

Mizzen Mezzco Limited

Results for the quarter ended March 31, 2014

Key Financials

(£ in millions, except percentages)	For the quarter ended March 31, 2013	For the quarter ended March 31, 2014	% Increase/ (Decrease)
	(unaudited)	(unaudited)	(unaudited)
Group Turnover.....	25.7	27.9	8.4%
Group Operating profit.....	14.5	15.3	5.6%
EBITDA.....	15.5	16.3	5.3%
Adjusted EBITDA.....	16.7	17.8	6.6%
Adjusted EBITDA Margin.....	65.1%	64.0%	(1.1%)
Adjusted Pro Forma Post-Securitisation EBITDA.....	10.7	11.5	7.8%
Adjusted Pro Forma Post-Securitisation EBITDA Margin.....	41.5%	41.3%	(0.2%)

Highlights for the Quarter

The key trading highlights for the continuing operations for the quarter ended March 31, 2014 were as follows:

- Quarter ended March 31, 2014 has seen a continuation of the company's solid financial performance since acquisition by GTCR. Adjusted pro forma post-securitisation EBITDA of £11.5 million increased by £0.8 million, or 7.8% over the quarter ended March 31, 2013, with the business continuing to generate a healthy cash flow. The main driver of profit growth has been the acquisition of new broker relationships and increased penetration within the existing intermediary base.
- In the quarter ended March 31, 2014 we increased the overall size of our net advances by 3.3%, from £733 million for the quarter ended March 31, 2013 to £757 million for the quarter ended March 31, 2014.
- Group turnover increased by £2.2 million, or 8.4%, from £25.7 million for the quarter ended March 31, 2013 to £27.9 million for the quarter ended March 31, 2014. This increase is due to the combination of relationships established with significant new intermediaries, greater penetration with our existing intermediaries and increased fee income.
- Administrative expenses increased by £1.3 million, or 12.0%, from £11.2 million for the quarter ended March 31, 2013 to £12.5 million for the quarter ended March 31, 2014. This increase is primarily due to higher operating cost of £1.1 million, or 14.2%, from £7.5 million for the quarter ended March 31, 2013 to £8.6 million for the quarter ended March 31, 2014 as the Company invests in growth with emphasis on enhancing its Information Technology Infrastructure and Sales Organisation. As a percentage of gross turnover, administrative expenses increased from 43.5% for the quarter ended March 31, 2013 to 45.0% for the quarter ended March 31, 2014.
- Pro forma securitisation funding cost increased by £0.3 million, or 4.6%, from £6.1 million for the quarter ended March 31, 2013 to £6.3 million for the quarter ended March 31, 2014. This increase is due to increase in drawn funds resulting from additional volumes.
- Tax on profit on ordinary activities decreased by £0.4 million from £2.0 million for the quarter ended March 31, 2013 to £1.6 million for the quarter ended March 31, 2014, related to the timing of year-end tax adjustments.

Andrew Doman, Chief Executive Officer of Mizzen Mezzco Limited commented:

"The Group delivered strong underlying EBITDA growth during the quarter as we continue to see growth in turnover."