Travelex

Results Presentation

for the half year ended 30 June 2015

28 August 2015

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Six months ended 30 June 2015 – key highlights

Financial highlights

- Core Group Revenue increased by 2% to £347.7m (4% to £356.6m at constant exchange rates)[1,2]
- Core Group EBITDA of £31.9m, was £4.8m (13%) down on 2014 (8% decrease to £33.9m at constant exchange rates)[1,2,3]
- Core Group EBITDA has declined reflecting a combination of the annualisation impact of new rental terms at Heathrow, and the significant planned increase in Digital and business development investment to enable the Group to capitalise on long-term growth opportunities. Trading conditions continue to be challenging in Brazil due to weakness in Real and inflationary pressures
- Revenue Growth continues to be led by Retail, in all channels, with like-for-like revenue growth of 3%
- Usable cash at 30 June 2015 of £60.7m (31 December 2014: £66.3m) includes £19.3m of cash proceeds from the sale of our French business to UAE Exchange Limited as part of the sale of the Group, and reflects the continued investment to deliver the Group's strategic priorities together with costs associated with the sale of the Group
- In aggregate the Group is trading in line with management expectations for the year to date, before the impact of exchange rates on translation

Operating highlights

- Further network expansion – 85 stores added including Detroit and Boston Logan international airports
- In July 2015 Travelex became the sole provider of Foreign Currency, ATMs and DCC services across all five terminals in Heathrow Airport
- Acquisition of the remaining 51% of Grupo Confidence in Brazil
- Digital team recruitment ramp up with most key members now in place and rapidly building capabilities in mobile, innovation and R&D, digital marketing and international payments
- Expansion of digital product portfolio with launch of Supercard and a new mobile application. Online and mobile sales up 17%
- Announcement of the creation of one integrated Product and Marketing team under the leadership of Sean Cornwell, CDO, to help achieve our customer-centric vision
- Continued optimisation of our Shared Service Global Delivery Centre in Mumbai, which now has over 350 full time employees

1 Core Group metrics include 100% of Revenue and EBITDA from Joint Ventures and Travelex's French business which was sold to UAE Exchange UK Limited, a company of which Dr Shetty is also a shareholder. The French business remains in the Core Group results for management discussion and analysis purposes but is excluded from the Group's statutory results
2 Results at constant exchange rates are Core Group metrics retranslated at the average rates for Q2 2014 YTD
3 EBITDA is presented before exceptional items and non-underlying adjustments

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6 months ended 30 June 2015 – Group financial performance

Financial Summary

£m, six months ended 30 June	2014	2015	Change	2015 CER[2]	Change
Core Group Revenue[1]	341.6	347.7	*2%*	356.6	*4%*
Core Group EBITDA[1]	36.7	31.9	*(13)%*	33.9	*(8)%*
Core Group EBITDA % Margin	10.7%	9.2%		9.5%	
Operating Exceptional items and non-underlying adjustments[3]	7.4	42.3	*472%*		

Capex: *£m, six months ended 30 June*	2014	2015	Change
System Development & Shared Service Migration / Finance Projects	11.3	1.3	*(88)%*
Expansionary & Maintenance	9.7	10.5	*8%*
Digital	-	1.2	*n/a*
Total capex	**21.0**	**13.0**	***(38)%***

Balance sheet	Dec 2014	Jun 2015
Usable cash	66.3	60.7
Net debt	(254.0)	(278.5)

1 Core Group metrics include 100% of Revenue and EBITDA from Joint Ventures and Travelex's French business which was sold to UAE Exchange UK Limited, a company of which Dr Shetty is also a shareholder. The French business remains in the Core Group results for management discussion and analysis purposes but is excluded from the Group's statutory results
2 Results at constant exchange rates are Core Group metrics retranslated at the average rates for Q2 2014 YTD
3 Operating exceptional items and non-underlying adjustments principally relate to legal and professional fees incurred for corporate projects associated with preparing for and completing the sale of the Group and onerous contract provisions relating to legacy airport contracts

Six months ended 30 June 2015 – financial performance by segment

Segmental results

Core Group Revenue[1] *£m, six months ended 30 June*	**2014**	**2015**	***Change***	***2015 CER***[2]	***Change***
Retail	232.6	239.9	*3%*	244.2	*5%*
Wholesale & Outsourcing	51.1	56.1	*10%*	56.8	*11%*
Payments & Technology	11.0	11.1	*1%*	11.9	*8%*
Brazil	29.3	22.9	*(22)%*	27.5	*(6)%*
Other Trade	17.6	17.7	*1%*	16.2	*(8)%*
Core Group	**341.6**	**347.7**	***2%***	**356.6**	***4%***

Core Group EBITDA[1] *£m, six months ended 30 June*	**2014**	**2015**	***Change***	***2015 CER***[2]	***Change***
Retail	25.5	25.0	*(2)%*	26.2	*3%*
Wholesale & Outsourcing	21.5	23.7	*10%*	23.9	*11%*
Payments & Technology	1.3	(0.8)	*n/a*	(0.7)	*n/a*
Brazil	7.2	3.6	*(50)%*	4.3	*(40)%*
Other Trade	4.2	3.9	*(7)%*	3.6	*(14)%*
EBITDA Contribution	59.7	55.4	*(7)%*	57.3	*(4)%*
Central & Shared Costs	(23.0)	(23.5)	*(2)%*	(23.4)	*(2)%*
EBITDA	**36.7**	**31.9**	***(13)%***	**33.9**	***(8)%***

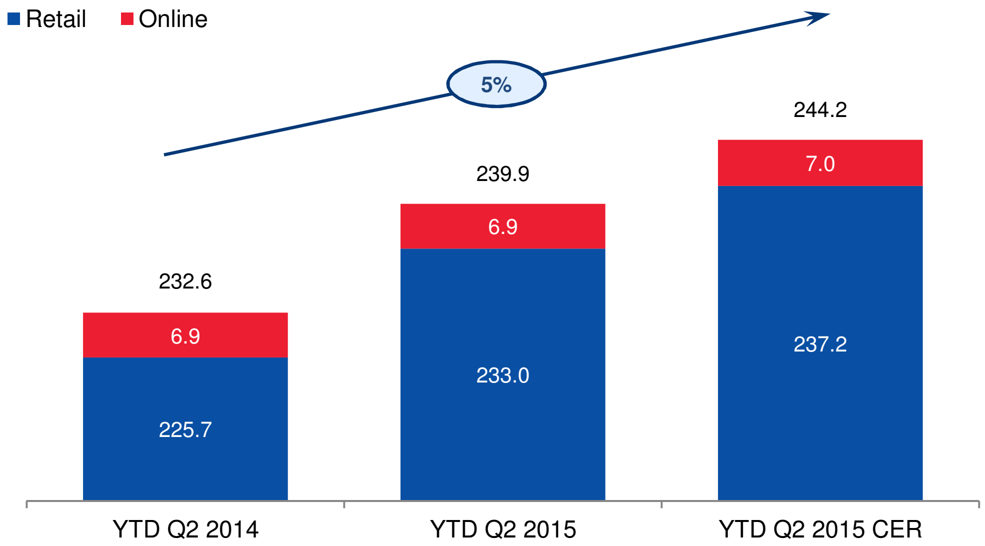
[1] Core Group metrics include 100% of Revenue and EBITDA from Joint Ventures and Travelex's French business which was sold to UAE Exchange UK Limited, a company of which Dr Shetty is also a shareholder. The French business remains in the Core Group results for management discussion and analysis purposes but is excluded from the Group's statutory results

[2] Results at constant exchange rates are Core Group metrics retranslated at the average rates for YTD Q2 2014

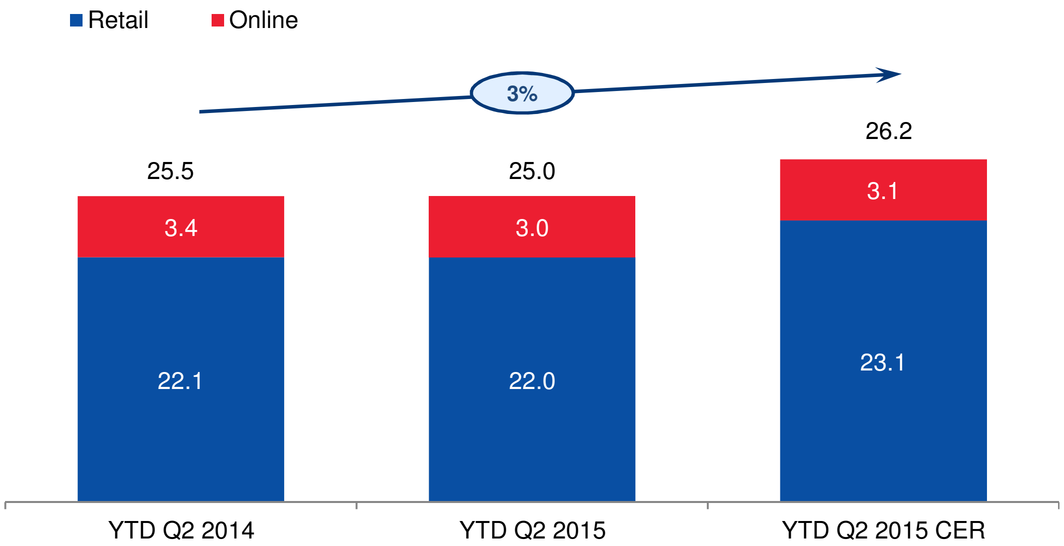
Travelex worldwide money

Retail – Resilient LFL performance

Retail revenue[1,3] (£m)



Retail EBITDA[1,2,3] (£m)



Retail KPIs

Key drivers	YTD Q2 2014	YTD Q2 2015
LFL revenue growth (%)[4]	7%	3%
Rent as percentage of revenue	44.2%	47.0%
Other costs as a percentage of revenue	44.8%	42.6%
EBITDA margin (%)	11.0%	10.4%

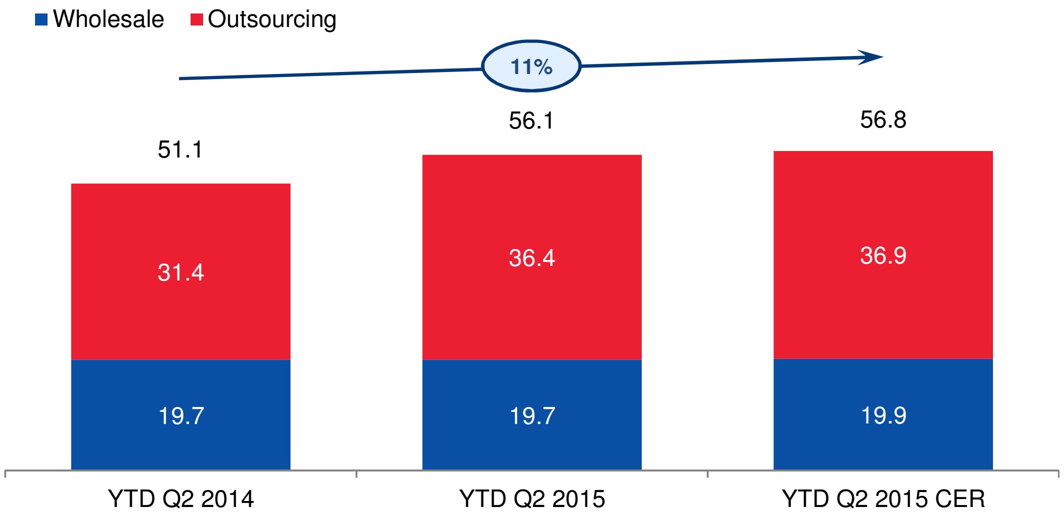
Commentary

- LFL revenue growth of 3% is underpinned by strong performances across UK Supermarkets, Europe, MEIA and Australia. North America and the UK (excluding Supermarkets) experienced softer trading. Turkey, which was acquired in May 2014 contributed a further £2.9m to overall revenue growth
- The Sainsbury's partnership is now being reported within Wholesale and Outsourcing as a result of new contract terms. This contract was previously reported within the Retail segment
- Continued expansion in the ATMs network helped deliver revenue growth of 15% in this channel
- Increase in rent as a percentage of revenue is attributable to the new terms across two contracts at LHR from April 2014 and February 2015, which has also reduced the overall EBITDA margin despite continued discipline over the cost base

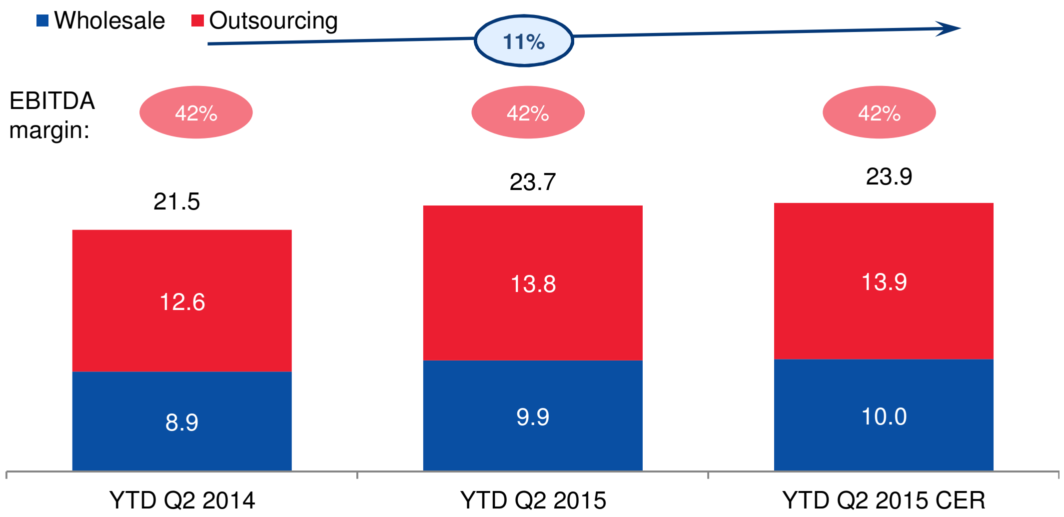
[1] All figures are shown on a "Core Group" basis i.e. including 100% of JVs and France
[2] EBITDA before Central & Shared Costs
[3 and 4] Q2 2015 CER shows results retranslated at YTD Q2 2014 average exchange rates. LFL revenue growth is also calculated at CER.

Wholesale & Outsourcing – Strong demand for Euro banknotes in the UK but lower volumes to Nigeria

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



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



Wholesale & Outsourcing KPIs

Sub-segments	Key drivers	YTD Q2 2014	YTD Q2 2015
Wholesale	Revenue growth (%)	10.0%	-
	EBITDA margin (%)	45.2%	50.3%
Outsourcing	Revenue growth (%)	(5.3)%	15.9%
	EBITDA margin (%)	40.1%	37.9%

1 All figures are shown on a “Core Group” basis i.e. including 100% of JVs
2 EBITDA before Central & Shared Costs
3 YTD Q2 2015 CER shows results retranslated at YTD Q2 2014 average exchange rates

Commentary

Wholesale

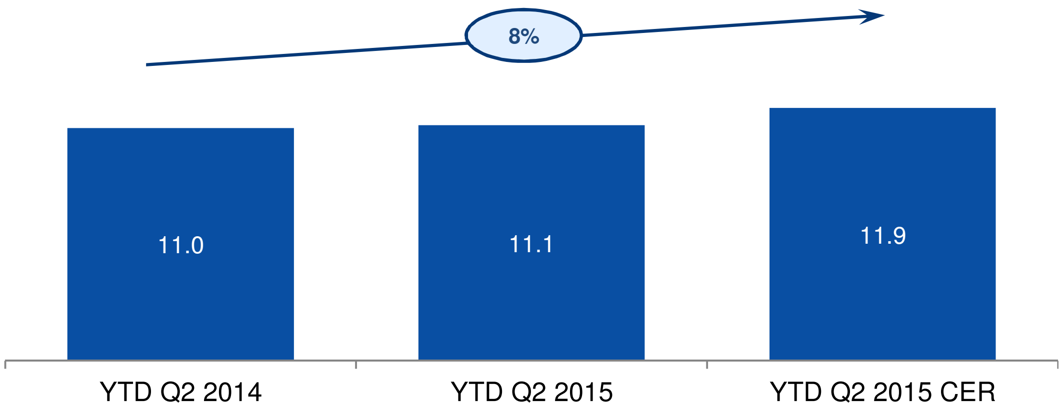
- Higher demand for Euro banknotes in the UK and strong profit performance of the cash processing business in Nigeria is more than offset by the impact of lower banknote volumes from Nigeria and transfer of UK Retail supply to the Outsourcing segment in 2015. Underlying revenue growth is 3%
- EBITDA margin remains strong

Outsourcing

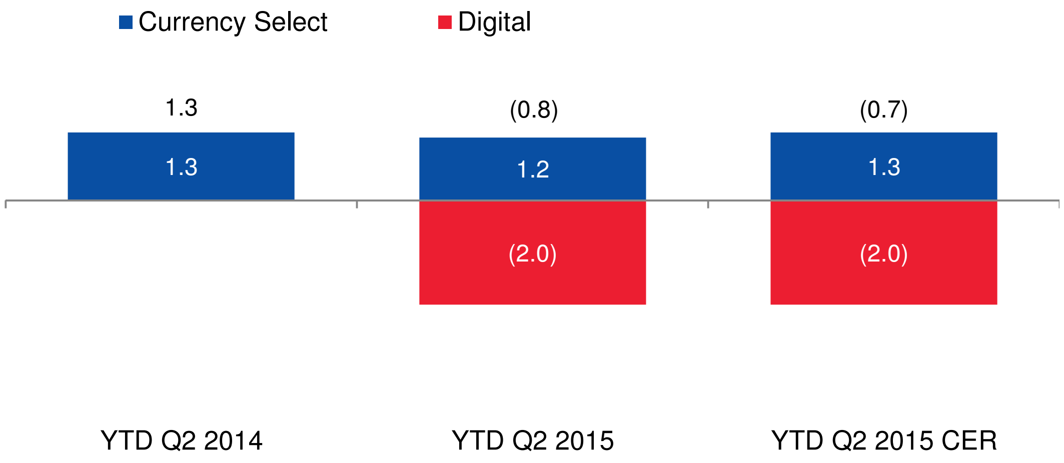
- Revenue growth in YTD Q2 2015 is attributable to the treatment of the Sainsbury’s partnership as an outsourcing contract as a result of new contract terms. This contract was reported within the Retail segment in the prior year
- Underlying revenue is broadly flat due to strong performance of the Malaysian operations supported by growth in North America offsetting volume decline and impact of a new contract in the Australian phone cards business

Payments & Technology – Significant ramp up in Digital investment in 2015

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



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



Payments & Technology KPIs

Sub-segments	Key drivers	YTD Q2 2014	YTD Q2 2015
Currency Select	Revenue growth (%)	9.0%	0.9%
	EBITDA margin (%)	11.8%	10.8%

Commentary

Currency Select

- Strong growth across all revenue streams partially offset by impact of a margin reduction rolled out gradually through the first half of 2014
- EBITDA margin reduction due to greater mix of revenues from Acquiring, which is a lower margin business stream, and the adverse impact of exchange rate movement on scheme fees

Digital

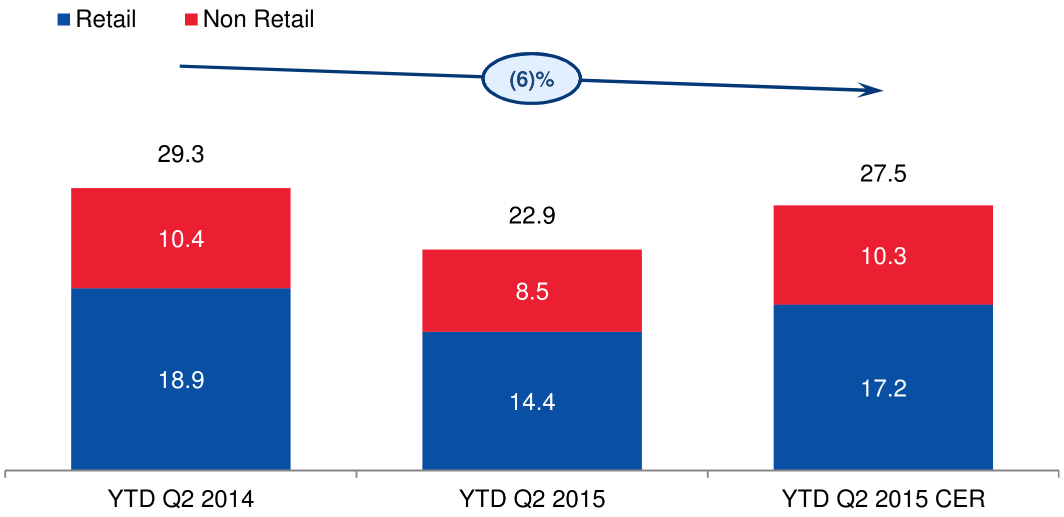
- Significant ramp up in the investment to build in-house capabilities as part of the Group's digital strategy
- 44 full time employees recruited as at 30 June 2015. A proportion of this cost is being capitalised

1 All figures are based on a "Core Group" basis i.e. including 100% of JVs
2 EBITDA before Central & Shared Costs
3 YTD Q2 2015 CER shows results retranslated at YTD 2014 Q2 average exchange rates

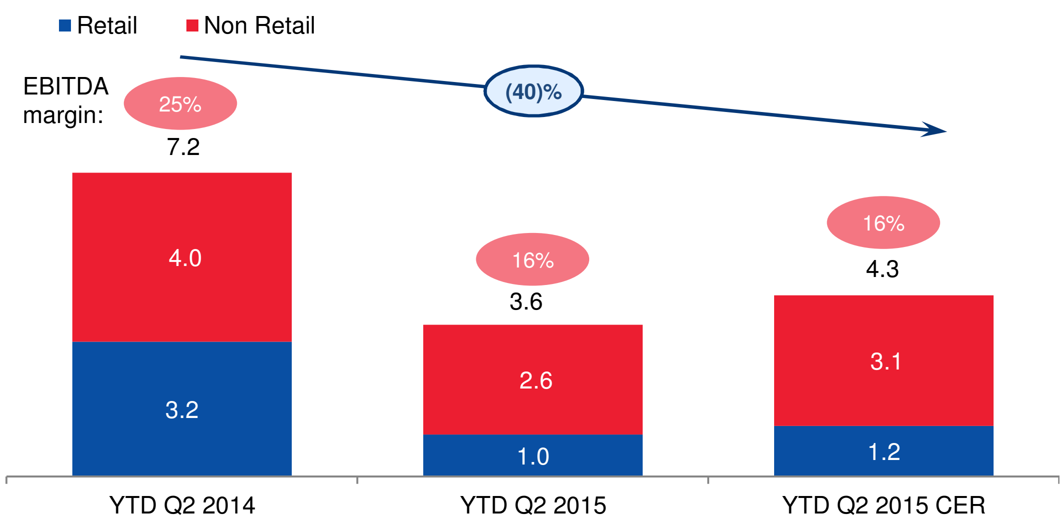
Travelex worldwide money

Brazil – Depreciation of Real against USD significantly impacting Revenue performance. Store portfolio being optimised for current trading outlook

Brazil revenue[1,3] (£m)



Brazil EBITDA[1,2,3] (£m)



Brazil KPIs

Sub-segments	Key drivers	YTD Q2 2014	YTD Q2 2015
Retail	Revenue growth (%)	(20.9)%	(23.8)%
	EBITDA margin (%)	16.9%	6.9%
Non Retail	Revenue growth (%)	38.7%	(18.3)%
	EBITDA margin (%)	38.5%	30.6%

[1] All figures are shown on a "Core Group" basis i.e. including 100% of JVs
[2] EBITDA before Central & Shared Costs
[3] YTD Q2 2015 CER shows results retranslated at YTD Q2 2014 average exchange rates

Commentary

Retail

- Weakness in the Real against all major currencies continues to impact outbound sales volumes in 2015. The average exchange rate to the USD for the 6 months ended June 2015 was 3.01 compared to 2.28 for the same period in 2014. Spot rate to USD at 27 August is 3.60
- Lower cash and prepaid card volumes are partially offset by increased remittance volumes
- EBITDA margin deteriorated due to inflationary pressures on the cost base and higher commissions payable to travel agents

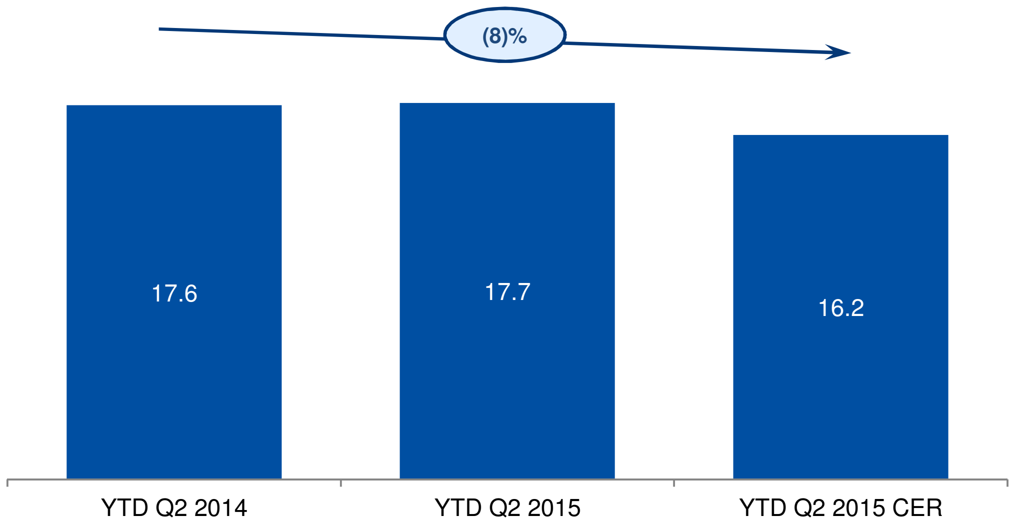
Non retail

- Revenue performance for the Bank also impacted by the weak Real. EBITDA margin reduction compounded due to inflationary pressures on the cost base, in particular higher logistics costs

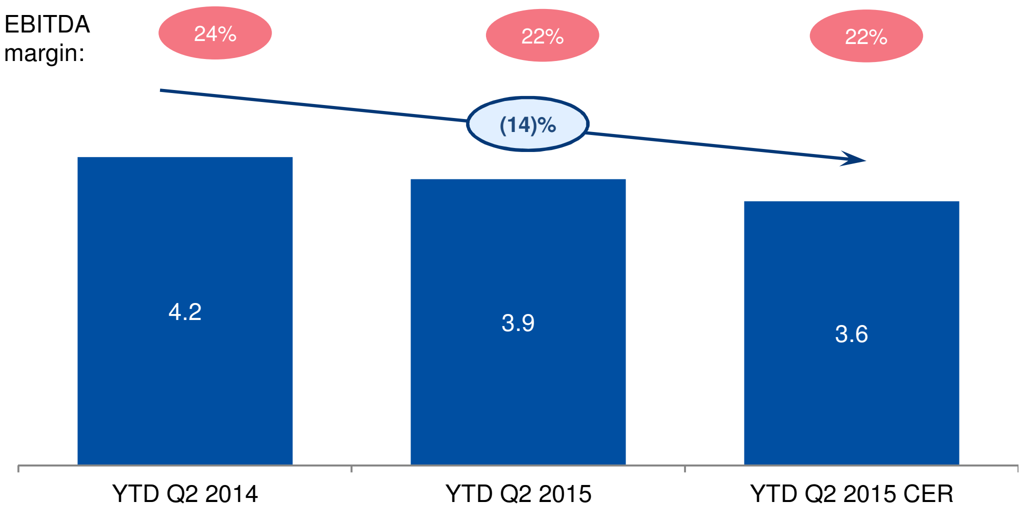
Travelex worldwide money

Other Trade – Principally Travelex Insurance Services (TIS)

Other Trade revenue[1] (£m)



Other Trade EBITDA[1,2,3] (£m)



Other Trade KPIs

Key drivers	YTD Q2 2014	YTD Q2 2015
EBITDA margin – insurance (%)	23.7%	22.0%

Commentary

- Insurance revenue and EBITDA have been impacted following the renegotiation of terms with underwriters at the end of 2014.
- Under the old contract terms EBITDA would have been £0.9m higher at constant exchange rates
- Underlying volumes remain resilient

1 All figures are based on a "Core Group" basis i.e. including 100% of JVs
2 EBITDA before Central & Shared Costs
3 YTD Q2 2015 CER shows results retranslated at YTD 2014 Q2 average exchange rates

Central & Shared Costs

Central & Shared Costs

	YTD Q2 2014	YTD Q2 2015
Central	6.4	6.3
Shared	14.5	15.4
Total Central and Shared (excl. Bonus)	**20.9**	**21.7**
Bonus provision	2.1	1.8
Total Central and Shared (incl. Bonus)	**23.0**	**23.5**

Commentary

- The Group substantially completed its Systems Development and Shared Service Migration initiative in 2014. Opportunities to offshore additional activities continue to be assessed on an ongoing basis
- Centralisation and offshoring of back office functions has led to an increase in costs reported within Shared. Overall centralisation and offshoring costs continue to reduce overall functional costs, with savings being realised principally in the trading segments of Retail and Wholesale & Outsourcing and consequently higher Shared Costs

Travelex worldwide money

Usable cash flow statement

Summary consolidated usable cash flow statement

£m, six months ended 30 June	2014	2015
Core Group EBITDA	36.7	31.9
Less: Unconsolidated Joint Ventures and disposal of France	(2.4)	(4.9)
Net cash flows with Joint Ventures	(1.2)	4.9
Movements in cash inventory (cash in tills & vaults)	(31.9)	9.3
Other movements in working capital (net of cash in transit & FX)	49.6	56.2
Net usable cash inflow from operating activities	**50.8**	**97.4**
Taxation paid	(9.3)	(2.3)
Purchase of PP&E, software & development	(21.0)	(13.0)
Proceeds received on disposal of subsidiary (net of usable cash of £1.6m)	-	17.7
Net cash paid on investment in subsidiaries	(24.6)	-
Other net investing activities	0.4	(31.0)
Net usable cash (used)/generated in investing activities	**(45.2)**	**(26.3)**
Interest paid	(13.0)	(13.5)
Repayment of shareholder loans	(4.5)	-
Dividends paid to non-controlling interest	(1.7)	(1.5)
Net cash paid on investment in subsidiary	-	(47.4)
Drawdown of RCF	-	20.0
Purchase of own shares for employee share schemes	(0.4)	-
Capital element of finance lease payments	(0.5)	(0.3)
Net usable cash used in financing activities	**(20.1)**	**(42.7)**
Net usable cash outflow from one-off items	**(8.8)**	**(28.1)**
Exchange gains/(losses) on usable cash	1.4	(3.6)
Net (decrease)/increase in usable cash	(31.2)	(5.6)
Usable cash at the beginning of the period	140.1	66.3
Usable cash at the end of the period	**108.9**	**60.7**

Commentary

Operating activities:

- Cash in tills and vaults have decreased in the six month period ended 30 June 2015 due to seasonal requirements.
- Other movements in working capital relate to the timing of wholesale bank note and international payment orders with a corresponding effect on available for sale investments which reverse shortly after month-end and the seasonal movement in payables to bank note suppliers.
- Net cash flows with joint ventures consist of dividends received from joint ventures (2015: £0.3m; 2014: £0.5m), loans received from joint ventures (2015: £4.6m; 2014: £nil) and joint venture funding (2015: £nil; 2014: £1.7 outflow).

Investing activities:

- Cash tax payments were lower in the six months ended 30 June 2015 due to Brazil (£1.4m), Australia (£3.2m) with tax paid in 2014 relating partly to prior year assessments and lower net cash paid in the Netherlands (£1.9m) as it is net of a prior year tax refund.
- Capital expenditure represents amounts primarily in respect of expansionary and maintenance, digital spend and finance projects. Expenditure was higher in 2014 as a result of the Shared Service Migration project.
- On 29 January 2015, in connection with the sale of the Travelex group, Travelex France Holdings Ltd sold Banque Travelex SA and its 100% subsidiary Travelex Paris SAS to UAE Exchange Ltd recognising usable cash proceeds of £17.7m.
- Other net investing activities outflow of £31.0m relates to the purchase of Brazil government bonds which are classified as available-for-sale investments for short periods as a result of the timing of international payment orders at period end which are settled shortly after.

Financing activities:

- Interest payments relate to the £350m senior secured notes which were issued in August 2013. The notes comprise £200m at 8% fixed rate payable semi-annually plus £150m at a floating rate of 3 month Libor plus 6% payable quarterly. In 2015 interest of £0.5m was paid on the funds drawn-down on the RCF.
- The Group acquired the remaining 51% interest in Brazil on 2 February, 2015 for £47.4m in cash. This has been recorded in financing activities in accordance with IFRS as it relates to the acquisition of a non controlling interest.
- One-off items include exceptional costs relating primarily to corporate projects including the sale of the business in 2015.

Usable cash, free cash & net debt

Free cash & usable cash *£m*	**31 Dec 2014**	**30 Jun 2015**
Cash and cash equivalents	505.3	510.4
Cash classified as held for sale (France)	9.7	-
Ring-fenced cash and term deposits	(39.9)	(34.4)
Short-term bank borrowings	(3.2)	-
Prepaid debit card floats	(146.6)	(158.7)
Banknotes prepayments	(20.9)	(4.1)
Unrestricted cash	**304.4**	**313.2**
Cash in tills, vaults and transit	(198.6)	(211.2)
Management estimate of regulatory cash	(15.0)	(15.0)
Free cash	**90.8**	**87.0**
Cash in business	(24.5)	(26.3)
Usable cash	**66.3**	**60.7**

Net debt *£m*	**31 Dec 2014**	**30 Jun 2015**
Fixed & floating rate notes	(343.4)	(344.5)
Drawn down RCF	-	(20.0)
Finance leases	(1.4)	(1.0)
Gross debt	**(344.8)**	**(365.5)**
Free cash	90.8	87.0
Net debt	**(254.0)**	**(278.5)**

Commentary

- Cash and cash equivalents includes banknote prepayments and prepaid debit card float balances which are deducted in arriving at unrestricted cash. The reduction in prepaid card float is due to the timing of amounts being held on deposit
- Free cash – adjusts unrestricted cash for cash allocated to working capital (cash in tills, vaults and transit) 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. We estimate that two thirds of this cash is not readily accessible as it is required for working capital requirements of the business
- Lower usable cash at 30 June 2015 reflects cash paid on the acquisition of Brazil (£47.4m), interest payments (£13.5m), legal and professional fees associated with the sale of the business (£22.4m) as well as other corporate projects, partially offset by proceeds received on the disposal of Banque Travelex (£19.3m) and the draw down of the RCF (£20.0m)

Travelex worldwide money

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Summary and conclusions

- Revenue growth and a resilient underlying trading performance, in line with expectations, before the impact of exchange rates on translation
  - Core Group Revenue of £347.7m, up 2% (£356.6m, up 4% at constant exchange rates)
  - Core Group EBITDA of £31.9m, down 13% (£33.9m, down 8% at constant exchange rates)
  - Core Group EBITDA has declined reflecting a combination of the annualisation impact of a major contract renewal in Retail, and the significant increase in Digital and business development investment to enable the Group to capitalise on long-term growth opportunities
  - Challenging trading conditions in Brazil due to weakness in Real and inflationary pressures
- In July 2015 Travelex became the sole provider of Foreign Currency ATMs and DCC services across all five terminals in Heathrow Airport
- Acquisition of remaining 51% of Grupo Confidence in Brazil
- Significant ramp-up in the Digital Team under the leadership of Sean Cornwell with recruitment of key team members largely complete
- Announcement of the creation of one integrated Product and Marketing team under the leadership of Sean Cornwell, CDO, to help achieve our customer-centric vision
- Continued optimisation of our Shared Service Global Delivery Centre in Mumbai, which now has over 350 full time employees

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

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Summary balance sheet

Summary consolidated balance sheet

£m	June 2015	Travellers' Cheques[1]	Apax Goodwill	June 2015 excl. Travellers' Cheques and Apax Goodwill	Dec 2014 excl. Travellers' Cheques and Apax Goodwill
Intangible assets	400	-	**239**	161	177
Property, plant & equipment	45	-	-	45	42
Investments	23	23	-	-	-
Financial assets	104	104	-	-	-
Other	27	-	-	27	30
Non current assets	**599**	**127**	**239**	**233**	**249**
Assets included in disposal group HFS [2]	**-**	-	-	**-**	**25**
Trade and other receivables	152	4	-	148	86
Cash and cash equivalents	510	34	-	476	465
Other	53	4	-	49	13
Current assets	**715**	**42**	-	**673**	**564**
Trade and other payables	(792)	(243)	-	(549)	(374)
Provisions	(22)	-	-	(22)	(16)
Financial liabilities	(3)	-	-	(3)	(48)
Other	(23)	2	-	(25)	(2)
Current liabilities	**(840)**	**(241)**	-	**(599)**	**(440)**
Net current (liabilities) assets	**(125)**	**(199)**	-	**74**	**124**
Borrowings – non-shareholder	(345)	-	-	(345)	(343)
Borrowings - shareholder	(600)	-	-	(600)	(1,178)
Other	(30)	-	-	(30)	(27)
Non current liabilities	**(975)**	**-**	-	**(975)**	**(1,548)**
Liabilities included in disposal group HFS [2]	**-**	**-**	-	**-**	**(18)**
Net liabilities	**(501)**	**(72)**	**239**	**(668)**	**(1,168)**

Commentary

- The assets and liabilities relating to the Travellers' Cheques business are excluded from the "Core Group"
- Intangible assets at Jun-15 include goodwill of £239m relating to the 2005 acquisition by funds advised by Apax Partners
- Trade receivables include amounts due from certain wholesale banknote customers which are settled within less than one week of being initiated
- Whilst the Core Group holds £510m of cash and equivalents at Jun-15, the amount that is classified as "Usable Cash" by management is lower (£60.7m at Jun-15)
- Other current assets includes taxes receivable and available for sale investments.
- Trade and other payables include prepaid card loads awaiting redemption, trade creditors and accruals
- On 29 January 2015, the Group was sold to Dr B R Shetty and Mr Saeed Bin Butti, Chairman of Centurion Investments. On completion, part of the existing Shareholder Debt was waived and part was retained in favour of UTX Holdings Limited on the same terms

1 Includes Travellers' Cheques business outside of the core group; no adjustment has been made for intercompany balances which eliminate on consolidation
2 On 29 January 2015 the Group sold its operations in France for €26.0m to UAE Exchange UK Limited, and these were classified as Held for Sale as at 31 Dec 2014

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Working capital

Working capital components

£m	Q2 2014	Q3 2014	FY 2014	Q1 2015	Q2 2015
Cash in tills and vaults (incl Held for Sale; excl. CIT)	**180.0**	**177.1**	**195.3**	**150.7**	**181.2**
Debtors					
Trade receivables (incl. CIT)	158.6	89.2	44.1	75.8	104.8
Less: Cash in transit	(12.6)	(0.3)	(3.7)	(0.1)	(1.9)
Trade receivables (excl. CIT)	146.0	88.9	40.4	75.7	102.9
Other receivables	32.9	35.2	21.8	40.5	23.3
Prepayments and accrued income	31.8	26.3	20.9	27.1	19.7
Less: Travellers' cheques amts.	(2.9)	(2.7)	(2.5)	(4.5)	(4.2)
Less: Brazil acquisition prepayment	(8.5)	(8.0)	(7.7)	-	-
Total debtors	**199.3**	**139.7**	**72.9**	**138.8**	**141.7**
Creditors					
Trade payables (incl. CIT)	(264.2)	(168.4)	(127.5)	(233.8)	(267.8)
Less: Cash in transit	21.6	17.7	6.9	60.4	31.9
Trade payables (excl. CIT)	(242.6)	(150.7)	(120.6)	(173.4)	(235.9)
Other payables	(40.5)	(37.7)	(31.0)	(48.0)	(50.1)
Accruals and deferred income	(105.9)	(106.5)	(90.1)	(85.3)	(89.7)
Banknote prepayments	0.3	14.2	20.9	12.4	4.1
Less: Travellers' cheques amounts	30.5	31.8	29.6	29.5	30.6
Add: Brazil prepaid card float liability	(25.6)	(21.5)	(18.8)	(15.2)	(12.9)
Total creditors	**(383.8)**	**(270.4)**	**(210.0)**	**(280.0)**	**(353.9)**
Net working capital	**(4.5)**	**46.4**	**58.2**	**9.5**	**(31.0)**

Commentary

- Cash in tills and vaults has decreased from December 2014 (after the effect of cash in transit ('CIT')) due primarily to the sale of France as well as foreign exchange fluctuations.
- Movements in total debtors driven by the short-term timing of wholesale bank note orders.
- Trade payables have increased from Dec 2014 to June 2015 due to the timing of month end in relation to the seasonal movement in banknotes supplies as well as the timing of wholesale bank note orders.
- Cash in transit amounts have been excluded as they have a neutral working capital impact.

Reconciliation from Core Group Revenue to Statutory Revenue

Reconciliation to Statutory Revenue[1]

£m, half year ended 30 June	2014	2015
Core Group Revenue	**341.6**	**347.7**
Joint Venture adjustment for equity accounting	(15.3)	(19.9)
Travellers' Cheques	1.1	1.3
Disposal of French business	-	(18.2)
Other adjustments	1.9	0.8
Statutory Revenue	**329.3**	**311.7**

Joint ventures in UAE, Africa, Qatar and Malaysia are not consolidated in the statutory accounts.

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

Reconciliation from Statutory EBITDA to Core Group and Adjusted EBITDA

Reconciliation to Statutory and Adjusted EBITDA[1]		
£m, period ended 30 June	**2014**	**2015**
Operating profit/(loss)	15.7	(27.1)
Depreciation and amortisation	11.0	11.5
Exceptional items and non-underlying adjustments	7.4	42.3
Underlying EBITDA *(per the interim financial statements)*	**34.1**	**26.7**
Joint Venture adjustment for equity accounting[2]	2.4	3.6
Adjustment for French disposal	-	1.3
Travellers' Cheques	(0.1)	(0.5)
Share based payment charge (non-cash)	1.1	0.8
Other adjustments	(0.8)	-
Core Group EBITDA (100% of JVs)	**36.7**	**31.9**
Adjustment for proportion of Non-Consolidated JVs	(1.2)	(1.7)
Adjustment for French disposal	-	(1.3)
Other adjustments	0.8	-
Adjusted EBITDA**	**36.3**	**28.9**

1 Historical FX rates used are actual average rates for each period
2 Net of recharges

***Core Group EBITDA consists of EBITDA adjusted to include 100% of the EBITDA of our joint ventures, share-based payment incentive charges, and Banque Travelex SAS which was disposed of in 2015 but is continued to be managed by the Group, and excludes EBITDA attributable to our travellers' cheques business, which does not form part of the Restricted Group.*
***Adjusted EBITDA consists of Core Group EBITDA adjusted for the share of non-consolidated joint ventures that are not attributable to the Group and excludes the EBITDA of Banque Travelex SAS, which was disposed of in January 2015 to UAE Exchange Limited in connection with the sale of the Group.*

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

Financial summary

£m, half year ended 30 June	2014	2015
Core Group EBITDA	**36.7**	**31.9**
Adjustments to arrive at Underlying EBITDA *(see further reconciliation on previous page)*	(2.6)	(5.2)
Underlying EBITDA *(per the Q2 2015 statutory accounts)*	**34.1**	**26.7**
Operating exceptional items and non-underlying adjustments	(7.4)	(42.3)
Operating profit/(loss) before depreciation, amortisation, interest and tax	**26.7**	**(15.6)**
Depreciation	(6.1)	(6.4)
Amortisation of intangible assets	(3.3)	(3.7)
Amortisation of customer relationships and other intangible assets acquired in business combinations	(1.6)	(1.4)
Share of profit in equity accounted investments	1.0	1.4
Net finance costs (cash – pay)	(12.8)	(13.4)
Net finance costs (non-cash – pay)	(72.6)	(42.5)
Exceptional items and non-underlying adjustments reported within finance income (costs)	(12.7)	(1.0)
Tax	(5.4)	(3.4)
Discontinued	0.6	0.5
Statutory loss after tax	**(86.2)**	**(85.5)**

Commentary

- Depreciation and amortisation of hardware and software has increased in Q1 2015 compared with the prior year largely due to bringing into use items related to System Development and Shared Service Migration at the end of 2014.
- 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 next slide for further analysis of finance income and finance costs
- Exceptional items relate primarily to legal and professional fees incurred for corporate projects associated with preparing for the sale of the Group to UTX Holdings Ltd.

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

Finance costs and income

£m, period ended 30 June	2014	2015
Finance costs		
Shareholder Loans and preference shares	69.5	43.0
FX losses	-	-
Movement in Brazil Redemption Liability	1.3	-
Interest on senior secured notes	12.9	12.9
Interest on RCF	-	0.8
Other interest costs	2.6	1.6
Non underlying adjustments	12.7	1.0
Total finance costs	**99.0**	**59.3**
Finance income		
FX gains	0.7	2.1
Interest receivable	0.2	0.3
Total finance income	**0.9**	**2.4**
Net finance costs	**98.1**	**56.9**
Analysed as:		
Cash- pay	12.8	13.4
Non cash pay	85.3	43.5

Commentary

- Ongoing cash-pay finance costs include:
  - The cost of the senior secured notes.
  - The cost of the funds drawn down on the RCF.
  - Other interest costs in the quarter relate primarily to the fees incurred on non-utilisation of the RCF prior to draw down.
  - On 29 January 2015, the Group was sold to Dr B R Shetty and Mr Saeed Bin Butti, Chairman of Centurion Investments. On completion, part of the existing Shareholder Debt was waived and part was retained in favour of UTX Holdings Limited on the same terms. Total shareholder debt decreased from £1,177m at 31 December 2014, to £599.6m at 30 June 2015, resulting in a reduction in non-cash pay finance costs.

Further reconciliations

Usable cash flow from operating activities to statutory measure

£m, period ended 30 June	2014	2015
Usable cash flow from operating activities	**50.8**	**97.4**
Cash paid on investment in joint ventures net of dividends and loan received	1.2	(4.9)
Movement in cash held in tills and vaults (excl. CIT)	32.5	29.1
Movement in banknotes prepayment	(12.5)	(16.8)
Movement in cash and deposits held for the Travellers' Cheques business	(9.1)	(5.6)
Movement in prepaid card float deposits	9.4	14.4
Movement in cash in business	1.9	4.9
Less: cash exceptional items	(8.8)	(28.1)
Cash flow from operating activities (statutory)	**65.4**	**90.4**

Travelex worldwide money

FX Rate Summary

	Average FX rate for the six months ended 30 June 2014	Average FX rate for the six months ended 30 June 2015	% movement	FX rate as at 31 December 2014	FX rate as at 30 June 2015	% movement
EUR	1.22	1.38	13%	1.29	1.41	9%
USD	1.68	1.53	(9)%	1.56	1.57	1%
JPY	171.16	184.05	8%	186.94	192.42	3%
AUD	1.83	1.97	8%	1.90	2.05	8%
BRL	3.82	4.59	20%	4.14	4.88	18%
TRY	3.61	3.96	10%	3.65	4.22	16%