

Mizzen Mezzco Limited

Results for the quarter ended June 30, 2015

Key Financials

(£ in millions, except percentages and ratios)	For the quarter ended June 30, 2015	For the quarter ended June 30, 2014	Increase / (Decrease)
	(unaudited)	(unaudited)	(unaudited)
Turnover	31.1	28.5	2.6
EBITDA.....	16.4	15.1	1.3
Adjusted EBITDA ^(a)	19.8	18.1	1.7
Adjusted EBITDA Margin ^(a)	63.6%	63.5%	0.1%
Adjusted Post-Securitisation EBITDA ^(b)	15.1	11.7	3.4
Adjusted Post-Securitisation EBITDA Margin ^(b)	48.6%	41.1%	7.5%
Cash Conversion ^(c)	94.7%	98.0%	(3.3)%

(£ in millions, except percentages and ratios)	For the six months ended June 30, 2015	For the six months ended June 30, 2014	Increase / (Decrease)
	(unaudited)	(unaudited)	(unaudited)
Turnover	61.7	56.4	5.3
EBITDA.....	29.4	31.4	(2.0)
Adjusted EBITDA ^(a)	38.8	36.0	2.8
Adjusted EBITDA Margin ^(a)	62.9%	63.9%	(1.0)%
Adjusted Post-Securitisation EBITDA ^(b)	29.4	23.3	6.1
Adjusted Post-Securitisation EBITDA Margin ^(b)	47.7%	41.4%	6.3%
Cash Conversion ^(c)	94.1%	93.3%	0.8%

Highlights for the quarter ended June 30, 2015

The key trading highlights for the Continuing Operations for the quarter ended June 30, 2015 were as follows.

- We have increased the overall size of our net advances by 4.8%, from £808 million for the quarter ended June 30, 2014 to £848 million for the quarter ended June 30, 2015, due to the combination of relationships established with new intermediaries and greater penetration with our existing intermediaries.
- Group turnover increased by £2.6 million, or 9.2%, from £28.5 million for the quarter ended June 30, 2014 to £31.1 million for the quarter ended June 30, 2015. This increase is due to increased net advances of 4.8% and increased cost recovery for specific activities through new fee initiatives.
- Administrative expenses increased by £1.2 million, from £15.5 million (£1.6 million bad debts / £13.9 million other expenses) for the quarter ended June 30, 2014 to £16.7 million (£1.5 million bad debts / £15.2 million other expenses) for the quarter ended June 30, 2015. This increase is primarily driven by change of ownership cost and our investment in growth with emphasis on enhancing our Information Technology infrastructure and Sales Organisation.
- Securitisation funding cost decreased by £1.7 million, or 26.6%, from £6.4 million for the quarter ended June 30, 2014 to £4.7 million for the quarter ended June 30, 2015, as we extended and amended the term of our securitisation facility; with effect from 1 July 2015 the facility has been reduced from £1.15 billion to £1.05 billion following the exit of Deutsche Bank and has been extended to September 25, 2018. As part of this, we took advantage of the favorable capital market environment and reduced the cost of the facility by £9.7 million annually.

Highlights for the six month period ended June 30, 2015

The key trading highlights for the Continuing Operations for the six month period ended June 30, 2015 were as follows.

- We have increased the overall size of our net advances by 4.4%, from £1,566 million for the six month period ended June 30, 2014 to £1,634 million for the six month period ended June 30, 2015, due to the combination of relationships established with new intermediaries and greater penetration with our existing intermediaries.
- Group turnover increased by £5.3 million, or 9.4%, from £56.4 million for the six month period ended June 30, 2014 to £61.7 million for the six month period ended June 30, 2015. This increase is due to increased net advances of 4.4% and increased cost recovery for specific activities through new fee initiatives.
- Administrative expenses increased by £12.9 million, from £28.1 million (£2.9 million bad debts / £25.2 million other expenses) for the six month period ended June 30, 2014 to £41.0 million (£3.1 million bad debts / £37.9 million other expenses) for the six month period ended June 30, 2015. This increase is primarily driven by change of ownership cost and our investment in growth with emphasis on enhancing our Information Technology infrastructure and Sales Organisation.
- Securitisation funding cost decreased by £3.3 million, or 26.0%, from £12.7 million for the six month period ended June 30, 2014 to £9.4 million for the six month period ended June 30, 2015, as we extended and amended the term of our securitisation facility; and with effect from 1 July 2015 the facility has been reduced from £1.15 billion to £1.05 billion following the exit of Deutsche Bank and the facility has been extended to September 25, 2018. As part of this, we took advantage of the favorable capital market environment and reduced the cost of the facility by £9.7 million annually.