WorldPay Group[1]

Unaudited results for the six months ended 30 June 2013

	6 months to 30 June 2013 £m	6 months to 30 June 2012 £m
Revenue	1,627.8	1,492.4
Underlying EBITDA[2]	155.1	139.5
Loss before tax	(142.7)	(42.5)
Net cash flow from operating activities	97.3	92.5
Net debt	(1,623.2)	(1,352.8)

- Revenue increased by 9.1% year on year with growth in all businesses.
- Increase in underlying EBITDA of 11.2% as a result of strong revenue growth and careful cost control.
- Strong cash generation from operations supports continued investment in people and IT infrastructure.
- Refinancing completed in May 2013, simplifying debt structure and reducing future finance costs.
- £328m repaid to shareholders in May 2013.
- US business to be retained by the Group following conclusion of strategic review.
- Detailed design of new platform completed leading to delay in separation from RBS.

Philip Jansen, Group Chief Executive Officer, said:

"These are a good set of results for the WorldPay Group, demonstrating that we are on track to deliver in line with our expectations. We have continued to invest in technology and innovation throughout the period to ensure we are well-placed to deliver our ambitious growth projections, as well as insight and advantage to our global customer base in a rapidly changing market place.

We have gained market share in our Streamline business and the acquisition of YESpay will allow us to offer even more advanced products and services to both existing and new customers.

In our global eCommerce business, we have seen particularly strong growth across all sectors and all products, with some significant new customer wins, including Abercrombie & Fitch and Agoda.

Our US business continued to perform well through the strategic review. Following the conclusion of the strategic review, we have decided not to sell this business. We believe its growth potential and value means it would be better if it remains part of the Group."

[1] WorldPay Group is the trading name for the group of companies owned by Ship Luxco Holding & CY S.C.A, a company incorporated and registered in Luxembourg.
[2] Underlying EBITDA is defined as earnings before interest, tax, depreciation and amortisation. It also excludes separately disclosed items (see note 5). Underlying EBITDA is considered by management to give a fairer view of the year on year comparison of trading performance.

OPERATING REVIEW

Strong financial results

Revenue in the six months ended 30 June 2013 was £1,627.8m (2012: £1,492.4m). Underlying EBITDA was £155.1m (2012: £139.5m). The 9.1% and 11.2% increase year on year respectively was attributable to strong growth in all operating divisions, together with careful cost control.

The revenue growth comes despite the global economic conditions and continued pressure on consumer spending. In Streamline, we have seen an encouraging turnaround in performance, and our focus on, and investment in, customer retention is starting to pay dividends. In addition, we have gained market share from our competitors, most notably with the success of winning the Sainsburys acquiring business.

In eCommerce, we have seen significant growth in the period across all our sectors and product lines. The Retail and Airline sectors have performed particularly well with increased volumes from customers including AliExpress and Emirates.

In the US, revenue and underlying EBITDA were well ahead of the prior year, but there is still more to be done. Management has put in place action plans to improve retention and capture our share of the growth in the largest acquiring market in the world.

Acquisition of YESpay

On 6 March 2013, the Group acquired YESpay Group, a provider of technologically advanced payments systems. The acquisition allows WorldPay to expand its product and service offering to both existing and new customers by combining YESpay's innovative technology with the speed and reliability of the Streamline platform for card processing, giving customers a one-stop solution for payment processing.

Strategic review of US business completed

As part of a strategic review undertaken during 2012, the Group decided to explore potential disposal options for its US operations. Following the conclusion of the strategic review, we have decided that the US business should be retained, as we believe the growth potential and value of WorldPay US means it would be better if it remains part of the WorldPay Group.

WorldPay Zinc launched

On 27 June 2013, the Group launched WorldPay Zinc, a pay-as-you-go card acceptance service designed specifically to meet the needs of the UK's smallest businesses and start-ups.

Very small businesses have traditionally been unable to justify the costs associated with accepting payment cards due to the infrequent volume of payments that they would take and the monthly financial commitment. The new pay-as-you-go service removes these cost barriers, so these very small businesses only pay for the transactions they accept, and are therefore able to accept card payments for the first time.

As these businesses are completely new to cards, they represent an exciting new growth opportunity for WorldPay, one which complements the existing face-to-face proposition offered by our Streamline business.

Detailed design of new technology platform completed

In late 2010 when the business was acquired from RBS, the Group embarked on a complex programme of work to separate from RBS, both operationally and technologically. Initial estimates suggested that this separation programme would cost approximately £320m and be completed in late 2013.

The detailed design work for the new operating platform was substantially completed in May 2013. This new design offers significantly enhanced capability to better serve our customers' needs. A review of the time needed to complete the construction of this more capable, and significantly larger, platform indicates that we will not be able to migrate our data from, and sever our remaining connections with, the existing RBS-hosted processing platform on the originally envisaged timetable.

Work continues to define a new timeline for completion. This will provide clarity over our separation planning and revised costs. As a result of the extension of the timeline and the larger design envisaged, we now believe that costs will be higher than the initial estimate for the platform construction suggested.

The Board remains confident that separation will be achieved and that the new platform will deliver sophisticated revenue management and billing solutions, coupled with powerful, yet user-friendly, analytical capabilities for our customers. Our customers, and the quality of the services we offer, remain our number one priority. Every day they entrust us with a vital component of their businesses and the revised implementation plan will be designed to ensure that we do not put at risk our service quality.

New London headquarters

In June 2013, the Group signed a 15 year lease for a new London headquarters. This will allow us to consolidate our current London portfolio of four offices and around 1,000 staff into one single location that is fully equipped to meet our developing needs. Relocation to the new headquarters is expected to commence later this year.

Board and management changes

As announced in December 2012, Philip Jansen was appointed as Chief Executive Officer from April 2013. Ron Kalifa, the Group's previous Chief Executive Officer, assumed a new position of Deputy Chairman at the same time.

Darren Wilson, Managing Director of the Group's Streamline business, will step down from his position later this year and will be replaced by Dave Hobday. Dave will be joining the Group from British Telecom where he is currently Managing Director of BT Enterprises, responsible for a worldwide portfolio of businesses and sitting on both the Retail and Global Services Boards.

Following the completion of the detailed design work for the new operating platform in May 2013, we took the decision to bring together Technology and Transformation into one team, to drive an aligned function with clear accountability and improved efficiencies. Rob Hornby, Chief Transformation Officer, is leading the merged team and has been appointed to the newly created role of Chief Information Officer. Erik Toivonen, Chief Technology Officer, left the business in June 2013.

Pete Smith, Chief Human Resources Officer, also left the business in June 2013 and is replaced by Andy Doyle. Andy brings with him a wealth of experience and joins us from ITV plc, where he was Group HR Director. Andy's focus will be on investment in people which is vital to our strategy as we continue our journey to become the world's leading independent payment processing company.

In addition, the Group has appointed Simon Gulliford as Group Marketing Director. Simon is leading a piece of work to define WorldPay's brand strategy, having successfully completed similar projects at Easyjet and Barclays.

Current trading and outlook

The results for the first six months of the year were good and the outlook for the remainder of the year is encouraging. The Group has continued to make significant investments in both technology and people to drive innovation and offer our customers the opportunity to anticipate emerging market trends and requirements. As a result, the Board believes that WorldPay will continue the pattern of growth established since its acquisition from RBS and is on track to meet its expectations for underlying EBITDA for the full year.

Our Streamline business is well placed for continued future growth due to its wide customer base; renewed focus on innovation; and its success in generating new business.

The global internet payments market is expected to continue to grow across all geographic regions. We believe that our eCommerce business will be able to take full advantage of this growth because of its global reach, capability and comprehensive suite of products and services.

The US acquiring market remains one of the largest in the world and is predicted to continue to grow strongly. With the plans we have put in place to improve the retention of existing customers in the US acquiring business, as well as attracting new business through improved sales force performance, we believe that we are well-placed to benefit from this growth.

FINANCIAL REVIEW

Group financial results and performance review

	6 months to 30 June 2013 £m	6 months to 30 June 2012 £m	Year on year change £m
Revenue	1,627.8	1,492.4	135.4
Underlying EBITDA[3]	155.1	139.5	15.6
Underlying profit before tax	45.4	36.4	9.0
Separately disclosed items	(188.1)	(78.9)	(109.2)
Loss before tax	(142.7)	(42.5)	(100.2)
Net cash flow from operating activities	97.3	92.5	4.8
Net debt (as at 30 June)	(1,623.2)	(1,352.8)	(270.4)

Revenue and underlying EBITDA

Revenue in the period at £1,627.8m (2012: £1,492.4m) was £135.4m higher than the comparative prior year period. The 9.1% increase reflects strong year on year trading performances in all of our businesses.

Underlying EBITDA at £155.1m (2012: £139.5m) was up £15.6m year on year. The 11.2% improvement reflects the strong revenue growth, together with good central cost control.

A divisional review of performance is included later in this section.

Separately disclosed items

Separately disclosed items in the period amounted to £188.1m (2012: £78.9m) and consist of exceptional operating items, translational FX gains and losses, amortisation of business combination intangibles, and exceptional finance costs. These are costs or profits that have been recognised in the period which management believes, due to their nature or size, should be disclosed separately to give a more comparable view of the year on year underlying trading performance. FX gains and losses and amortisation of business combination intangibles are expected to recur each year, whereas exceptional operating items and exceptional finance costs are expected to be largely non-recurring.

[3] Underlying EBITDA is defined as earnings before interest, tax, depreciation and amortisation. It also excludes separately disclosed items (see note 5). Underlying EBITDA is considered by management to give a fairer view of the year on year comparison of trading performance.

The table below summarises the separately disclosed items which have been included in the interim accounts.

	6 months to 30 June 2013 £m	6 months to 30 June 2012 £m
Exceptional operating items		
Separation – Platform	20.1	20.3
Separation – Other	4.1	6.5
Reorganisation and restructuring costs	18.7	10.4
Other exceptional operating items	11.9	3.9
	54.8	41.1
Foreign exchange losses/(gains)	9.3	(3.5)
Total affecting EBITDA	**64.1**	**37.6**
Amortisation of business combination intangibles	**36.1**	**41.3**
Exceptional finance costs		
Make-whole payment on subordinated debt	26.5	-
Accelerated discount unwind on yield free preferred equity certificates	45.8	-
Write-off of previously capitalised finance costs	12.6	-
Write-off of fair value adjustments	3.0	-
	87.9	**-**
Total separately disclosed items	**188.1**	**78.9**

Total costs of separation in the period amounted to £24.2m (2012: £26.8m), of which £20.1m relates to the investment we are making to re-platform our technology infrastructure and provide technological independence from RBS. Total costs incurred to date on the re-platforming programme are £185.1m, of which £115.2m have been included within tangible and intangible assets on the balance sheet, with the remainder charged directly to the income statement. Other costs of separation include consultancy, property and remediation costs incurred in separating the business operations from RBS.

As well as separation from RBS, the Group has incurred significant costs in restructuring and reorganising the business to put us in the best position to continue to achieve our ambitious growth plans. This includes redundancy costs incurred, most notably in moving the finance and risk back office functions from London to a newly established business services hub in Manchester. Also included are the costs incurred in attracting the high calibre senior executives we need to drive the business forward, as well as consultancy spend incurred in helping to define and plan the execution of our growth plans. In addition, we have recognised £4.5m of provisions for onerous leases and dilapidations on our London portfolio which arise as a result of signing the lease for our new London headquarters.

Other exceptional operating items includes £2.7m of losses incurred in setting up the WorldPay Zinc business and £5.2m of costs incurred directly as a result of the strategic review of our US business.

The majority of the £54.8m exceptional operating items will affect cash.

During the period, the Group incurred £9.3m (2012: gain of £3.5m) of non-cash translational FX losses due to the structural currency imbalance arising from the composition of the Group's external debt and the structure of its intercompany loans. The Group does not currently hedge its balance sheet translation risk.

The £36.1m of non-cash amortisation of business combination intangibles (2012: £41.3m) largely arises from the carve-out of the business from RBS.

Exceptional finance costs in the period were £87.9m (2012: £nil) and arose as a result of the debt refinancing completed in May 2013. £26.5m of the charges relate to a make-whole payment[4] that was payable on repayment of the subordinated debt. Other refinancing-related charges include £61.4m of non-cash items as we accelerated the unwind of the discounting on the repaid portion of the yield-free preferred equity certificates (£45.8m), and wrote-off previously capitalised financing cost (£12.6m) and fair value adjustments (£3.0m).

Refinancing and finance costs

On 16 May 2013, the Group completed a refinancing of its debt, which significantly simplified the Group's debt structure, as well as extending the tenure of the debt and reducing the future finance costs. The refinancing raised approximately £700m of additional bank debt which was denominated as follows: £250m, €161m and US$479m.

The additional bank debt raised allowed the Group to repay its expensive subordinated debt (£373.5m, including a make-whole payment of £26.5m); a significant proportion of its yield-free preferred equity certificates (£200.0m); and accrued interest on its interest-bearing preferred equity certificates (£35.0m). In addition, a £93.0m of share premium was repaid to the shareholders.

Fees of £15.6m were paid in connection with the refinancing and have been capitalised against the debt.

Finance costs in the period were £165.9m (2012: £73.8m), of which £87.9m relates to the refinancing and has been classified as exceptional finance costs. These are discussed above. The underlying finance costs at £78.0m were broadly in line with the prior year and reflect interest payable on the senior loans and subordinated debt, together with the non-accelerated element of the unwind of the discounting on the yield-free preferred equity certificates, amortisation of capitalised finance costs and fair value losses.

Loss before tax

The loss before tax for the period was £142.7m (2012: £42.5m). The increase year on year reflects the increase in exceptional operating items and the exceptional finance costs associated with the refinancing.

Tax

The tax charge for the six months ended 30 June 2013 was £2.7m (2012: tax credit of £3.1m). Income tax is recognised by reference to management's best estimate of the weighted average annual income tax rate expected for the full financial period applicable to each Group entity. Account is also taken of the effect of adjustments to tax provisions made in respect of the amortisation of business combination intangibles, and of the recognition of interest on preferred equity certificates issued by the Group. The charge for the period is principally affected by taxable profits arising in the US and the Netherlands, and by tax losses arising in the UK.

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[4] A lump sum payment derived from a formula based on the net present value (NPV) of future coupon payments that will not be paid because of early repayment of the debt.

Cash and net debt

The net cash generated from operations in the period was £97.3m (2012: £92.5m). The increase on the prior year period reflects higher underlying EBITDA being largely offset by increased exceptional costs.

Net expenditure on tangible fixed assets and software in the period was £59.8m (2012: £67.7m) and includes £35.5m of hardware purchases and costs incurred in the development of our new technology platform.

During the period, the Group also acquired the business and assets of YESpay, a provider of technologically advanced payments systems, for consideration and associated costs (net of cash acquired) of £17.6m.

As discussed earlier, the Group also completed its debt refinancing during the period, raising approximately £700m additional bank debt which was then used to repay £373.5m subordinated debt and associated interest; £200.0m of yield-free preferred equity certificates; £35.0m of accrued interest on the interest-bearing preferred equity certificates; and a repayment of £93.0m of share premium.

Net debt at 30 June 2013 comprised £146.0m of own cash; £1,622.6m of bank borrowings; £115.3m of interest-bearing and yield-free preferred equity certificates; and £31.3m of obligations under finance leases. Net debt was therefore £1,623.2m compared with £1,352.8m at 30 June 2012 and £1,202.8m at 31 December 2012. The increase year on year reflects the refinancing and subsequent share premium repayment. The movement from 31 December also reflects the refinancing as well as some movement in working capital resulting from seasonality (Christmas and New Year peak retail trading volumes generally lead to higher creditor balances at 31 December than at 30 June).

Divisional performance review

Divisional performance presented here is based on underlying financial performance before separately disclosed items. The narrative in this section is also provided on this underlying basis.

	6 months to 30 June 2013 £m	6 months to 30 June 2012 £m	Year on year change £m
Revenue			
Streamline	526.0	485.6	40.4
eCommerce	303.5	276.9	26.6
WorldPay US	797.1	729.7	67.4
Corporate	1.2	0.2	1.0
Group Revenue	**1,627.8**	**1,492.4**	**135.4**
Underlying EBITDA[5]			
Streamline	118.9	113.9	5.0
eCommerce	80.7	72.6	8.1
WorldPay US	34.1	28.1	6.0
Corporate	(78.6)	(75.1)	(3.5)
Group Underlying EBITDA	**155.1**	**139.5**	**15.6**

Streamline

Streamline supports businesses of all sizes with the ability to accept and process credit and debit card payments. It services a quarter of a million merchants ranging from sole traders to major national high street retailers. It provides a comprehensive payment processing service enabling the capture of both card holder present and card holder not present transactions.

Streamline generates its revenue through merchant acquiring, rental of terminals, and the sale of related products and services. The business is managed through two channels, as follows:

- Small and Medium Enterprises (SME) - covering companies with turnover of up to £250k per annum and typically one or two locations; and
- Corporate - consisting of larger customers ranging from national retailers to smaller multi-location customers such as restaurant chains.

Since the carve-out from RBS, we have invested in rebuilding the Streamline business to face the challenges inherent in a market hampered by economic austerity. We are revitalising every aspect of our business so that our customers can take advantage of the scale and depth of our payments' expertise. Our continuing investment programme will allow the full spectrum of our merchants to take advantage of the breadth of our operations, whilst offering each the opportunity to benefit appropriately from new and improved services, sharper market insight, and increasing ease of use.

[5] Underlying EBITDA is defined as earnings before interest, tax, depreciation and amortisation. It also excludes separately disclosed items (see note 5). Underlying EBITDA is considered by management to give a fairer view of the year on year comparison of trading performance.

	6 months to 30 June 2013	6 months to 30 June 2012	Year on year change
Financial (£m)			
Revenue	526.0	485.6	40.4
Underlying EBITDA	118.9	113.9	5.0
Non-financial			
Acquiring transactions (m)	2,087.0	2,003.2	83.8
Net acquiring margin	0.11%	0.10%	0.01%

During the period, the Streamline business performed well, with both revenue and underlying EBITDA ahead of the prior year period.

Transaction volumes grew by 4.2% year on year with both SME (+6%) and Corporate channels (+4%) showing growth. The growth in SME was partly attributable to increased new business signings, but also to improved retention performance which is a direct result of the investment we made in building a new retention team in our operations centre in Gateshead. In our Corporate business, we also benefitted from new business wins. One such win that went live during 2013 was Sainsburys, for whom we now process approximately 8m credit transactions per month.

Revenue grew by 8.3% over the period due partly to the volume growth discussed above. In addition, we were able to generate extra revenue from our customers through the provision of additional value-added services, including compliance and assurance services. Margins also improved slightly due to a mix shift towards more credit card transactions. These gains were partially offset by a 3% decline in average transaction values in the Corporate channel, driven by discounting in the major supermarkets and squeezed consumers limiting spending in the continuing tough economic climate.

Overheads increased by £3.2m year on year as we continued to invest in people and capability to drive the business forward and build for the future. Underlying EBITDA was £118.9m, an increase of £5.0m, or 4.4% on the prior year period.

The Cardsave business, which we acquired in December 2010, is performing well and contributed £16.7m to the revenue (2012: £14.1m) and £7.9m to the underlying EBITDA (2012: £5.9m) figures shown above.

eCommerce

WorldPay's eCommerce business provides global internet payment solutions to merchants, facilitating the acceptance of payments for online (card holder not present) transactions in 148 countries and 120 currencies and offering the widest solution of electronic payment types in the market. It processes payments for many of the world's leading global businesses.

Our strategy of focusing globally on specific vertical markets and leading merchants has been in place for two years. It has delivered significant growth since we acquired the business. We continue to invest in understanding how our markets are developing, and in the people best able to help our clients prosper in them. Our increasing ability to provide an authoritative understanding of our clients' commercial and geographical needs provides a solid base for our ambitious plans.

The eCommerce business generates revenue from the following:

- merchant acquiring;
- the provision of payment gateway services (Gateway);
- global multi-currency credit card processing (FX);
- the widest available range of local (non-card) payment methods (Alternatives); and
- risk fees.

The eCommerce business is focussed on six key segments: Airlines; Gambling; Retail; Digital Content; Travel; and Video Games.

	6 months to 30 June 2013	**6 months to 30 June 2012**	**Year on year change**
Financial (£m)			
Revenue	303.5	276.9	26.6
Underlying EBITDA	80.7	72.6	8.1
Non-financial			
Acquiring transactions (m)	315.9	427.3	(111.4)
Gateway transactions (m)	247.0	169.0	78.0
Alternative payments transactions (m)	11.0	8.0	3.0
Risk transactions (m)	123.0	94.0	29.0
Total transactions	**696.9**	**698.3**	**(1.4)**
Net acquiring margin (%)	0.18%	0.18%	Nil

We have seen a strong start to the year in the eCommerce business with revenue significantly ahead of the prior year period and double-digit growth in underlying EBITDA.

Gross acquiring transaction numbers were down year on year by 26% driven by the loss of high volume, low value business from one large customer. Excluding this account, transaction volumes were 17% up year on year. The impact of this lost customer was more than offset by significant growth in the number of transactions processed across the other product groups, particularly Gateway, fuelled by significant growth in the Retail channel with AliExpress being the largest contributor.

Revenue increased by 9.6% year on year driven by growth in Gateway, FX and Alternatives income across all of our segments. Our global presence and continued investment in product development and innovation has ensured that eCommerce is well-placed to benefit from the underlying growth in the global internet payments market and able to meet the changing demands of our current and prospective customers.

Overheads increased by £3.6m year on year as a result of continued investment in business capabilities, product delivery and customer service. This investment will ensure that we are well-placed to deliver our ambitious future growth plans. Underlying EBITDA was £80.7m, an increase of £8.1m, or 11.2% on the prior year period.

WorldPay US (WPUS)

WPUS enables small and medium sized merchants to accept and process a broad range of electronic payments (such as credit, debit and prepaid). It has a strong position in the merchant acquiring industry and is the third largest independent, non-bank merchant acquirer and the second largest acquirer focused on the small merchant market in the US.

We have continued to invest in improving our ability to service our customers' needs with the launch of a number of new products which meet the changing needs of consumers. We have also continued to improve the underlying resilience of the business; upgrading or replacing key internal systems and up-skilling our customer-facing staff to improve our service levels.

	6 months to 30 June 2013	6 months to 30 June 2012	Year on year change
Financial (£m)			
Revenue	797.1	729.7	67.4
Underlying EBITDA	34.1	28.1	6.0
Non-financial			
Acquiring transactions (m)	1,614.0	1,498.0	116.0
Net acquiring margin	0.19%	0.21%	(0.02)%

WPUS performed well in the first six months of 2013, with both revenue and underlying EBITDA showing year on year growth.

Revenue at £797.1m was £67.4m higher than in the prior year period. Adjusting for the change in foreign currency translation rates, revenue was 6.9% higher year on year. The increase was driven by the roll-out of new value-added products and services which enabled us to generate additional revenue from existing customers. In the acquiring business, an overall increase in the number of transactions was offset by lower blended margins achieved (despite improved credit rates) as the mix of business shifted towards a higher proportion of debit transactions.

Overheads were down £1.0m year on year on a constant currency basis, driven partly by lower support headcount (following a restructuring programme undertaken in the prior year). Underlying EBITDA was £34.1m, an increase of £6.0m, or 21.4% on the prior year period. Adjusting for the impact of changes in FX translation rates, underlying EBITDA was £33.4m.

Corporate

Financial (£m)	6 months to 30 June 2013	6 months to 30 June 2012	Year on year change
Revenue	1.2	0.2	1.0
Underlying EBITDA	(78.6)	(75.1)	(3.5)

Corporate principally contains central personnel and consultancy spend. Costs increased by £4.5m year on year as we continue to invest in the growth of the business and right-size our operations following the carve-out from RBS, where many support functions were provided centrally. Careful cost control will continue to be a priority for the Group going forward to ensure our cost base remains lean and efficient, whilst retaining the ability to grow and change with the business.

PRINCIPAL RISKS AND UNCERTAINTIES

Pages 19-21 of the Group's Annual Report and Accounts 2012 contain a full description of the principal risks and uncertainties facing the Group. No new risks have been identified since the date of that Annual Report and there have been no significant changes to the Group's control environment. We are in the process of implementing a more sophisticated Enterprise Risk Management ("ERM") framework and further information will be provided on this as part of the Annual Report and Accounts 2013.

The principal risks are listed below:

- Operational risk;
- Information security risk;
- Strategic risk;
- Economic risk;
- Business continuity / disaster recovery risk;
- Separation risk;
- Reputational risk;
- Legislative risk;
- People risk;
- Health and safety risk;
- Fraud risk; and
- Financial risks including credit, liquidity, counterparty, interest rate and foreign currency risk;

Approved by the Board of Managers and signed on behalf of the Board

Manager
Desmond Mitchell
4 September 2013

Manager
Ailbhe Jennings

Appendix 1 – Condensed consolidated interim financial statements of Ship Luxco Holding & CY S.C.A for the six month period ended 30 June 2013

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
For the six month period ended 30 June 2013

		6 months to 30 June 2013			6 months to 30 June 2012		
		Underlying result	**Separately disclosed items (note 5)**	**Total**	Underlying result	Separately disclosed items (note 5)	Total
	Notes	**£m**	**£m**	**£m**	£m	£m	£m
Revenue	**4**	**1,627.8**	**-**	**1,627.8**	1,492.4	-	1,492.4
Cost of sales		**(1,297.6)**	**-**	**(1,297.6)**	(1,188.8)	-	(1,188.8)
Gross profit		**330.2**	**-**	**330.2**	303.6	-	303.6
Personnel expenses		**(103.5)**	**(17.9)**	**(121.4)**	(91.6)	(12.5)	(104.1)
Net operating expenses before depreciation & amortisation		**(71.6)**	**(46.2)**	**(117.8)**	(72.5)	(25.1)	(97.6)
EBITDA	**4**	**155.1**	**(64.1)**	**91.0**	139.5	(37.6)	101.9
Depreciation & amortisation		**(31.7)**	**(36.1)**	**(67.8)**	(29.3)	(41.3)	(70.6)
Operating profit		**123.4**	**(100.2)**	**23.2**	110.2	(78.9)	31.3
Finance costs	**6**	**(78.0)**	**(87.9)**	**(165.9)**	(73.8)	-	(73.8)
Profit/(loss) before tax		**45.4**	**(188.1)**	**(142.7)**	36.4	(78.9)	(42.5)
Tax (charge)/credit	**7**			**(2.7)**			3.1
Loss for the period				**(145.4)**			(39.4)

The accompanying notes on pages 19 to 31 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the six month period ended 30 June 2013

	6 months to 30 June 2013 £m	6 months to 30 June 2012 £m
Loss for the period	**(145.4)**	(39.4)
Currency translation movement on net investment in subsidiary undertakings	**(11.4)**	4.3
Total comprehensive income for the period	**(156.8)**	(35.1)

The accompanying notes on pages 19 to 31 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
As at 30 June 2013

	Notes	As at 30 June 2013 £m	As at 30 June 2012 £m	As at 31 Dec 2012 £m
Non-current assets				
Goodwill	8	**1,183.0**	1,154.0	957.5
Other intangible assets	8	**667.1**	706.9	565.2
Property, plant and equipment	9	**126.2**	106.4	99.7
Deferred tax assets		**4.1**	2.9	4.1
		1,980.4	1,970.2	1,626.5
Current assets				
Discontinued operations – assets held for sale	2	**-**	-	915.8
Inventory		**0.6**	-	-
Trade and other receivables		**235.3**	226.8	179.4
Scheme debtors		**2,030.2**	565.9	165.0
Current tax assets		**-**	-	2.9
Merchant float		**719.5**	709.7	749.9
Own cash and cash equivalents	12	**146.0**	214.8	130.0
		3,131.6	1,717.2	2,143.0
Current liabilities				
Discontinued operations - liabilities held for sale	2	**-**	-	(727.9)
Trade and other payables		**(134.3)**	(130.6)	(158.4)
Merchant creditors		**(2,749.7)**	(1,275.6)	(914.9)
Current tax liabilities		**(5.3)**	(3.8)	-
Derivative financial instruments		**(0.2)**	-	-
Borrowings	12	**(51.3)**	(54.4)	(51.5)
Finance leases	12	**(8.8)**	(5.4)	(5.9)
Provisions		**(17.6)**	(6.7)	(12.9)
		(2,967.2)	(1,476.5)	(1,871.5)
Non-current liabilities				
Borrowings	12	**(1,571.3)**	(1,213.0)	(966.4)
Preferred equity certificates	12	**(115.3)**	(273.1)	(289.0)
Finance leases	12	**(22.5)**	(21.7)	(20.0)
Provisions		**(3.0)**	-	-
Deferred tax liabilities		**(159.3)**	(185.5)	(123.7)
		(1,871.4)	(1,693.3)	(1,399.1)
Net assets		**273.4**	517.6	498.9
Equity				
Called-up share capital		**(8.4)**	(8.3)	(8.2)
Capital contribution reserve		**(442.3)**	(615.1)	(615.1)
Foreign exchange reserve		**(2.6)**	3.0	8.8
Retained earnings deficit		**179.9**	102.8	115.6
Total equity		**(273.4)**	(517.6)	(498.9)

The accompanying notes on pages 19 to 31 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
For the six month period ended 30 June 2013

	Notes	6 months to 30 June 2013 £m	6 months to 30 June 2012 £m
Cash flows from operating activities			
Cash generated by operations	13	**95.8**	100.1
Tax refunded/(paid)		**1.5**	(7.6)
Net cash inflow from operating activities		**97.3**	92.5
Investing activities			
Purchases of property, plant and equipment		**(29.0)**	(57.9)
Purchase of intangible assets		**(30.8)**	(9.8)
Purchase of YESpay (net of cash acquired)	11	**(17.6)**	-
Net cash used in investing activities		**(77.4)**	(67.7)
Financing activities			
Finance costs paid		**(44.0)**	(38.7)
Make-whole payment on repayment of subordinated debt		**(26.5)**	-
Repayment of accrued interest on preferred equity certificates		**(35.0)**	-
Repayment of share premium		**(93.0)**	-
Drawdown of borrowings		**701.6**	115.0
Repayment of borrowings		**(351.5)**	(38.2)
Payment of facility set-up fees		**(15.6)**	-
Issue of preferred equity certificates		**0.7**	-
Repayment of yield-free preferred equity certificates		**(200.0)**	-
New finance leases		**8.5**	28.7
Repayment of finance lease obligations		**(3.9)**	(1.6)
Other financing flows		**(0.7)**	(2.0)
Net cash (used in)/from financing activities		**(59.4)**	63.2
Net (decrease)/increase in own cash & cash equivalents		**(39.5)**	88.0
Own cash & cash equivalents at beginning of period		**178.6**	132.5
Effect of foreign exchange rate changes		**6.9**	(5.7)
Own cash & cash equivalents at end of period	12	**146.0**	214.8

The accompanying notes on pages 19 to 31 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June 2013

	Share capital	Capital contribution reserve	Foreign exchange reserve	Retained earnings deficit	Total
	£m	£m	£m	£m	£m
At 1 January 2012	**(8.2)**	**(615.1)**	**(1.3)**	**63.4**	**(561.2)**
Transfer of C shares	(0.2)	-	-	-	**(0.2)**
Exercise of C shares	0.1	-	-	-	**0.1**
Loss for the period	-	-	-	39.4	**39.4**
Foreign currency translation	-	-	4.3	-	**4.3**
At 30 June 2012	**(8.3)**	**(615.1)**	**3.0**	**102.8**	**(517.6)**
Exercise of C shares	0.1	-	-	-	**0.1**
Loss for the period	-	-	-	12.8	**12.8**
Foreign currency translation	-	-	5.8	-	**5.8**
At 31 December 2012	**(8.2)**	**(615.1)**	**8.8**	**115.6**	**(498.9)**
Transfer of C shares	(0.3)	-	-	-	**(0.3)**
Exercise of C shares	0.1	-	-	-	**0.1**
Repayment of share premium	-	93.0	-	-	**93.0**
Contribution from investor	-	(1.3)	-	-	**(1.3)**
YFPECS discounting unwind	-	81.1	-	(81.1)	**-**
Loss for the period	-	-	-	145.4	**145.4**
Foreign currency translation	-	-	(11.4)	-	**(11.4)**
At 30 June 2013	**(8.4)**	**(442.3)**	**(2.6)**	**179.9**	**(273.4)**

The total comprehensive loss for the financial period of £156.8m (2012: £35.1m) was wholly attributable to the owners of the Company.

The accompanying notes on pages 19 to 31 form an integral part of these condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Reporting entity

Ship Luxco Holding & CY S.C.A (the 'Company') is a company incorporated and registered in Luxembourg. It is a holding company for the WorldPay Group (the 'Group'), one of the world's leading independent payment processing companies. The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2013 comprises the Company and its subsidiaries, including special purpose entities controlled by the Company.

2. Basis of preparation

This condensed consolidated interim financial statements have been prepared on the historical cost basis, except for financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

As at 31 December 2012, it was the Group's intention to dispose of its US business. As a result, in the Group's balance sheet at 31 December 2012, the US assets and liabilities are presented separately in two lines under "Discontinued operations – assets/liabilities held for sale". Following completion of the strategic review during the period ended 30 June 2013, a decision was made to keep this business within the Group. Consequently, the US assets and liabilities have been re-presented in the condensed consolidated interim balance sheet at 30 June 2013 on a line-by-line basis.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The presentational currency of the Group is GBP.

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2012. This condensed consolidated interim financial statements do not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting standards.

These condensed consolidated interim financial statements were approved by the Board of Managers on 4 September 2013.

Judgements and estimates

Preparing the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2012.

3. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2012, except for the new or amended standards and interpretations adopted in the current period and other changes noted below.

Adoption of new or amended standards and interpretations in the current period

In the current period, the Group has adopted IFRS 13 "Fair value measurements" which is effective for annual reporting periods commencing on or after 1 January 2013. The standard applies to IFRSs that require or permit fair value measurements or disclosures and provides a single IFRS framework for measuring fair value and the required disclosure about fair value measurement. The adoption of this standard has not had a significant impact on the amounts reported or the disclosure and presentation in these condensed consolidated interim financial statements.

Income statement presentation and separately disclosed items

EBITDA includes the results from operating activities of the Group, before depreciation, amortisation, interest and tax. Group management uses such measures to evaluate the performance of the Group and its business divisions.

With effect from 2013 reporting, the Group separately discloses in the income statement exceptional operating items, translational FX gains and losses, amortisation of business combination intangibles and exceptional finance costs, collectively known as separately disclosed items.

Exceptional operating items and exceptional finance costs are non-recurring items that are material either because of their size or nature. They are presented in their relevant income statement category, but highlighted through separate disclosure. The separate reporting of exceptional items helps provide a full understanding of the Group's underlying performance.

Items which are included within the exceptional operating items category include:

- Costs associated with the separation of the business from RBS;
- Costs of major reorganisations and restructuring programmes;
- Significant goodwill or other asset impairments;
- Costs and profit/loss associated with actual or aborted business disposals and costs of business acquisitions or set-ups;
- Costs associated with the refinancing of the Group's debt;
- Other individually material items which are unusual because of their size, nature or incidence.

The Group does not externally hedge its balance sheet translation exposure and is, as a result, exposed to significant fluctuations in foreign currency rates, particularly US dollar and Euro. Due to the potential size of the FX gains and losses impacting the income statement, their non-cash status, and the fact that management has little, or no, control over them, these gains and losses are included within separately disclosed items so as not to distort the year on year comparison of the underlying performance.

Material business combination intangibles were acquired as a result of the carve-out from RBS and other business combinations made in subsequent years. The amortisation of these intangible assets is significant and the Group's management considers that it should be disclosed separately to enable a full understanding of the Group's results.

3. Significant accounting policies (continued)

Cash flow presentation

With effect from 2013 reporting, the Group cash flow statement is presented excluding merchant float. Previously, the cash flow was presented including merchant float. Merchant float represents surplus cash balances that the Group holds on behalf of its merchants when the incoming amount from the card schemes/networks precedes the merchants' funding obligation. The funds are held in a fiduciary capacity and cannot be utilised by the Group to fund its own cash requirements. The merchant float is also subject to significant period by period fluctuations depending on the day of the week a period end falls. For these reasons, management has excluded the merchant float from its cash flow statement to allow a better understanding of the Group's underlying own cash flows.

4. Divisional information

For management purposes, the Group is organised into three operating divisions: Streamline, eCommerce (eCom) and WorldPay US (WPUS). These divisions are the basis on which the Group reports its primary divisional information. Certain corporate functions are not allocated to these divisions and are reported separately as Corporate.

These reportable divisions are consistent with the presentation of the information to the Group Chief Executive (chief operating decision maker) for the purpose of resource allocation and assessment of performance.

The primary business of all these operating divisions is payment processing.

6 months to 30 June 2013

	Streamline	eCom	WPUS	Corporate	Total
	£m	£m	£m	£m	£m
Income Statement					
Revenue	526.0	303.5	797.1	1.2	**1,627.8**
Underlying EBITDA	**118.9**	**80.7**	**34.1**	**(78.6)**	**155.1**
Underlying depreciation & amortisation	(21.2)	(3.9)	(6.6)	-	**(31.7)**
Underlying operating profit	**97.7**	**76.8**	**27.5**	**(78.6)**	**123.4**
Separately disclosed items	(39.6)	(13.3)	(17.9)	(29.4)	**(100.2)**
Operating profit	**58.1**	**63.5**	**9.6**	**(108.0)**	**23.2**
Underlying finance costs					(78.0)
Exceptional finance costs					(87.9)
Loss before tax					**(142.7)**
Tax					(2.7)
Loss for the period					**(145.4)**

4. Divisional information (continued)

6 months to 30 June 2012

	Streamline £m	eCom £m	WPUS £m	Corporate £m	Total £m
Income Statement					
Revenue	485.6	276.9	729.7	0.2	**1,492.4**
Underlying EBITDA	**113.9**	**72.6**	**28.1**	**(75.1)**	**139.5**
Underlying depreciation & amortisation	(18.7)	(4.5)	(6.1)	-	**(29.3)**
Underlying operating profit	**95.2**	**68.1**	**22.0**	**(75.1)**	**110.2**
Separately disclosed items	(40.2)	(16.7)	(17.3)	(4.7)	**(78.9)**
Operating profit	**55.0**	**51.4**	**4.7**	**(79.8)**	**31.3**
Underlying finance costs					(73.8)
Exceptional finance costs					-
Loss before tax					**(42.5)**
Tax					3.1
Loss for the period					**(39.4)**

The Group's revenue is generally consistent with the geographical locations of the divisions with the exception of the eCommerce (on-line / Gateway) business, whose revenue is derived from worldwide sources.

A breakdown of each division's contribution is discussed in the Financial Review section of this report.

5. Separately disclosed items

	6 months to 30 June 2013 £m	6 months to 30 June 2012 £m
Affecting EBITDA		
Platform costs	**20.1**	20.3
Other separation costs	**4.1**	6.5
Reorganisation and restructuring costs	**18.7**	10.4
Costs associated with business set-ups, acquisitions & disposals	**8.2**	2.6
Other exceptional operating items	**3.7**	1.3
Total exceptional operating items	**54.8**	41.1
Foreign exchange losses/(gains)	**9.3**	(3.5)
Total affecting EBITDA	**64.1**	37.6
Affecting Depreciation and amortisation		
Amortisation of business combination intangibles	**36.1**	41.3
Affecting Finance costs		
Make-whole payment on subordinated debt	**26.5**	-
Accelerated discount unwind on yield free preferred equity certificates	**45.8**	-
Write-off of previously capitalised finance costs	**12.6**	-
Write-off of fair value adjustments	**3.0**	-
Total exceptional finance costs	**87.9**	-
Total separately disclosed items	**188.1**	78.9

Total costs of separation in the period amounted to £24.2m (2012: £26.8m), of which £20.1m relates to the investment we are making to re-platform our technology infrastructure and provide technological independence from RBS. Other costs of separation include consultancy, property and remediation costs incurred in separating the business from RBS.

As well as separation from RBS, the Group has incurred significant non-recurring costs in restructuring and reorganising the business to put us in the best position to continue to achieve our ambitious growth plans. This includes redundancy costs incurred, most notably in moving the finance and risk back office functions from London to a newly established business services hub in Manchester. Also included are the costs incurred in attracting the high calibre senior executives we need to drive the business forward, as well as consultancy spend incurred in helping to define and plan the execution of our growth plans. In addition, we have recognised £4.5m of provisions for onerous leases and dilapidations on our London portfolio which arise as a result of signing the lease for our new London headquarters.

Other exceptional operating items includes £2.7m of losses incurred in setting up the WorldPay Zinc business and £5.2m of costs incurred directly as a result of the strategic review of our US business.

During the period, the Group incurred £9.3m (2012: gain of £3.5m) of translational FX losses due to the structural currency imbalance arising from the composition of the Group's external debt and the structure of its intercompany loans. The Group does not currently hedge its balance sheet translation risk.

The £36.1m arising from the amortisation of business combination intangibles (2012: £41.3m) largely arises from the carve-out of the business from RBS.

5. Separately disclosed items (continued)

Exceptional finance costs are £87.9m (2012: £nil) and have arisen as a result of the debt refinancing completed in May 2013. £26.5m of the charges relate to a make-whole payment that was payable on repayment of the subordinated debt. Other refinancing-related charges include £61.4m of non-cash items as we accelerated the unwind of the discounting on the repaid portion of the yield-free preferred equity certificates (£45.8m), and wrote-off previously capitalised financing cost (£12.6m) and fair value adjustments (£3.0m).

6. Finance costs

	6 months to 30 June 2013 £m	6 months to 30 June 2012 £m
Underlying finance costs		
Effective interest on borrowings & finance leases	**49.9**	49.8
Preferred equity certificates - interest	**7.7**	7.8
Yield free preferred equity certificates – unwind of discounting	**7.1**	7.4
Amortisation of capitalised finance costs	**5.6**	8.6
Fair value losses/(gains)	**5.5**	(1.8)
Other finance costs	**2.2**	2.0
	78.0	73.8
Exceptional finance costs (note 5)		
Make-whole payment on subordinated debt	**26.5**	-
Accelerated discount unwind on yield free preferred equity certificates	**45.8**	-
Write-off of previously capitalised finance costs	**12.6**	-
Write-off of fair value adjustments	**3.0**	-
	87.9	-
Total all finance costs	**165.9**	73.8

Interest expense arises from the Group's borrowings which include external third party loans and draw-down facilities, and the issue of preferred equity certificates to the Company's parent entity.

The cost of funding preferred equity certificates is accrued against the carrying value in accordance with the terms of the preferred equity certificates issued.

7. Taxation

The tax charge for the six months ended 30 June 2013 was £2.7m (2012: tax credit of £3.1m). Income tax is recognised by reference to management's best estimate of the weighted average annual income tax rate expected for the full financial period applicable to each Group entity. Account is also taken of the effect of adjustments to tax provisions made in respect of the amortisation of business combination intangibles, and of the recognition of interest on preferred equity certificates issued by the Group. The charge for the period is principally affected by taxable profits arising in the US and the Netherlands, and by tax losses arising in the UK.

8. Goodwill and other intangible assets

Goodwill	£m
Balance at 1 January 2012	**1,156.9**
Foreign exchange impact	(2.9)
Balance at 30 June 2012	**1,154.0**
Transferred to discontinued operations held for sale	(191.2)
Foreign exchange impact	(5.3)
Balance at 1 January 2013	**957.5**
Acquisition of YESpay Group	22.1
Transferred from discontinued operations held for sale	191.2
Foreign exchange impact	12.2
Balance at 30 June 2013	**1,183.0**

Goodwill is not subject to amortisation but is tested annually for impairment. In the absence of any triggering events in the six months to 30 June 2013, goodwill has not been re-tested since 31 December 2012.

	Business combination intangibles			
	Customer relationships	**Brands**	**Software**	**Total**
Other intangible assets	**£m**	**£m**	**£m**	**£m**
Balance at 1 January 2012	648.2	17.9	91.3	757.4
Additions in the period	-	-	9.8	9.8
Amortisation charge for the period	(39.1)	(2.2)	(17.0)	(58.3)
Foreign exchange impact	(1.3)	(0.1)	(0.6)	(2.0)
Balance at 30 June 2012	**607.8**	**15.6**	**83.5**	**706.9**
Additions	-	-	16.2	16.2
Transferred to discontinued operations held for sale (net)	(82.7)	(5.3)	(23.4)	(111.4)
Amortisation charge for the period	(31.2)	(1.8)	(9.6)	(42.6)
Foreign exchange impact	(2.6)	(0.8)	(0.5)	(3.9)
Balance at 1 January 2013	**491.3**	**7.7**	**66.2**	**565.2**
Additions in the period	-	-	30.8	30.8
Acquisition of YESpay Group	1.1	-	0.9	2.0
Transferred from property, plant & equipment	-	-	1.1	1.1
Transferred from discontinued operations held for sale (net)	82.7	5.3	23.4	111.4
Amortisation charge for the period	(35.2)	(0.9)	(14.3)	(50.4)
Foreign exchange impact	4.8	0.9	1.3	7.0
Balance at 30 June 2013	**544.7**	**13.0**	**109.4**	**667.1**

9. Property, plant and equipment

	£m
Balance at 1 January 2012	**60.8**
Additions in the period	57.9
Depreciation charge for the period	(12.3)
Balance at 30 June 2012	**106.4**
Additions in the period	30.1
Disposals in the period	(1.0)
Transferred to discontinued operations held for sale (net)	(15.3)
Depreciation charge for the period	(19.7)
Foreign exchange impact	(0.8)
Balance at 1 January 2013	**99.7**
Additions in the period	29.0
Acquisition of YESpay Group	0.5
Disposals in the period	(0.2)
Transferred to inventory	(0.4)
Transferred to other intangible assets - software	(1.1)
Transferred from discontinued operations held for sale (net)	15.3
Depreciation charge for the period	(17.4)
Foreign exchange impact	0.8
Balance at 30 June 2013	**126.2**

10. Capital commitments

Capital commitments at 30 June 2013 were £13.2m and consisted largely of contractual commitments for IT hardware and software development, as well as commitments in relation to the fit-out of the new London headquarters.

11. Acquisitions

YESpay

On 6 March 2013, the Group acquired the legal entities and operations of the YESpay Group (comprising companies in the UK, India and Canada), a provider of technologically advanced payments systems. The acquisition allows WorldPay to offer YESpay's innovative technology in conjunction with the Streamline platform for card processing, giving customers an all-in-one solution for payment processing.

YESpay's contribution to the Group since acquisition has been £1.5m of revenue and £0.1m of profit before tax. If the acquisition had occurred on 1 January 2013, the acquired business would have contributed £2.1m to Group revenue and £0.1m to profit before tax.

11. Acquisitions (continued)

Details of the net assets acquired and the related fair value adjustments, together with the attributable goodwill are presented as follows:

	Book value £m	Adjustments £m	Fair value £m
Assets acquired			
Intangible assets – Customer relationships	-	1.2	1.2
Intangible assets – IPR/software	0.1	0.8	0.9
Tangible assets	0.3	-	0.3
Trade and other receivables	0.8	0.2	1.0
Cash and cash equivalents	0.4	-	0.4
Trade and other payables	(1.9)	-	(1.9)
Deferred tax liability	-	(0.4)	(0.4)
Net assets acquired	**(0.3)**	**1.8**	**1.5**
Goodwill arising on acquisition			22.1
Total cost of acquisition			**23.6**
Satisfied by:			
Net cash paid			18.0
Contingent consideration			5.6
			23.6
Net cash flow arising on acquisition			
Net cash paid			18.0
Cash and cash equivalents acquired			(0.4)
			17.6

The purchase price of each asset component of the acquisition represents its provisional fair value, based on management's best estimates. The amount indicated above for trade and other receivables represents the fair value of the acquired receivables and is equal to the gross contractual cash flows, all of which are expected to be recoverable.

The provisional goodwill of £22.1m reflects anticipated benefits and synergies expected to be achieved by providing an innovative all-in-one solution for payment processing.

The contingent consideration reflects management's estimate of the likely amount payable under an earn-out arrangement. The earn-out arrangement provides that the former owners of the business are entitled to additional consideration of up to £7m, payable in two tranches, with the first tranche (a maximum of £3m) being due in 2014 and the second tranche (a maximum of £4m) being due in 2015. The amounts will become payable upon achievement of certain operational, revenue and EBITDA targets. Based on current information, management believes there is a high likelihood of the earn-out criteria being met in full and, as such, have provided for the maximum amounts payable, discounted to current values at a discount factor of 15.9%.

12. Net debt and borrowings

	Own cash & cash equivalents £m	Senior bank borrowings £m	Subordinated bank borrowings £m	Preferred Equity Certificates £m	Finance leases £m	Total £m
At 1 January 2013	**130.0**	**(692.3)**	**(325.6)**	**(289.0)**	**(25.9)**	**(1,202.8)**
Transfer from held for sale	48.6	(221.2)	-	-	-	(172.6)
Cash flows	(39.5)	(649.6)	385.7	234.3	(4.6)	(73.7)
Finance costs	-	(31.5)	(17.7)	(7.7)	(0.8)	(57.7)
Fair value gains & losses and exchange movements	6.9	(22.4)	(3.0)	(52.9)	-	(71.4)
Other non-cash flows	-	(5.6)	(39.4)	-	-	(45.0)
At 30 June 2013	**146.0**	**(1,622.6)**	**-**	**(115.3)**	**(31.3)**	**(1,623.2)**

The total above includes accrued interest at 30 June 2013 of £19.2m (1 January 2013: £47.4m).

	Senior bank borrowings £m	Subordinated bank borrowings £m	Preferred Equity Certificates £m	Finance leases £m	Total £m
Current	(52.2)	(2.2)	-	(5.4)	**(59.8)**
Non-current	(900.9)	(312.1)	(273.1)	(21.7)	**(1,507.8)**
At 30 June 2012	**(953.1)**	**(314.3)**	**(273.1)**	**(27.1)**	**(1,567.6)**
Current excluding WPUS	(49.1)	(2.4)	-	(5.9)	**(57.4)**
WPUS	(3.2)	-	-	-	**(3.2)**
	(52.3)	(2.4)	-	(5.9)	**(60.6)**
Non-current excluding WPUS	(643.2)	(323.2)	(289.0)	(20.0)	**(1,275.4)**
WPUS	(218.0)	-	-	-	**(218.0)**
	(861.2)	(323.2)	(289.0)	(20.0)	**(1,493.4)**
At 31 December 2012	**(913.5)**	**(325.6)**	**(289.0)**	**(25.9)**	**(1,554.0)**
Current	(51.3)	-	-	(8.8)	**(60.1)**
Non-current	(1,571.3)	-	(115.3)	(22.5)	**(1,709.1)**
At 30 June 2013	**(1,622.6)**	**-**	**(115.3)**	**(31.3)**	**(1,769.2)**

The borrowings are held at amortised cost using the effective interest rate method. Management has determined that the fair value under the income approach, as defined by IFRS 13 “Fair value measurement”, is not materially different to the amortised cost valuation.

On 16 May 2013, the refinancing of the Group’s debt was completed. The Group repaid £373.5m of subordinated debt (including the make-whole payment), replacing it with additional senior debt which consists of three tranches. The new debt is denominated in GBP, Euro and USD, the principal amounts being, £250m, €161m and $479m respectively. The additional cash received funded a repayment of share premium to the investors of £93.0m; repaid interest on the interest-bearing preferred equity certificates of £35.0m; and repaid yield-free preferred equity certificates at a par value of £200.0m.

12. Net debt and borrowings (continued)

The senior facilities have maturity periods between June 2016 and November 2019. The Group fulfilled all of its debt covenant obligations during the period.

13. Note to cash flow statement

	6 months to 30 June 2013	6 months to 30 June 2012
	£m	£m
Operating activities		
Loss for the period before tax	**(142.7)**	(42.5)
Adjustments for:		
Depreciation of property, plant and equipment	**17.4**	12.3
Amortisation of intangible assets	**50.4**	58.3
Foreign exchange on translation	**9.3**	(3.5)
Loss on sale of assets	**0.2**	-
Finance costs	**165.9**	73.8
Net cash inflow from operating activities	**100.5**	98.4
(Increase)/decrease in trade and other receivables	**(18.0)**	(4.4)
Increase/(decrease) in trade and other payables	**10.9**	6.2
Increase in provisions	**2.4**	(0.1)
Net cash inflow from operating activities before tax	**95.8**	100.1

14. Contingent liabilities

As at 30 June 2013, each material company within the Group (being Ship Luxco 3 S.à r.l., Ship Holdco Limited, Ship Midco Limited, Ship Submidco Limited, WorldPay (UK) Limited, WorldPay eCommerce Limited, WorldPay Limited (Jersey), WorldPay Ltd (UK), Ship US Holdco, Inc, WorldPay US, Inc, and WorldPay US Finance LLC (together the “Material Companies” and each a “Material Company”)) has (a) guaranteed, to the extent possible by way of upstream, cross stream and downstream guarantees, each other Material Company’s obligations and liabilities and (b) granted security over the material assets of each such Material Company (including real estate, bank accounts, intra group receivables, third party receivables, IP and the ownership interests in each Material Company).

Such guarantees and security have been provided to secure all monies or liabilities due, owing or incurred by each Material Company and Ship Luxco 3 S.à r.l.’s immediate parent company, Ship Luxco 2 S.à r.l., to any secured party under the finance documents which have been entered into in connection with the financing of the overall WorldPay acquisition on 30 November 2010, the subsequent acquisitions of Cardsave Group Limited on 16 December 2010 and Envoy Services Limited (now called WorldPay AP Limited) on 26 July 2011, the dividend recapitalisation transaction which occurred in May 2013 and the other facilities provided to the Group at the time of the WorldPay acquisition in 2010 for the Group’s general corporate and working capital purposes and for planned capital expenditure, acquisitions and restructuring requirements of the Group.

As at 30 June 2013, WorldPay AP Limited has entered into (i) two deeds of charge over credit balances dated 24 August 2009 and 20 November 2011 respectively in favour of Barclays Bank PLC which secure specific charged accounts to secure all monies or liabilities due, owing or incurred to Barclays Bank PLC, (ii) a rent deposit deed dated 14 September 2009 in favour of SCI KAIA securing a rent deposit and (iii) a rent deposit deed dated 17 February 2010 in favour of Brogue Properties Limited securing a rent deposit.

14. Contingent liabilities (continued)

As at 30 June 2013, Payment Trust Limited has entered into three rent deposit deeds with one dated 15 February 2005 and the other two dated 3 February 2006 respectively each in favour of Logistix Limited to secure various rent deposits.

The acquisition of Cardsave included deferred consideration payable to the former shareholders of the Company that remained in employment at the Group following the acquisition. The amounts will become payable upon the Company achieving certain EBITDA targets for the three years ending 31 December 2014.

The potential amount of all future payments that the Group could be required to make under this agreement is between £4.4m and £16.3m. Present indications are that the Group will be required to pay at the top end of this range.

15. Related parties

The Group's ultimate holding company is Ship Investor & Cy S.C.A., incorporated and registered in Luxembourg, which is also the Group's immediate parent company. The ultimate holding company is jointly controlled by Advent International and Bain Capital.

On 30 November 2010, the Royal Bank of Scotland Group ("RBS") divested the WorldPay Group of businesses that were purchased by Ship Luxco Holding & Cy S.C.A. RBS retains a 17.76% holding in the Group as well as representation on the Board.

As at 30 June 2013, Ship Investor & Cy S.C.A. heads the largest Group in which the Company is consolidated.

Related party transactions and their impact on the Condensed Consolidated Interim Statement of Comprehensive Income for the six months ended 30 June 2013 and 2012 are set out in the table below.

	6 months to 30 June 2013 £m	6 months to 30 June 2012 £m
Sales revenue from related parties		
RBS Group companies	**4.9**	5.6

	6 months to 30 June 2013 £m	6 months to 30 June 2012 £m
Purchases from related parties		
Advent International	**0.7**	0.6
Bain Capital	**0.8**	1.4
RBS Group companies	**10.4**	19.7
	11.9	21.7

15. Related parties (continued)

Balances with Group companies as at 30 June 2013, 30 June 2012 and 31 December 2012 are set out in the table below.

	As at 30 June 2013 £m	As at 30 June 2012 £m	As at 31 December 2012 £m
Amounts due to related parties			
Advent International	**0.7**	0.3	0.3
Bain Capital	**0.3**	-	-
Ship Investor & CY SCA	**0.2**	-	-
RBS Group companies	**3.6**	4.7	3.6
	4.8	5.0	3.9

£0.2m of the amount due to RBS represents derivative financial instruments.

	As at 30 June 2013 £m	As at 30 June 2012 £m	As at 31 December 2012 £m
Cash & cash equivalents held with related parties			
RBS Group companies	**236.3**	427.0	486.0

Amounts repaid to related parties under interest-bearing and yield-free preferred equity certificates as a result of the refinancing in May 2013 are as follows:

	Interest-bearing £m	Yield-free £m
Ship Investor & CY S.C.A	**28.1**	**160.8**
RBS Group companies	**6.9**	**39.2**
	35.0	**200.0**

16. Subsequent events

There were no events between the balance sheet date and the date of release of these condensed consolidated interim financial statements that required disclosure.

17. Seasonality of operations

Due to the nature of the Group’s business, there are peaks of activity during December and January linked to Christmas and the January sales’ spending patterns. Consequently, while revenues in each half of the year do not show significant peaks, the working capital balances in June are generally lower than those in December. Variances are also caused by the day of the working capital cycle on which the period end falls.

Independent Auditors' Report on Review of Interim Financial Statements

To the Shareholders of
Ship Luxco Holding & CY S.C.A.
2-4, rue Beck
L-1222 Luxembourg

Introduction

We have reviewed the accompanying (consolidated) statement of financial position of Ship Luxco Holding & CY S.C.A ("the Company") as at 30 June 2013, the consolidated statements of comprehensive income, changes in equity and cash flows for the six month period then ended, and notes, comprising a summary of significant accounting policies and other explanatory information ("the consolidated interim financial statements"). Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view of (or do not present fairly, in all material respects) the financial position of the entity as at 30 June 2013, and of its financial performance and its cash flows for the six month period then ended in accordance with IAS 34, 'Interim Financial Reporting'.

Other matters

The Company has not previously produced a set of condensed consolidated interim financial statements. As a consequence, the full review procedures set out above have not been performed in respect of the comparative period for the six months ended 30 June 2012.

Luxembourg
4 September 2013

KPMG Luxembourg S.à.r.l.
Cabinet de révision agréé

Jean-Manuel Séris