Mizzen Mezzco Limited

Results for the quarter and year ended December 31, 2015

Introduction

The Group has continued to make good progress in 2015. We have delivered a positive financial performance, and improvement in our key performance ratios. As well, we are making progress against a number of our key strategic initiatives, developing the foundations to better meet our customers' needs, and to sustain business growth and value creation.

Key Financial Results

(£ in millions, except percentages and ratios)	For the twelve months ended December 31, 2015 (audited)	For the twelve months ended December 31, 2014 (audited)	Increase / (Decrease) (audited)
Advances	3,423.5	3,296.3	127.2
Turnover	126.6	118.4	8.2
EBITDA	68.7	66.7	2.0
Adjusted EBITDA[a]	84.0	75.2	8.8
Adjusted EBITDA Margin[a]	66.4%	63.5%	2.9%
Adjusted Post-Securitisation EBITDA[b]	66.2	50.9	15.3
Adjusted Post-Securitisation EBITDA Margin[b]	52.3%	43.0%	9.3%
Cash Conversion[c]	91.9%	94.4%	(2.5%)

a. Adjusted EBITDA represents EBITDA as adjusted for certain transaction costs, one-time information technology and other expenses, Adjusted EBITDA margin as a % of Turnover.

b. Adjusted Post-Securitisation EBITDA adjusted for funding costs; Adjusted Post-Securitisation EBITDA margin as a % of Turnover.

c. Free Cash Flow represents Adjusted Post-Securitisation EBITDA – CapEx; Cash conversion as % of Adjusted Post-Securitisation EBITDA.

(£ in millions, except percentages and ratios)	For the quarter ended December 31, 2015 (unaudited)	For the quarter ended December 31, 2014 (unaudited)	Increase / (Decrease) (unaudited)
Advances	800.4	784.5	15.9
Turnover	33.3	31.4	1.9
EBITDA	21.2	18.1	3.1
Adjusted EBITDA[a]	24.3	20.4	3.9
Adjusted EBITDA Margin[a]	73.0%	65.0%	8.0%
Adjusted Post-Securitisation EBITDA[b]	20.1	15.5	4.6
Adjusted Post-Securitisation EBITDA Margin[b]	60.4%	49.3%	11.1%
Cash Conversion[c]	83.3%	93.2%	(9.9%)

Highlights for the twelve month period ended December 31, 2015

The key trading highlights for the Continuing Operations of the Group for the twelve month period ended December 31, 2015 were as follows.

- We have increased the overall size of our net advances by £127.2 million, or 3.9%, to £3,423.5 million for the twelve month period ended December 31, 2015 (from £3,296.3 million for the twelve month period ended December 31, 2014), due to the combination of relationships established with new intermediaries and greater penetration with our existing intermediaries.

- Group turnover increased by £8.2 million, or 6.9%, to £126.6 million for the twelve month period ended December 31, 2015 (£118.4 million for the twelve month period ended December 31, 2014). This increase is driven by increased net advances of 3.9%.

- Administrative expenses increased by £16.8 million to £78.1 million (£5.9 million bad debts / £72.2 million other expenses) for the twelve month period ended December 31, 2015 (£61.3 million (£4.9 million bad debts / £56.4 million other expenses) for the twelve month period ended December 31, 2014). 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.

- EBITDA increased by £2.0 million or 3.0% to £68.7 million for the twelve month period ended December 31, 2015 (£66.7 million for the twelve month period ended December 31, 2014). Adjusted post-securitisation EBITDA increased £15.3 million or 30%. The 6.9% growth in turnover combined with the positive operating leverage of the Group is driving this increase.

- Securitisation funding cost decreased by £6.4 million, or 26.5%, to £17.8 million for the twelve month period ended December 31, 2015 (£24.2 million for the twelve month period ended December 31, 2014), 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.

Highlights for the quarter ended December 31, 2015

The key trading highlights for the Continuing Operations for the quarter ended December 31, 2015 were as follows.

- We have increased the overall size of our net advances by £15.9m, or 1.9%, to £800.4 million for the quarter ended December 31, 2015 (£784.5 million for the quarter ended December 31, 2014), due to the combination of relationships established with new intermediaries and greater penetration with our existing intermediaries.

- Group turnover increased by £1.9 million, or 6.1%, to £33.3 million for the quarter ended December 31, 2015 (£31.4 million for the quarter ended December 31, 2014). This increase is driven by increased net advances of 1.9%.

- Administrative expenses increased by £3.4 million, to £21.8 million (£2.5 million bad debts / £19.3 million other expenses) for the quarter ended December 31, 2015 (£18.4 million (£0.9 million bad debts / £17.5 million other expenses) for the quarter ended December 31, 2014). 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.

- EBITDA increased by £3.1 million or 17.1% to £21.2 million in the quarter ended December 31, 2015 (£18.1 million for the quarter ended December 31, 2014). Adjusted post-securitisation EBITDA increased £4.6 million or 29.7%. The 6.1% growth in turnover combined with the positive operating leverage of the Group is driving this increase.

- Securitisation funding cost decreased by £0.7 million, or 14.3%, to £4.2 million for the quarter ended December 31, 2015 (£4.9 million for the quarter ended December 31, 2014), 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.