth

1 All figures are based on a “Core Group” basis i.e. including 100% of JVs
2 EBITDA before Central & Shared Costs
3 H1 2014 CER shows results retranslated at 2013 H1 average exchange rates

Brazil – performance driven by increased remittances, banknote sales and the positive impact of the World Cup

Revenue & EBITDA[1,2] (R$m)





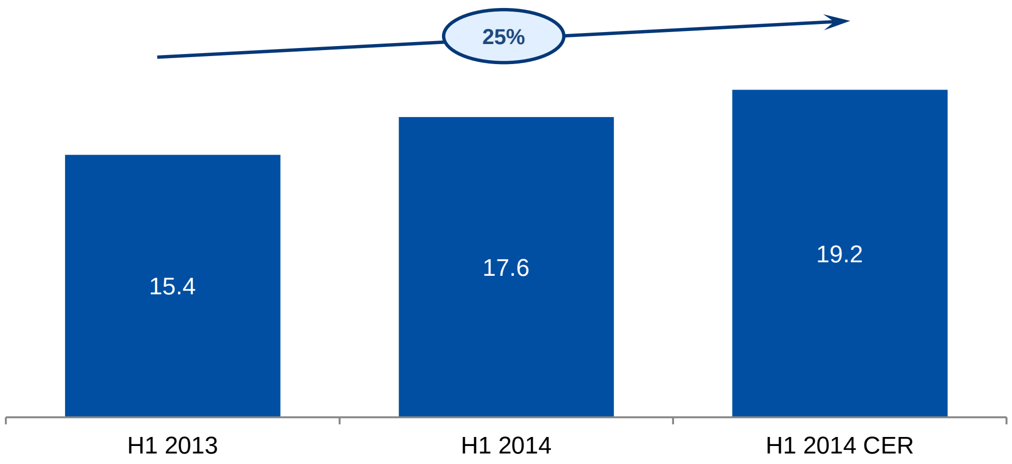
Key highlights

- 49% acquired in April 2013 (following receipt of regulatory approval). Remaining 51% to be acquired by November 2014 subject to final BACEN approval
- Fully consolidated (100%) in Travelex Group accounts since 11 April 2013 and contributed £7.2m in EBITDA in H1 2014
- Final consideration for 51% of the Grupo Confidence business will be based on an earn-out calculation.
- On 27 December 2013, the Brazilian government announced an increase in the tax rate on the use of prepaid cards abroad to 6%. For the Retail business this has resulted in a 49% reduction in prepaid card volumes with a revenue impact of £5.1m compared to H1 2013 however the sale of banknotes by the retail business has increased by 45% (revenue impact of £3.8m)
- The shift from prepaid cards to physical bank notes has resulted in volumes increasing in Non-retail by 102%, and gross revenues by 125%
- For the 6 months ended 30 June 2014 Brazil contributed £7.2m EBITDA to Group results (£8.7m at June 2013 exchange rates)
- For the 6 months ended 30 June 2013 Brazil generated EBITDA of £7.7m

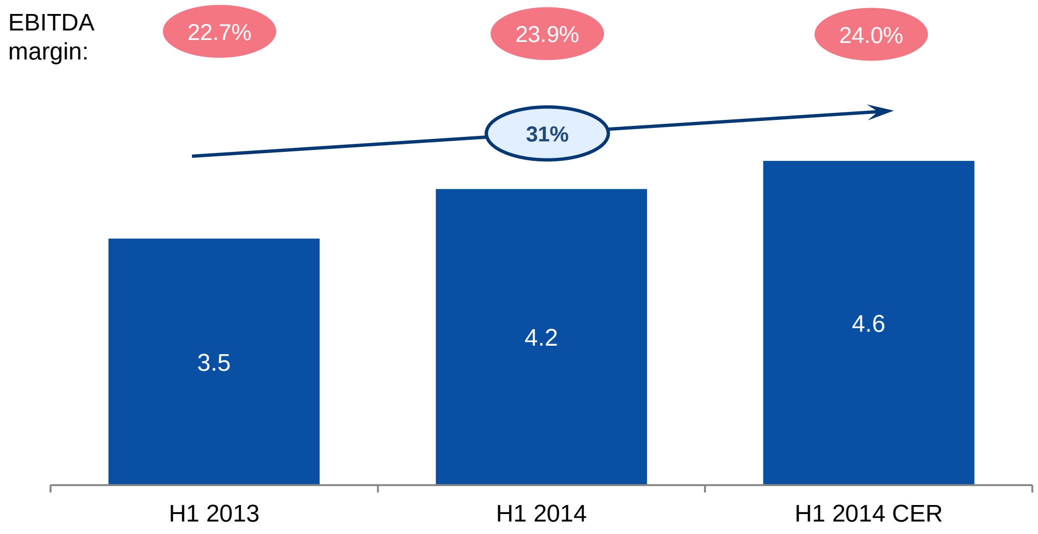
[1] EBITDA before the Group's Holding Company and Central & Shared costs
[2] H1 2013 results include the period before acquisition to aid comparability

Other Trade – Principally Travelex Insurance Services (TIS)

Other Trade revenue[1] (£m)



Other Trade EBITDA[1,2] (£m)



Other trade KPIs

Key drivers	H1 2013	H1 2014
EBITDA margin – insurance (%)	22.1%	23.7%

Commentary

- Strong growth continued in the Insurance business through the second quarter
- New accounts acquired in 2013 more than compensated for the consolidation of agents and formation of consortiums.
- E-commerce channel is performing strongly with investment in online marketing driving site traffic and policy counts
- Increased holiday costs in the US have also assisted revenue growth and helped preserve margins in a competitive market

1 All figures are based on a "Core Group" basis i.e. including 100% of JVs
2 EBITDA before Central & Shared Costs
3 H1 2014 CER shows results retranslated at 2013 H1 average exchange rates

Central & Shared Costs

Central & Shared Costs

	H1 2013	H1 2014
Central	5.4	6.4
Shared	14.5	14.5
Total Central and Shared (excl. Bonus)	**19.9**	**20.9**
Bonus provision	1.2	2.1
Total Central and Shared (incl. Bonus)	**21.1**	**23.0**

Commentary

- The Group is in the process of migrating to a shared service model, with principal back office functions being controlled by functional heads and centralised where practical, with partial offshoring to our Global Delivery Centre in Mumbai
- Centralisation and offshoring of back office functions continues to reduce overall functional costs. The savings will be realised principally in the trading segments of Retail and Wholesale & Outsourcing as the migration towards the Shared Service model continues
- Central Overheads have increased in the 6 month period ended 30 June 2014 compared to the six month period ended 30 June 2013 due to the movement of executives costs to the Central cost centre in 2014 and the recruitment of a Chief Digital Officer

Usable cash flow statement

Summary consolidated usable cash flow statement

£m, six months ended 30 June	2013	2014
Core Group EBITDA	26.3	36.3
Less: Unconsolidated Joint Ventures	(8.4)	(2.4)
Dividends received from Joint Ventures	6.6	0.5
Joint venture funding	-	(1.7)
Movements in cash inventory (cash in tills & vaults)	18.6	(31.9)
Other movements in working capital	(10.2)	50.0
Net usable cash inflow from operating activities	**32.9**	**50.8**
Taxation received (paid)	3.9	(9.3)
Purchase of PP&E, software & development	(28.8)	(21.0)
Net cash acquired (paid) on investment in subsidiaries	(26.1)	(24.6)
Other net investing activities	0.4	0.4
Net usable cash used in investing activities	**(54.5)**	**(45.2)**
Interest paid	(0.9)	(13.0)
Repayment of shareholder loans	-	(4.5)
Dividends paid to non-controlling interest	-	(1.7)
Purchase of own shares for employee share schemes	-	(0.4)
Capital element of finance lease payments	(0.3)	(0.5)
Net usable cash used in financing activities	**(1.2)**	**(20.1)**
Net usable cash outflow from one-off items	**8.7**	**(8.8)**
Exchange gains on usable cash	0.2	1.4
Net decrease in usable cash	(10.0)	(31.2)
Usable cash at the beginning of the period	159.5	140.1
Usable cash at the end of the period	**149.5**	**108.9**

Key highlights

- JV adjustments in 2013 include TCS, as minority interest was acquired on 31 December 2013. The EBITDA of that business (after management recharges) was £2.4m and dividends received were £6.4m. In 2014, the business is fully consolidated
- Cash tax payments in 2014 were £9.3m.
- Capital expenditure includes amounts incurred in respect of the System Development and Shared Service Migration projects (£11.3m) and expansionary and maintenance capex (£9.7m)
- The Group acquired a 75% stake in Turkish foreign exchange operator, Arti Döviz at a cost of £24.6m in May 2014
- Interest payments relate to the £350m senior secured notes. The annual interest cost is approximately £26m[1]
- One-off items include exceptional costs relating to the company's cost savings initiatives and other corporate projects

[1] Based on 8% coupon on £200m and L + 600bp (3 month Sterling Libor: 0.55813% as at 27 July 2014) on £150m

Travelex worldwide money

Usable cash, free cash & net debt

Free cash & usable cash *£m*	**31-Dec 2013**	**30-Jun 2014**
Cash and cash equivalents	582.5	573.9
Ring-fenced cash and term deposits	(49.2)	(38.6)
Short-term bank borrowings	(0.5)	(1.3)
Prepaid debit card floats	(162.5)	(169.4)
Banknotes prepayments	(12.8)	(0.3)
Unrestricted cash	**357.5**	**364.3**
Cash in tills and vaults	(179.2)	(214.2)
Management estimate of regulatory cash	(15.0)	(15.0)
Free cash	**163.3**	**135.1**
Cash in business	(23.2)	(26.2)
Usable cash	**140.1**	**108.9**

Net debt *£m*	**31-Dec 2013**	**30-Jun 2014**
Fixed & floating rate notes	(341.5)	(342.5)
Finance leases	(2.1)	(1.6)
Gross debt	**(343.6)**	**(344.1)**
Free cash	163.3	135.1
Net debt	**(180.3)**	**(209.0)**

Commentary

- Cash and cash equivalents includes banknote prepayments amounting to £0.3m at 30 June 2014 (£12.8m at 31 December 2013) and prapid debit card float balances of £169.4m at 30 June 2014 (£162.5m at 31 December 2013), which are deducted in arriving at unrestricted cash
- Free cash – adjusts unrestricted cash for cash allocated to working capital (cash in tills and vaults) and management's estimate of cash required locally for regulatory purposes
- Usable cash – adjusts free cash using a notional estimate of local working capital requirements
- Lower free and usable cash reflects cash tax paid (£9.3m), interest payments (£13.0m) and shareholder loan re-payments (£4.5m)

In May 2014, Travelex acquired a 75% stake in Turkish foreign exchange operator Arti Döviz

Business overview

- Arti Döviz is an FX business operating 9 stores in Turkey's 3 leading international airports i.e. Istanbul Ataturk (5), Ankara (2) and Izmir (2)
- EBITDA for the year ended December 2013 was £5.0m

Key transaction terms

- The transaction involved the acquisition of a 75% stake in Arti Döviz and the formation of a JV with all current shareholders
- The performance of Arti Döviz have been consolidated in the Group's results from the date of acquisition (14 May 2014) and contributed £0.8m EBITDA to the Retail segment
- The acquisition valued 100% of Arti Döviz at c.£33 million. The funding requirement for Travelex was 75% of headline consideration £24.6 million
- Goodwill of £22.5m has been recognised as a result of the acquisition accounting
- The JV will is governed by a shareholders' agreement which provides that Travelex will have operational control as well as for accounting purposes

Key highlights

Attractive market	▪ 6th most popular tourist destination in the world ▪ Growing regional business hub ▪ Large population (c.80 million) and a growing middle class expected to travel
Attractive airports	▪ Istanbul Ataturk – hub of Turkish Airlines; 3rd largest number of passengers in Europe after London Heathrow and Paris Charles de Gaulle ▪ Ankara – significant hub for international connections for smaller Turkish airports (used by Turkish residents abroad) ▪ Izmir - significant tourist destination on Turkish West Coast
Value creation	▪ Brand – all 9 stores to be re-branded as Travelex; store design to be significantly improved ▪ Customer engagement – iCARE sales methods to be applied to improve hit rate and ATV ▪ Dynamic pricing – to be driven by location, transaction size and time, also to improve hit rate and ATV
Quality partners	▪ Shareholders are established operators in the Turkish market ▪ Attractive range of possible business development opportunities at other airports operated by TAV in Turkey and the region

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Summary and conclusions

- Strong H1 financial performance, despite the impact of Sterling strengthening
  - Core Group Revenue growth of 4% (13% to £371.5m at constant rates)
  - Core Group EBITDA of £36.7m, up 40% (56% to £41.1m at constant exchange rates)
- Agreement reached to sell Travelex Holdings Limited to Dr B. R. Shetty together with Centurion, subject to regulatory approvals
- Further progress against the Group's strategic objectives
  - A new presence in Turkey via the acquisition of Arti Döviz
  - Appointment of a new Chief Digital Officer defining our digital strategy
  - Online now available in 23 markets
  - Continued optimisation of our Shared Service Global Delivery Centre

Our debt investor relations website can be found at http://www.travelex-corporate.com

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Agreement reached in May 2014 to sell Travelex to Dr B. R. Shetty and associates of Centurion Investments

Transaction overview

- The proposed acquisition of Travelex Holdings Limited is subject to customary regulatory approvals and will be effected through BRS Ventures & Holding Limited, a company owned by Dr Shetty and equity partners associated with Centurion
- Travelex will continue with its stated growth strategy following the acquisition
- Lloyd Dorfman will remain involved with the business as President of Travelex
- The acquisition will not result in additional debt being incurred by Travelex in connection with the financing of the acquisition
- It is intended to maintain the existing capital structure other than in respect of the reorganisation of existing shareholder interests as a consequence of the transaction

Key highlights

Dr B.R. Shetty	▪ Dr Shetty's principal investment portfolio includes significant holdings in nmc Health plc, UAE Exchange and Neopharma, as well as investments in hospitality, food and beverage businesses.
UAE Exchange	▪ UAE Exchange was founded in 1980 and is a leading global money transfer and foreign exchange provided headquartered in the UAE with a fast growing international presence
Quality partners	▪ UAE Exchange's payments and remittance offerings are highly complementary to Travelex ▪ The opportunity for both businesses to work closely together is compelling

Travelex worldwide money

Summary balance sheet

Summary consolidated balance sheet

£m	Dec 2013	Jun 2014	Travellers' Cheques[1]	Apax Goodwill	Jun 2014 excl. Travellers' Cheques
Intangible assets	400	429	-	**245**	184
Property, plant & equipment	45	45	-	-	45
Investments	27	24	24	-	-
Financial assets	119	112	112	-	-
Other	29	29	-	-	29
Non current assets	**620**	**639**	**136**	**245**	**258**
Trade and other receivables	102	227	5	-	222
Cash and cash equivalents	583	574	39	-	535
Other	28	22	12	-	10
Current assets	**713**	**823**	**56**	-	**767**
Trade and other payables	(693)	(838)	(264)	-	(574)
Provisions	(16)	(11)	-	-	(11)
Financial liabilities	(67)	(82)	-	-	(82)
Other	(12)	(6)	(4)	-	(2)
Current liabilities	**(788)**	**(937)**	**(268)**	-	**(669)**
Net current (liabilities) assets	**(75)**	**(114)**	**(212)**	-	**98**
Trade and other payables	(1)	(1)	-	-	(1)
Borrowings – non-shareholder	(343)	(343)	-	-	(343)
Borrowings - shareholder	(1,048)	(1,114)	-	-	(1,114)
Financial liabilities	-	-	-	-	-
Other	(28)	(26)	-	-	(26)
Non current liabilities	**(1,420)**	**(1,484)**	**-**	-	**(1,484)**
Net liabilities	**(875)**	**(959)**	**(76)**	**245**	**(1,128)**

[1] Includes Travellers' Cheques business outside of the core group; no adjustment has been made for intercompany balances which eliminate on consolidation

Key highlights

- The assets and liabilities relating to the Travellers' Cheques business are separate to the "Core Group"
- Intangible assets at Jun-14 include goodwill of £245m relating to the 2005 acquisition by funds advised by Apax Partners
- Trade receivables include amounts due from some wholesale banknote customers which are settled within less than one week of being incurred
- Whilst the Core Group holds £535m of cash and equivalents at Jun-14, the amount that is classified as "Usable Cash" by management is lower (£108.9m at Jun-14)
- Trade and other payables include loads on Cash Passports awaiting redemption, trade creditors and accruals
- Financial liabilities include the redemption liability for the remaining 51% shareholding in Grupo Confidence and the share based payment liability

Working capital

Working capital components					
£m	H1 2013	Q3 2013	Q4 2013	Q1 2014	H1 2014
Cash in tills and vaults	**158.2**	**170.1**	**179.2**	**212.4**	**214.2**
Debtors					
Trade receivables	101.7	125.7	56.2	159.4	158.6
Banknote prepayments	189.8	2.5	12.8	241.1	0.3
Other receivables	43.9	33.5	29.1	30.1	32.9
Prepayments and accrued income	26.6	24.1	13.0	29.2	31.8
Plus (less): Travellers' cheques amts.	(3.6)	(3.8)	(2.5)	(3.1)	(2.9)
Less: Brazil acquisition prepayment	(9.5)	(8.8)	(8.1)	(8.5)	(8.5)
Total debtors	**348.9**	**173.2**	**100.5**	**448.2**	**212.2**
Creditors					
Trade payables	(310.2)	(136.5)	(101.0)	(487.7)	(264.2)
Other payables	(37.8)	(33.2)	(30.6)	(31.6)	(40.5)
Accruals and deferred income	(92.2)	(112.8)	(117.9)	(106.3)	(105.9)
Less: Travellers' cheques amounts	25.8	39.3	35.6	34.3	30.5
Add: Brazil prepaid card float liability	(39.4)	(36.3)	(35.5)	(24.7)	(25.6)
Total creditors	**(453.8)**	**(279.5)**	**(249.4)**	**(616.0)**	**(405.7)**
Net working capital	**53.3**	**63.8**	**30.3**	**44.6**	**20.7**

Reconciliation from Core Group Revenue to Statutory Revenue

Reconciliation to Statutory Revenue[1]

£m, six months ended 30 June	2013	2014
Core Group Revenue	**327.9**	**341.6**
Joint Venture adjustment for equity accounting	(30.8)	(15.3)
Travellers' Cheques	3.2	1.1
Other adjustments	1.0	1.9
Statutory Revenue	**301.3**	**329.3**

Source: Company information

[1] Historical FX rates used are actual average rates for each period

Reconciliation from Statutory EBITDA to Core Group and Economic EBITDA

Reconciliation to Statutory and Economic EBITDA[1]

£m, six months ended 30 June	2013	2014
Operating profit	10.1	15.7
Depreciation and amortisation	10.6	11.0
Exceptional items	(4.3)	7.4
Statutory EBITDA	**16.4**	**34.1**
Joint Venture adjustment for equity accounting[2]	8.4	2.4
Travellers' Cheques	(1.8)	(0.1)
Share based payment charge (non-cash) / PE structure	2.9	1.1
Other adjustments	0.4	(0.8)
Core Group EBITDA (100% of JVs)	**26.3**	**36.7**
Adjustment for Non-Consolidated JVs[3]	(1.4)	(1.2)
Adjustment for Minorities in Consolidated JVs[3]	(0.3)	(0.5)
Economic EBITDA (Proportionate share of JVs)	**24.6**	**35.0**

Source: Company information

1 Historical FX rates used are actual average rates for each period

2 Net of recharges

3 No adjustment for TCS since Travelex acquired the remaining 20% in TCS on 31 December 2013, or Brazil as adjustment for balance of consideration has been deducted from cash

Statutory EBITDA and earnings are impacted by non-cash and exceptional items

Financial summary

£m, six months ended 30 June	2013	2014
Core Group EBITDA	**26.3**	**36.7**
Adjustments to arrive at Statutory EBITDA *(see further information)*	(9.9)	(2.6)
Statutory EBITDA	**16.4**	**34.1**
Depreciation	(7.6)	(6.1)
Amortisation of intangible assets	(2.7)	(3.3)
Amortisation of customer relationships and other intangible assets acquired in business combinations	(0.3)	(1.6)
Share of profit in equity accounted investments	3.8	1.0
Net finance costs (cash – pay)	(0.6)	(12.8)
Net finance costs (non-cash – pay)	(78.8)	(72.6)
Exceptional items	9.6	(20.1)
Tax	(2.2)	(5.4)
Discontinued	-	0.6
Statutory loss after tax	**(62.4)**	**(86.2)**

Commentary

- Depreciation and amortisation of hardware and software related to the Systems Delivery and Shared Service Migration initiative will commence in H2 2014, with the first full year effect in 2015
- Finance costs relate to cash-pay debt, which is debt that requires cash interest payment, and non-cash pay debt which is debt whose interest compounds and does not require settlement until maturity – see slide 27 for further analysis of finance income and finance costs
- Exceptional items relate to costs associated with the Global Reorganisation initiative and Systems Delivery and Shared Services Migration initiative.

Net finance costs include significant non-cash pay amounts relating to shareholder loans

Finance costs and income

£m, six months ended 30 June	2013	2014
Finance costs		
Shareholder Loans and preference shares	61.8	69.5
Senior PIK notes	12.8	-
Movement in Brazil Redemption Liability	0.6	1.3
Interest on senior secured notes	-	12.9
Other interest costs	1.2	2.6
FX losses	4.7	-
Total finance costs	**81.1**	**86.3**
Finance income		
FX gains	-	0.7
Interest receivable	1.7	0.2
Total finance income	**1.7**	**0.9**
Net finance costs	**79.4**	**85.4**
Analysed as:		
Cash- pay	0.6	12.8
Non cash pay	78.8	72.6

Commentary

- Ongoing finance costs include:
  - The cost of the senior secured notes, c.£26 million on an annualised basis[1]
  - Other interest costs including amortisation of deferred finance costs, interest payable on guarantees, swaps and finance leases, including commitment and utilisation fees.

[1] Based on 8% coupon on £200m and L + 600bp (3 month Sterling Libor: 0.55813% as at 27 July 2014) on £150m

Further reconciliations

Adjusted metrics to Core Group metrics

£m, six months ended 30 June	2013	2014
Adjusted income	**316.8**	**334.3**
Additional JV income	12.1	9.2
Income netted against costs[2]	(1.0)	(1.9)
Core Group revenue on 100% basis	**327.9**	**341.6**
Adjusted EBITDA[1]	**24.0**	**36.3**
Additional JV EBITDA	2.6	1.2
Other adjustments[3]	(0.3)	(0.8)
Core Group EBITDA on 100% basis	**26.3**	**36.7**

Usable cash flow from operating activities to statutory measure

£m, six months ended 30 June	2013	2014
Usable cash flow from operating activities	**32.9**	**50.8**
Dividends received from joint ventures net of cash paid on investment in joint ventures	(6.6)	1.2
Movement in cash held in tills and vaults	(19.5)	32.5
Movement in banknotes prepayment	185.4	(12.5)
Movement in cash and deposits held for the Travellers' Cheques business	(5.0)	(9.1)
Movement in prepaid card float deposits	20.2	9.4
Movement in cash in business	17.9	1.9
Less: cash exceptional items	(4.8)	(8.8)
Cash flow from operating activities (statutory)	**220.5**	**65.4**

1 Adjusted income and Adjusted EBITDA as previously reported included the Group's proportional share of Joint Venture Income and EBITDA
2 Income netted against related costs for internal reporting and reclassified as income for statutory reporting
3 Other adjustments include items not classified as EBITDA for internal reporting (e.g. gains/losses on sale of fixed assets) and differences in classification of exceptional items between internal reporting and external reporting

Adjusted cash flow from operating activities and reconciliation to statutory measure

Adjusted cash flow from operating activities		
£m, six months ended 30 June	**2013**	**2014**
Adjusted cash flow from operating activities	**25.7**	**78.0**
Adjustments for Travellers' Cheques business:		
Decrease in Travellers' Cheques awaiting redemption	(5.0)	(15.3)
Decrease in Travellers' Cheques structured deposits	98.5	2.1
Decrease in float deposits	20.8	2.4
(Increase) decrease in financial assets relating to Travellers' Cheques business	(144.3)	8.0
Non-cash interest recorded as revenue	3.0	0.7
	(27.0)	(2.1)
Adjustments for customer funds:		
Increase in prepaid cards awaiting redemption	36.4	2.0
Increase (decrease) in customer settlements received in advance	185.4	(12.5)
	221.8	(10.5)
Cash flow from operating activities (statutory)	**220.5**	**65.4**

Travelex worldwide money