Travelex

Results Presentation

for the year ended 31 December 2015

29
March
2016

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1. Key highlights

2. Financial performance

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Year ended 31 December 2015 – key highlights

Financial highlights

- Core Group Revenue increased by 2% to £734.0m (6% increase to £763.6m at constant exchange rates (CER))[1,2]
- Core Group EBITDA before the digital investment in Payments & Technology increased by 4% to £89.2m (10% increase to £94.8m at CER)
- Overall Core Group EBITDA decreased by 3% to £83.2m, impacted by the economic downturn in Brazil and an additional £6.0m investment in Payments & Technology (3% increase to £88.8m at CER)
- Retail revenue up 8% and EBITDA up 20% at CER with growth across all channels, including the acquisition of Turkey, which more than offset the transfer of a significant contract to Wholesale & Outsourcing. Retail like-for-like revenue growth of 5% with growth across all channels
- Further investment in new Travelex stores with a focus on deepening presence in existing regions. 137 new stores opened in 2015 including in London (Heathrow), Detroit and Boston Logan international airports
- Wholesale & Outsourcing revenue up 9% and EBITDA up 8% at CER driven by the inclusion of a significant contract previously reported in Retail and by growth in Malaysia
- Step change in Payment & Technology investment supporting new innovations and further multi-channel growth
  - Launch of the Supercard pilot programme and the development of the Travel Money App
  - Overall increase in online and mobile revenue of 18%
  - International money transfer (payment) product on track for launch in the UK in 2016
- Usable cash at 31 December 2015 of £32.1m (31 December 2014: £66.3m) reflects the continued investment in the Group's strategic priorities together with costs associated with the sale of the Group

Operating highlights

- In July 2015 Travelex became the sole provider of Foreign Currency, ATMs and DCC services across all five terminals in Heathrow Airport and now operates 56 stores and 90 ATMs
- In July 2015 Travelex was awarded approval to conduct the import and export of banknotes in China and provide wholesale banknotes across the country
- During the year, the Group signed an agreement with Post Office Bank in France allowing customers to order online through the Travelex website
- On 25 February 2016, the Group entered into a binding agreement to dispose of its 100% shareholding in Travelex Outsourcing Pty Ltd, its Dynamic Currency Conversion ('DCC') business (Currency Select) to Global Blue SA for gross proceeds of AUD65.0m (c.£34.8m). The Group expects the transaction to complete on 1 April 2016

[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 the equivalent period in 2014

[3] EBITDA is presented before exceptional items and non-underlying adjustments

Travelex worldwide money

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Full year ended 31 December 2015 – Group financial performance

Financial Summary

£m, full year ended 31 December	2014	2015	*Change*	2015 CER[2]	*Change*
Core Group Revenue[1]	721.5	734.0	*2%*	763.6	*6%*
Core Group EBITDA (before digital investment)	85.9	89.2	*4%*	94.8	*10%*
Core Group EBITDA[1]	85.9	83.2	*(3%)*	88.8	*3%*
Core Group EBITDA % Margin	11.9%	11.3%		11.6%	
Operating Exceptional items and non-underlying adjustments[3]	(25.6)	(53.8)	*110%*		

Capex:

£m, full year ended 31 December	2014	2015	*Change*
System Development & Shared Service Migration / Finance Projects	18.1	2.7	(85%)
Expansionary & Maintenance	15.4	19.0	23%
Digital	-	3.5	n/a
Total capex	**33.5**	**25.2**	**(25%)**

Balance sheet	Dec 2014	Dec 2015
Usable cash	**66.3**	**32.1**
Gross debt	(344.8)	(376.4)
Free cash	90.8	43.4
Net debt	**(254.0)**	**(333.0)**

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 the equivalent period in 2014

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

Full year ended 31 December 2015 – financial performance by segment

Segmental results

Core Group Revenue[1] *£m, full year ended 31 December*	2014	2015	*Change*	*2015 CER*[2]	*Change*
Retail	496.5	522.8	5%	536.2	8%
Wholesale & Outsourcing	108.5	116.0	7%	118.5	9%
Payments & Technology	22.1	22.2	0%	24.7	12%
Brazil	60.2	40.3	(33%)	53.7	(11%)
Other Trade	34.2	32.7	(4%)	30.5	(11%)
Core Group	**721.5**	**734.0**	**2%**	**763.6**	**6%**

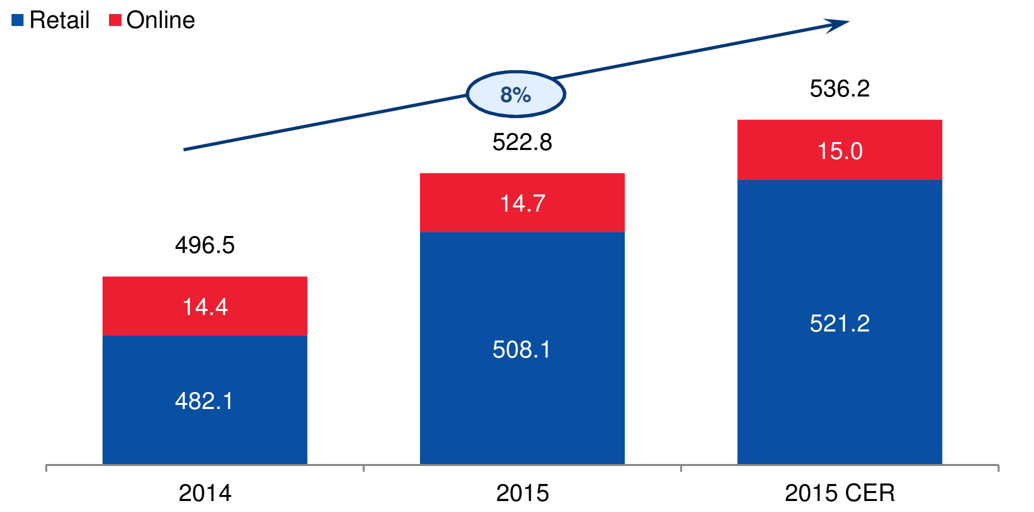
Core Group EBITDA[1] *£m, full year ended 31 December*	2014	2015	*Change*	*2015 CER*[2]	*Change*
Retail	64.0	73.4	15%	76.5	20%
Wholesale & Outsourcing	48.9	52.1	7%	53.0	8%
Payments & Technology (excluding digital investment)	2.5	2.6	4%	2.9	16%
Brazil	14.3	5.2	(64%)	6.9	(52%)
Other Trade	7.7	7.6	(1%)	7.1	(8%)
EBITDA Contribution (before digital investment)	**137.4**	**140.9**	**3%**	**146.4**	**7%**
Central & Shared Costs	(51.5)	(51.7)	0%	(51.6)	0%
EBITDA (before digital investment)	**85.9**	**89.2**	**4%**	**94.8**	**10%**
Digital investment	-	(6.0)	n/a	(6.0)	n/a
EBITDA	**85.9**	**83.2**	**(3%)**	**88.8**	**3%**

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

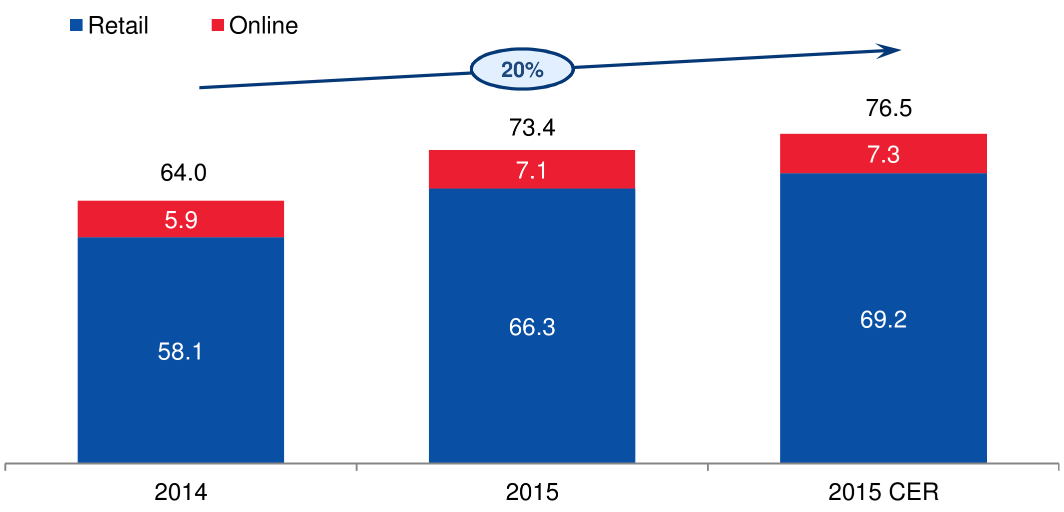
2 Results at constant exchange rates are Core Group metrics retranslated at the average rates for the equivalent period in 2014

Retail – Strong performance underpinned by like-for-like growth in Europe, the Middle East and Supermarkets

Retail revenue[1,3,4] (£m)



Retail EBITDA[1,2,3,4] (£m)



Retail KPIs

Key drivers	2014	2015
LFL revenue growth (%)[3]	5.9%	5.0%
Rent as percentage of revenue	44.3%	46.3%
Other costs as a percentage of revenue	42.8%	39.7%
EBITDA margin (%)	12.9%	14.0%

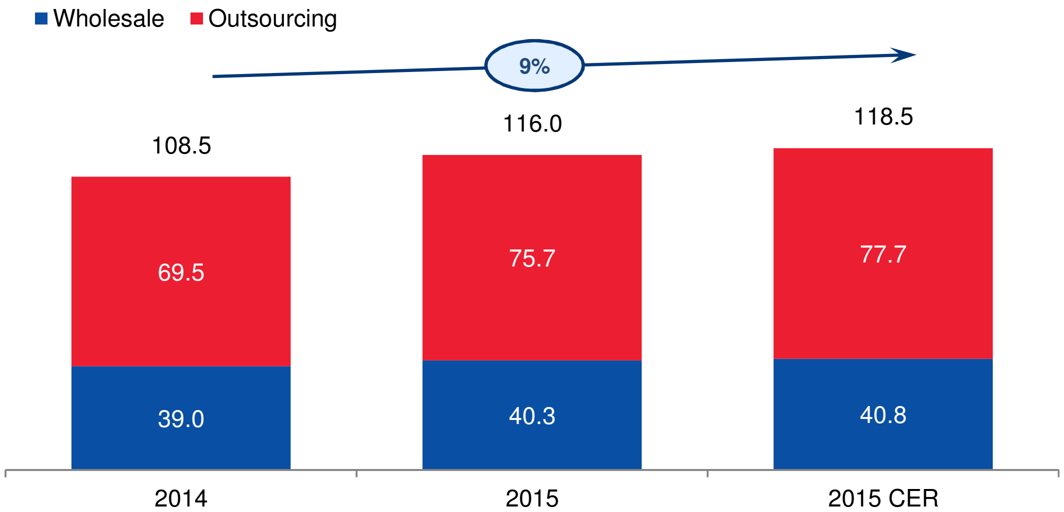
Commentary

- Like-for-like revenue growth of 5% is underpinned by strong performances across all channels in Europe, the Middle East and in UK Supermarkets, more than offsetting softer trading in North America. Turkey, which was acquired in May 2014, and Heathrow where new stores and ATMs were added following Travelex becoming the sole provider of Foreign Currency, ATM and DCC services in July 2015, contributed to overall revenue growth of 8% at CER
- Continued expansion in the ATMs network with over 145 additional ATMs helped deliver revenue growth of 19% in this channel
- Online (excluding Sainsbury) revenue and EBITDA increased by 17% and 36% respectively, with strong performance in the Netherlands in the latter half of 2015
- EBITDA improvement is mainly attributed to the revenue initiatives in the UK and Japan, strong profitability in Turkey, continued focus on the cost base and increased utilisation of onerous contract provision of £2.1m, partially offset by anticipated new rental terms at LHR and the Sainsbury's contract reclassification to Wholesale & Outsourcing

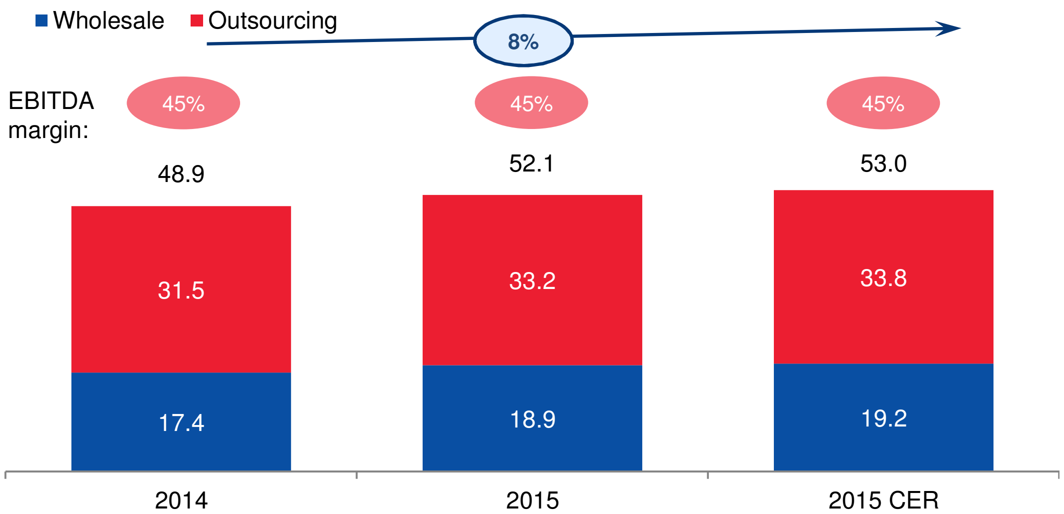
[1] All figures are shown on a "Core Group" basis i.e. including 100% of JVs and France
[2] EBITDA before Central & Shared Costs
[3] 2015 CER shows 2015 results retranslated at 2014 average exchange rates
[4] 2014 online revenue and EBITDA have been restated for comparative purposes

Wholesale & Outsourcing – Strong demand for Euro banknotes in the UK and strong performance in the cash processing business in Nigeria

Wholesale & Outsourcing revenue[1,3,4] (£m)



Wholesale & Outsourcing EBITDA[1,2,3,4] (£m)



Wholesale & Outsourcing KPIs

Sub-segments	Key drivers	2014[4]	2015
Wholesale	Revenue growth (%)	1.3%	3.3%
	EBITDA margin (%)	44.6%	46.9%
Outsourcing	Revenue growth (%)	2.4%	8.9%
	EBITDA margin (%)	45.3%	43.9%

1. All figures are shown on a "Core Group" basis i.e. including 100% of JVs
2. EBITDA before Central & Shared Costs
3. 2015 CER shows 2015 results retranslated at 2014 average exchange rates
4. Comparative financial performance for Wholesale and Outsourcing, individually, have been restated to reflect the transfer of a significant contract. The Group has not restated for any transfer between reporting segments

Commentary

Wholesale

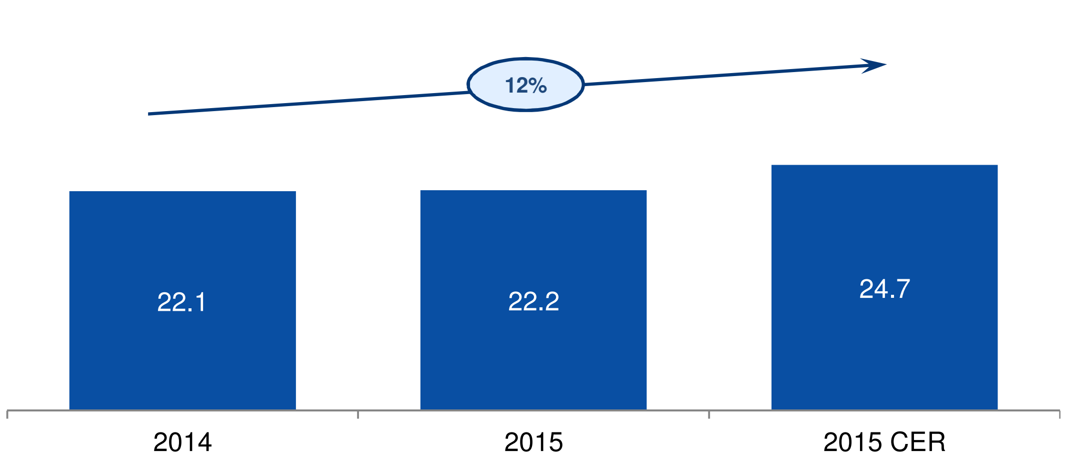
- Higher demand for Euro banknotes in the UK especially in the first half of 2015 and strong performance of the cash processing business in Nigeria was partially offset by the lower demand for wholesale bank notes in Nigeria
- EBITDA margin remains strong

Outsourcing

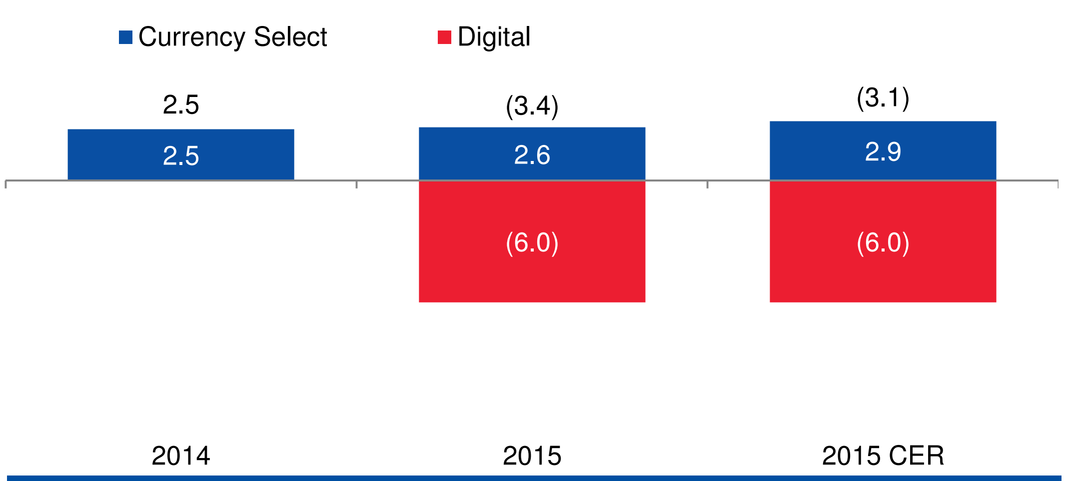
- Revenue and EBITDA growth is partly attributable to the treatment of the Sainsbury's partnership as an Outsourcing client following the agreement of new terms in 2015. Excluding this contract reclassification, underlying Revenue and EBITDA growth would be 2.7% and 1.2% respectively at CER
- Underlying Revenue and EBITDA growth was driven by strong performance in Malaysia and strong demand for Euro in the UK in the first half of 2015

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	2014	2015
Currency Select	Revenue growth (%)	4.2%	0.5%
	EBITDA margin (%)	11.3%	11.7%

Commentary

Currency Select

- Growth in revenue streams with roll out of POS/ eCommerce to new merchants in Australia, New Zealand and Belgium and higher acquiring volumes partially offset by impact of annualisation of a margin reduction implemented in mid 2014
- EBITDA margin improvement due to revenue growth and lower overhead costs, partially offset by the increased cost in the acquiring business from higher scheme and acquirer processing fees
- On 25 February 2016, the Group entered into a binding agreement to dispose of its 100% shareholding in Travelex Outsourcing Pty Ltd (Currency Select) for gross proceeds of AUD65.0m (c.£34.8m)

Digital

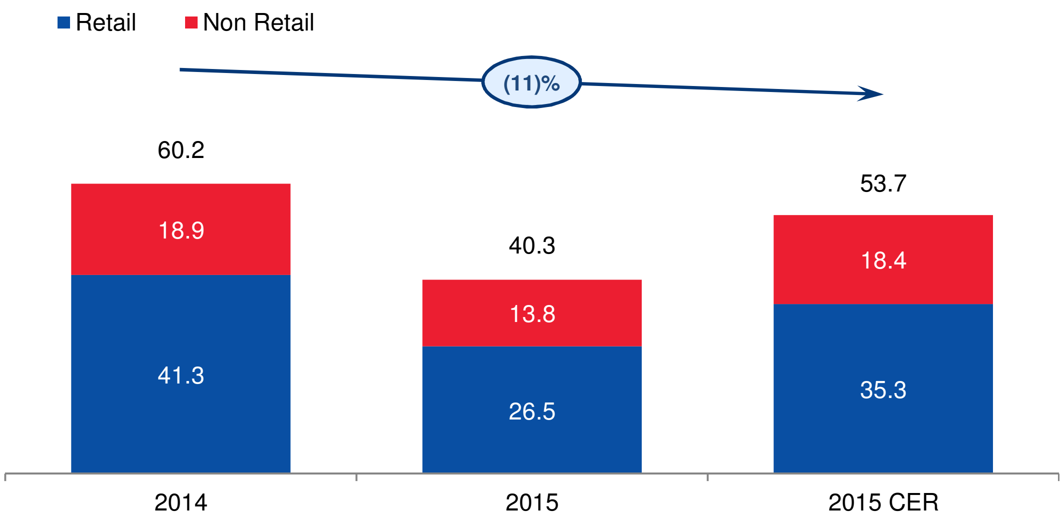
- Significant ramp up in the investment to build in-house digital capabilities as part of the Group's strategy
- Total digital investment of £9.5m in 2015 includes £3.5m which has been capitalised to reflect the development cost of new platforms
- Over 200,000 transactions made on Supercard since pilot launch, over 45,000 downloads of the Travelex Money App since the UK launch
- International money transfer (payments) product is on track for launch in UK in 2016

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

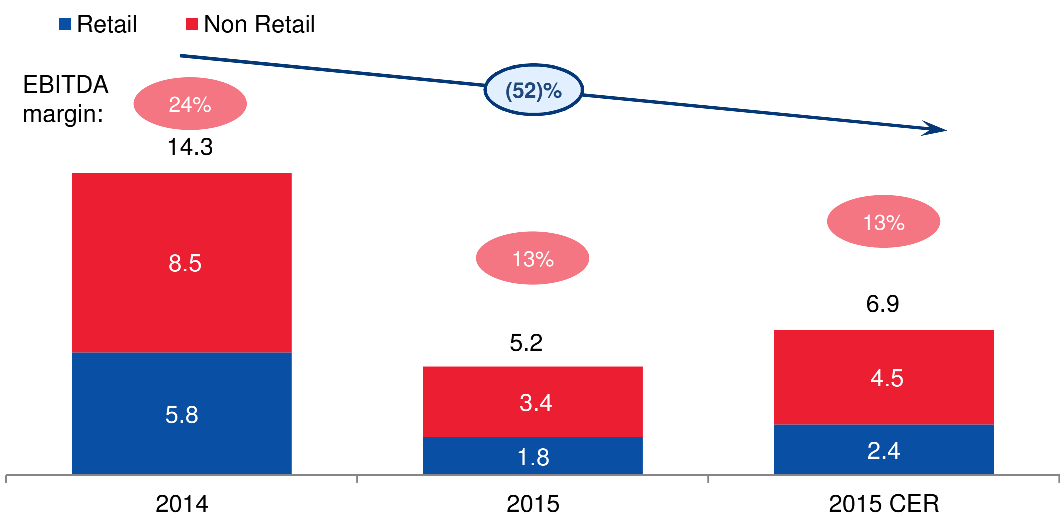
Travelex worldwide money

Brazil – Depreciation of Real against USD significantly impacting Revenue performance; continued focus on Retail estate optimisation and cost reduction

Brazil revenue[1,3] (£m)



Brazil EBITDA[1,2,3] (£m)



Brazil KPIs

Sub-segments	Key drivers	2014	2015
Retail	Revenue growth (%)	(20.0%)	(35.8%)
	Revenue growth (CER, %)	(9.1%)	(14.5%)
	EBITDA margin (%)	14.0%	6.8%
Non Retail	Revenue growth (%)	12.8%	(27.0%)
	Revenue growth (CER, %)	28.2%	(2.6%)
	EBITDA margin (%)	45.0%	24.6%

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

Commentary

Retail

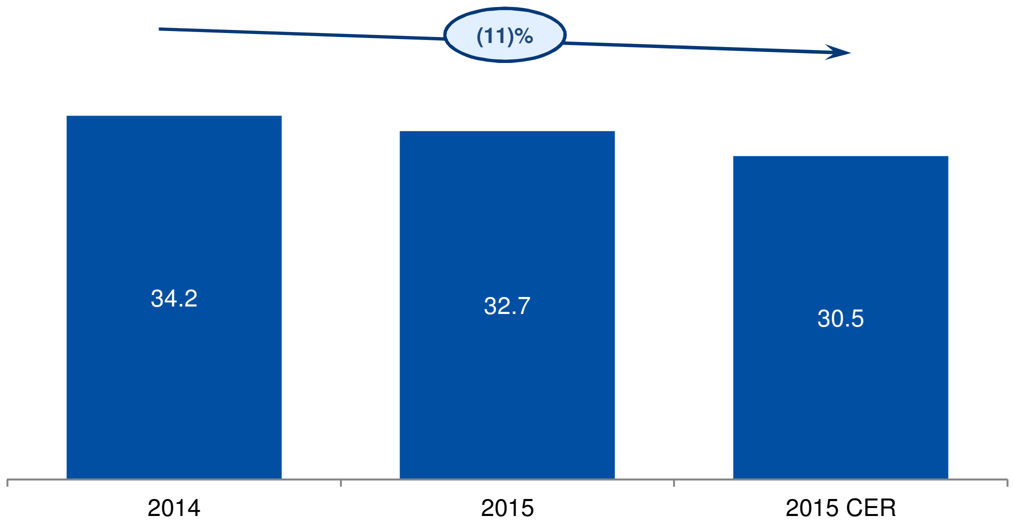
- Weakening of the Real against all major currencies impacted outbound sales volumes and Retail Revenue throughout 2015. The average exchange rate to the USD for the year ended December 2015 was 3.39, which was 44% higher than 2014. Spot rate to USD was at 3.61 on 24 March 2016
- Growth in remittance volumes partially offset the sharp decline in cash and prepaid card revenues in 2015
- The Group continues to focus on optimising the retail estate and tight cost control, including closing 22 loss-making stores in 2015, product innovation and diversification through the development of an international payments proposition supported by a digital platform. Furthermore, the Group has benefitted from the successful integration of the Renova business, through synergy related cost savings particularly in staff and property costs

Non retail

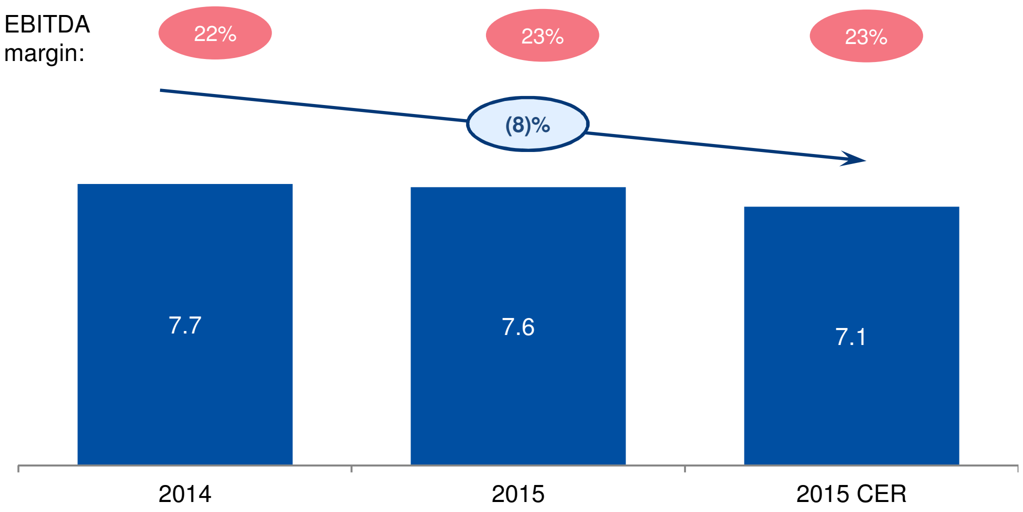
- Revenue declined 3% compared to 2014 at constant exchange rates as the business delivered a resilient performance through business payment services provided to corporate customers
- EBITDA margin reduction was a result of inflationary pressure on the cost base, particularly in logistics costs

Other Trade – Principally Travelex Insurance Services (TIS)

Other Trade revenue[1] (£m)



Other Trade EBITDA[1,2,3] (£m)



Other Trade KPIs

Key drivers	2014	2015
EBITDA margin – insurance (%)	21.9%	22.6%

Commentary

- Insurance revenue and EBITDA has been impacted following the renegotiation of terms with the underwriter at the end of 2014
- Under the previous contract terms EBITDA would have been £1.1m higher at constant exchange rates
- Despite this renegotiation, EBITDA margin has improved due to lower operating costs. Underlying volumes remain resilient
- Recently our insurance underwriter reviewed its 50 State Travel Insurance policy filings, and has confirmed that a policy fee can no longer be charged in respect of their insurance products. This change will result in a reduction in future profitability of our Insurance operations. We will continue to target new business and higher margin products whilst tightly controlling the cost base to reduce the impact on profitability

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

Central & Shared Costs

Central & Shared Costs

	2014	2015
Central	12.8	12.8
Shared	28.0	31.7
Total Central and Shared (excl. Bonus)	**40.8**	**44.5**
Bonus provision	10.7	7.2
Total Central and Shared (incl. Bonus)	**51.5**	**51.7**

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, including certain Finance activities
- 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

Usable cash flow statement

Summary consolidated usable cash flow statement

£m, year ended 31 December	2014	2015
Core Group EBITDA	85.9	83.2
Less: Unconsolidated Joint Ventures and disposal of France	(5.2)	(12.2)
Net cash (outflow)/inflow (to)/from Joint Ventures	(2.5)	5.2
Movements in cash inventory (cash in tills & vaults inc. FX)	(19.8)	7.9
Other movements in working capital (including cash in transit)	(6.5)	(14.8)
Net usable cash inflow from operating activities	**51.9**	**69.3**
Taxation paid	(15.5)	(5.8)
Purchase of PP&E, software & development	(33.5)	(25.2)
Proceeds received on disposal of subsidiary (net of usable cash of £1.6m)	-	17.7
Net cash paid on investment in subsidiaries	(24.6)	(1.6)
Cash received from disposed operations	-	3.1
Other net investing activities	5.3	(5.1)
Net usable cash used in investing activities	**(52.8)**	**(11.1)**
Interest paid on secured bonds and RCF	(26.0)	(27.4)
(Repayment)/proceeds of shareholder loans	(4.5)	2.3
Dividends paid to non-controlling interest	(2.7)	(1.7)
Net cash paid on investment in subsidiary	-	(47.4)
Drawdown of RCF	-	29.9
Purchase of own shares for employee share schemes	(0.4)	-
Capital element of finance lease payments	(0.8)	(0.5)
Net usable cash used in financing activities	**(34.4)**	**(44.8)**
Net usable cash outflow from one-off items	**(20.9)**	**(35.4)**
Exchange losses on usable cash	(2.1)	(6.4)
Net decrease in usable cash	(73.8)	(34.2)
Usable cash at the beginning of the period	140.1	66.3
Usable cash at the end of the period	**66.3**	**32.1**

Commentary

Operating activities:

- Net cash flows with joint ventures consist of dividends received from joint ventures (2015: £4.8m; 2014: £0.9m), loans received from joint ventures (2015: £0.4m; 2014: £nil) and joint venture funding (2015: £nil; 2014: £3.4m outflow)
- Increase in adjustment for unconsolidated joint ventures and disposal of France is due to sale of the French business on 29 January 2015
- Outflow of working capital primarily relates to movements in onerous lease provisions and reduction in the prepaid card funds awaiting redemption

Taxation:

- Cash tax payments were lower in the year driven by lower tax payments in Brazil and Japan and tax refunds in Australia and the Netherlands

Investing activities:

- Capital expenditure represents amounts incurred in respect of expansionary and maintenance of £19.0m (2014: £18.1m), digital of £3.5m (2014: £nil) and finance projects of £2.7m (2014: £15.4m). Expenditure was higher in 2014 as a result of the Systems Development and 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
- Cash paid of £1.6m for the acquisition of Renova in Brazil, which was funded by the issue of subordinated shareholder loan notes (2014: £24.6m investment in Turkey)
- Cash receipts of £3.1m from Western Union on the utilisation of tax losses in the TGBP business sold in 2011
- Other net investing activities outflow of £5.1m (2014: £5.3m inflow) relate to the purchase of Brazil government bonds which are classified as available-for-sale investments and held for short periods

Financing activities:

- Interest payments relate to the £350m senior secured notes which were issued in August 2013 and drawn down RCF. The senior notes comprise £200m at 8% fixed rate payable semi-annually plus £150m at a floating rate of 3 month Libor plus 6% payable quarterly.
- 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:

- One-off items include exceptional costs relating primarily to corporate projects including the sale of the business in 2015

Travelex worldwide money

Usable cash, free cash, net debt & liquidity

Free cash & usable cash *£m*	31 Dec 2014	31 Dec 2015
Cash and cash equivalents	505.3	437.7
Cash classified as held for sale (France)	9.7	-
Ring-fenced cash and term deposits	(39.9)	(38.2)
Short-term bank borrowings	(3.2)	(0.4)
Prepaid debit card floats	(146.6)	(140.2)
Banknotes prepayments	(20.9)	(12.3)
Unrestricted cash	**304.4**	**246.6**
Cash in tills, vaults and transit	(198.6)	(188.2)
Management estimate of regulatory cash	(15.0)	(15.0)
Free cash	**90.8**	**43.4**
Cash in business	(24.5)	(11.3)
Usable cash	**66.3**	**32.1**

Net debt *£m*	31 Dec 2014	31 Dec 2015
Fixed & floating rate notes	(343.4)	(345.6)
Drawn RCF	-	(29.9)
Finance leases & other loans	(1.4)	(0.9)
Gross debt	**(344.8)**	**(376.4)**
Free cash	90.8	43.4
Net debt	**(254.0)**	**(333.0)**

Commentary

- Cash and cash equivalents includes banknote prepayments and prepaid debit card float balances which are deducted in arriving at unrestricted cash. The increase 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
- Usable cash at 31 December 2015 of £32.1m, down from £66.3m at the end of 2014, reflecting £35.4m of cash costs primarily related to the sale of the business, £47.4m related to the acquisition of the remaining 51% of Grupo Confidence ('Brazil'), £27.4m of interest paid on the senior secured notes and £25.2m of continued capital investment to deliver the Group's strategic priorities, partially offset by £17.7m cash proceeds from the sale of the French business to UAE Exchange Limited as part of the sale of the Group and £29.9m drawing down on the revolving credit facility
- In October 2015, an important wholesale banknote supplier of the Group served notice to terminate a key agreement to supply wholesale banknotes which provided significant working capital benefits, to one of the Group's UK subsidiaries by late June 2016, in accordance with a contractual break clause. The Group is currently negotiating mutually acceptable terms under which the supply agreement could be extended and is confident of successfully concluding the negotiations
- The Group has a committed senior credit facility available of £90.0m under which the Group can draw down up to £59.9m which will incur interest on utilised amounts at Libor plus 3.5% and the remaining £30.1m is available to be utilised by guarantees issued on behalf of the Group. Balances outstanding with key suppliers and under the revolving credit facility fluctuate significantly from day to day, primarily due to the levels of physical banknotes required for trading and value of unfulfilled customer orders. This facility is used to provide short term liquidity to meet operating cash needs. As at 31 December 2015, the facility has £29.9m drawn down and £29.9m has been placed as guarantees.

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Summary and conclusions

- Travelex has delivered a resilient performance despite the continued strengthening of Sterling during 2015 negatively impacting the translation of revenues and profits earned outside the UK and the impact of our increased digital investment
  - Core Group Revenue increased by 2% to £734.0m (6% increase to £763.6m at CER)
  - Core Group EBITDA before the digital investment in Payments & Technology increased by 4% to £89.2m (10% increase to £94.8m at CER)
  - Overall Core Group EBITDA decreased by 3% to £83.2m, impacted by the economic downturn in Brazil and an additional £6.0m investment in Payments & Technology (3% increase to £88.8m at CER)
  - Retail revenue up 8% and EBITDA up 20% at CER with growth across all channels, including the acquisition of Turkey, which more than offset the transfer of a significant contract to Wholesale & Outsourcing. Retail like-for-like revenue growth of 5% with growth across all channels
- Step change in Payment & Technology investment supporting new innovations and further multi-channel growth
  - Launch of the Supercard pilot programme and the development of the Travel Money App
  - Overall increase in online and mobile revenue of 18%
  - International money transfer (payment) product on track for launch in 2016
- In July 2015 Travelex became the sole provider of Foreign Currency, ATMs and DCC services across all five terminals in Heathrow Airport and now operates 56 stores and 90 ATMs
- In July 2015 Travelex was awarded approval to conduct the import and export of banknotes in China and provide wholesale banknotes across the country
- During the year, the Group signed an agreement with Post Office Bank in France allowing customers to order online through Travelex website
- On 25 February 2016, the Group entered into a binding agreement to dispose of its 100% shareholding in Travelex Outsourcing Pty Ltd (Currency Select) for gross proceeds of AUD65.0m (c.£34.8m)

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	Dec 2015	Travellers' Cheques[1]	Apax Goodwill	Dec 2015 excl. Travellers' Cheques and Apax Goodwill	Dec 2014 (restated) excl. Travellers' Cheques and Apax Goodwill
Intangible assets	397	-	239	158	177
Property, plant & equipment	43	-	-	43	42
Investments	22	22	-	-	-
Financial assets	96	96	-	-	-
Other	27	1	-	26	30
Non current assets	**585**	**119**	**239**	**227**	**249**
Assets included in disposal group HFS [2]	**1**	-	-	**1**	**25**
Trade and other receivables	96	4	-	92	86
Cash and cash equivalents	438	37	-	401	465
Other	25	10	-	15	13
Current assets	**559**	**51**	-	**508**	**564**
Trade and other payables	(615)	(246)	-	(369)	(374)
Provisions	(23)	-	-	(23)	(16)
Financial liabilities	(3)	-	-	(3)	(48)
Other	(34)	1	-	(35)	(2)
Current liabilities	**(675)**	**(245)**	-	**(430)**	**(440)**
Net current (liabilities) assets	**(116)**	**(194)**	-	**78**	**124**
Borrowings – non-shareholder	(345)	-	-	(345)	(343)
Borrowings - shareholder	(641)	-	-	(641)	(1,178)
Other	(24)	-	-	(24)	(22)
Non current liabilities	**(1,010)**	**-**	-	**(1,010)**	**(1,543)**
Liabilities included in disposal group HFS [2]	**-**	**-**	-	**-**	**(18)**
Net liabilities	**(540)**	**(75)**	**239**	**(704)**	**(1,163)**

Commentary

- The assets and liabilities relating to the Travellers' Cheques business are excluded from the "Core Group"
- Intangible assets at 31 December 2015 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 £438m of cash and cash equivalents at Dec-15, the amount that is classified as "Usable Cash" by management is lower (£32.1m at Dec-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 £19.3m to UAE Exchange UK Limited, which were classified as Held for Sale as at 31 Dec 2014

Working capital

Working capital components

£m	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Cash in tills and vaults (incl Held for Sale; excl. CIT)	**188.7**	**150.7**	**181.2**	**165.7**	**169.2**
Debtors					
Trade receivables (excl. CIT)	44.1	75.8	104.8	161.8	47.0
Cash in transit adjustment	(3.7)	(0.1)	(1.9)	8.6	0.4
Trade receivables (incl. CIT)	40.4	75.7	102.9	170.4	47.4
Other receivables	21.8	40.5	23.3	24.9	32.2
Prepayments and accrued income	20.9	27.1	19.7	18.3	14.4
Less: Travellers' cheques amts.	(2.5)	(4.5)	(4.2)	(4.2)	(4.2)
Less: Brazil acquisition prepayment	(7.7)	-	-	-	-
Total debtors	**72.9**	**138.8**	**141.7**	**209.4**	**89.8**
Creditors					
Trade payables (excl. CIT)	(127.5)	(233.8)	(267.8)	(437.7)	(138.5)
Cash in transit adjustment	6.9	60.4	31.9	35.2	18.6
Trade payables (incl. CIT)	(120.6)	(173.4)	(235.9)	(402.5)	(119.9)
Other payables	(31.0)	(48.0)	(50.1)	(46.3)	(37.2)
Accruals and deferred income	(90.1)	(85.3)	(89.7)	(83.3)	(77.5)
Less: Banknote prepayments	20.9	12.4	4.1	170.1	12.3
Less: Travellers' cheques amounts	29.6	29.5	30.6	32.3	32.2
Add: Brazil prepaid card liability	(18.8)	(15.2)	(12.9)	(10.2)	(8.6)
Total creditors	**(210.0)**	**(280.0)**	**(353.9)**	**(339.9)**	**(198.7)**
Net working capital	**51.6**	**9.5**	**(31.0)**	**35.2**	**60.8**

Commentary

- The decrease in YTD CITVT is also as a result of greater stock initiatives at Dec 15 year-end and the weakness of the Brazilian Real affecting trade.
- The YTD increase in trade debtors is a direct result of the timing of orders placed and settled in respect of the wholesale banknote business.
- The YTD increase in trade creditors is due to the timing of the WBN orders and the Retail business now being supplied by TCS.

Travelex worldwide money

Reconciliation from Core Group Revenue to Statutory Revenue

Reconciliation to Statutory Revenue[1]

£m, full year ended 31 December	2014	2015
Core Group Revenue	**721.5**	**734.0**
Joint Venture adjustment for equity accounting	(33.9)	(42.2)
Travellers' Cheques	2.1	2.7
Disposal of French business	-	(40.9)
Other adjustments	3.6	2.1
Statutory Revenue	**693.3**	**655.7**

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, full year ended 31 December	**2014**	**2015**
Operating profit/(loss)	29.7	(12.3)
Depreciation and amortisation	24.4	25.3
Exceptional items and non-underlying adjustments	25.6	58.6
Net gain on sale of subsidiary	-	(4.8)
Underlying EBITDA *(per the consolidated financial statements)*	**79.7**	**66.8**
Joint Venture adjustment for equity accounting[2]	5.2	9.1
Adjustment for French disposal	-	3.1
Travellers' Cheques	(1.7)	3.4
Share based payment charge (non-cash)	3.1	0.8
Other adjustments	(0.4)	-
Core Group EBITDA (100% of JVs and France)	**85.9**	**83.2**
Adjustment for proportion of Non-Consolidated JVs	(2.6)	(4.3)
Adjustment for French disposal	-	(3.1)
Other adjustments	(1.4)	-
Adjusted EBITDA**	**81.9**	**75.8**

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.*

Travelex worldwide money

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

Financial summary

£m, full year ended 31 December	2014	2015
Core Group EBITDA	**85.9**	**83.2**
Adjustments to arrive at Underlying EBITDA *(see further reconciliation on previous page)*	(6.2)	(16.4)
Underlying EBITDA *(per the consolidated financial statements)*	**79.7**	**66.8**
Operating exceptional items and non-underlying adjustments	(25.6)	(53.8)
Operating profit before depreciation, amortisation, interest and tax	**54.1**	**13.0**
Depreciation	(14.5)	(14.1)
Amortisation of intangible assets	(6.1)	(8.2)
Amortisation of customer relationships and other intangible assets acquired in business combinations	(3.8)	(3.0)
Share of profit in equity accounted investments	2.1	3.4
Net finance costs (cash – pay)	(25.9)	(27.3)
Net finance costs (non-cash – pay)	(140.5)	(82.2)
Exceptional items and non-underlying adjustments reported within finance income (costs)	2.3	4.2
Tax	(13.4)	(8.3)
Discontinued	0.6	1.6
Statutory loss after tax	**(145.1)**	**(120.9)**

Commentary

- Amortisation of intangible assets has increased in the year ended 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 and non-underlying adjustments relate primarily to legal, onerous contracts and professional fees incurred for corporate projects associated with preparing for the sale of the Group to UTX Holdings Ltd.

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

Underlying finance costs and income

£m, full year ended 31 December	2014	2015
Finance costs		
Shareholder Loans and preference shares	143.2	81.0
FX losses	-	-
Movement in Brazil Redemption Liability	1.4	-
Interest on senior secured notes	26.0	26.0
Interest on RCF	-	1.9
Other interest costs	4.4	5.2
Total finance costs	**175.0**	**114.1**
Finance income		
FX gains	8.1	1.8
Interest receivable	0.5	2.8
Total finance income	**8.6**	**4.6**
Net finance costs	**166.4**	**109.5**
Analysed as:		
Cash- pay	25.9	27.3
Non cash pay	140.5	82.2

Commentary

- Ongoing cash-pay finance costs include:
  - The interest costs of the senior secured notes
  - The interest costs of the funds drawn down on the RCF
  - Other interest costs in the year relate primarily to the fees incurred on non-utilisation of the RCF prior to draw down as well as the amortisation of costs related to the 2013 financing
  - 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 £639.6m at 31 December 2015, resulting in a reduction in non-cash pay finance costs

Travelex worldwide money

Further reconciliations

Reconciliation of Usable cash flow from operating activities to applicable statutory measure

£m, full year ended 31 December	2014	2015
Cash flow from operating activities (statutory measure)	**33.0**	**2.7**
Cash paid on investment in joint ventures net of dividends and loan received	(2.5)	5.2
Movement in cash held in tills and vaults (excl. CIT)	(19.9)	(7.4)
Movement in banknotes prepayments	(8.1)	8.6
Movement in cash and deposits held for the Travellers' Cheques business	10.8	3.4
Movement in prepaid card float deposits	20.3	11.4
Movement in cash in business	(2.6)	10.0
Add: cash exceptional items	20.9	35.4
Usable cash flow from operating activities	**51.9**	**69.3**

FX Rate Summary

	Average FX rate for the year ended 31 December 2014	Average FX rate for the year ended 31 December 2015	% movement	FX rate as at 31 December 2014	FX rate as at 31 December 2015	% movement
EUR	1.25	1.38	10%	1.29	1.36	5%
USD	1.65	1.53	(7)%	1.56	1.47	(6)%
JPY	175.25	184.47	5%	186.94	177.28	(5)%
AUD	1.83	2.04	11%	1.90	2.03	7%
BRL	3.88	5.17	33%	4.14	5.84	41%
TRY	3.60	4.19	16%	3.65	4.30	18%