Worldpay[1]

Unaudited results for the six months ended 30 June 2014

	6 months to 30 June 2014 £m	6 months to 30 June 2013 £m
Underlying revenue	1,726.8	1,627.8
Underlying EBITDA[2]	161.4	155.1
Loss before tax	(37.5)	(142.7)
Loss after tax	(39.3)	(145.4)
Free cash flow[3]	(43.4)	(1.9)
Net debt	(2,158.4)	(1,623.2)

- Underlying revenue increased by 10%, excluding the impact of FX translation, with strong growth in Worldpay UK and eCommerce
- Underlying gross profit grew by 12%, excluding the impact of FX translation, reflecting the growth in our higher margin divisions
- Heavy investment in people and infrastructure continued, driving a 16% increase in underlying overheads to strengthen the organisation and fuel future growth
- Underlying EBITDA was up by 4% as the strong top line growth was partially offset by the investment in people and infrastructure
- Good progress in customer acquisition and retention, particularly in Worldpay UK and eCommerce
- The investments in Pazien in the US and Cobre Bem Tecnologia in Brazil extend our capabilities and our geographic reach

Philip Jansen, Group Chief Executive Officer, said:

"Overall, the Group's financial performance for the first half of the year was as expected with revenue up 10%, excluding the impact of FX translation, and underlying EBITDA up 4%. We have continued to invest heavily in people, capability and infrastructure, which drove the 16% increase in underlying overheads, and we have also invested through acquisition and innovative product development. We expect revenue and profitability to accelerate during the second half of the year as these initiatives further enhance growth and provide a good base for 2015."

[1] Worldpay 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. Underlying EBITDA is considered by management to give a fairer view of the year on year comparison of trading performance.
[3] Free cash flow is defined as cash flow before spend on acquisitions, the impact of refinancing activities and movements in borrowings.

OPERATING REVIEW

Financial results

Underlying revenue in the six months ended 30 June 2014 was £1,726.8m (2013: £1,627.8m), an increase of 6%. Underlying gross profit was £365.0m (2013: £330.2m), an increase of 11%. Excluding the impact of FX translation and acquisitions, underlying revenue grew by 9% and gross profit by 10%.

During the period, WPUK performed well with transactions and revenue both increasing by 10% year on year, driven by volume growth in both the Small and Corporate sectors and increased income generated through the provision of additional value-added services. These were partly offset by a decline in both debit and credit margins and an adverse mix variance as a result of lower credit volumes.

WPUS continued to show steady progress in the first half of 2014 despite consumer spending being adversely impacted in the first three months of the year by the unusually severe and widespread winter weather, leading to a widely reported contraction in US GDP. Underlying revenue (as adjusted for the impact of FX translation) increased by 6% and gross profit increased by 9% with the Century acquisition in the second half of 2013 making a significant contribution to this growth.

During the six months to 30 June 2014, the financial performance in our eCommerce division was strong, with both revenue and EBITDA showing double-digit growth for the second year running. This reflects strong year on year growth in the majority of our vertical markets, generated by the strength of our customer portfolio and expansion into new geographic markets.

Including the impact of investment in people in the second half of 2013, underlying overheads increased by 16% across the Group, year on year. We have continued to invest in people, capability and infrastructure to drive the business forward and build for the future. As a result, underlying EBITDA was £161.4m (2013: £155.1m), an increase of 4%.

Acquisitions and global capability

On 30 April 2014, we completed the acquisition of Brazilian payment gateway company, Cobre Bem Tecnologia. With a high quality technology platform, comprehensive connections to local acquirers, and an established local team, this transaction supports our strategy of further penetrating the fast growing South American market.

Our global capability was further strengthened through the opening of our first China office in Shanghai, from which relationship management and support for Chinese online businesses will be provided; and through obtaining our licence to be the first non-bank acquirer in Japan, presenting us with an attractive growth opportunity.

On 8 May 2014, the Group entered into a joint venture arrangement in Pazien, an innovative start-up located in Boston which is developing a powerful web-based reporting and analytics platform. This will effortlessly extract and aggregate payment data, providing actionable insights across providers, enabling merchants to improve transaction success rates, increase revenue and reduce costs. Initial pilot programmes will begin before the year end.

Technology update

The migration of the Worldwide Payment Gateway (WPG) into our own modern infrastructure has continued to enable improvements in performance and our customers' experience of the payment gateway. We have enough processing capacity in our new data centres to cater for forecasted business growth and peak transaction events for the foreseeable future and are currently operating at less than 10% of capacity. The authorisations switch that was migrated in March 2013 continues to perform well with 100% reliability year-to-date and, again, sufficient capacity to cope with future business growth and peak events. We therefore now have part of every transaction running on our own infrastructure, with reliability, performance and capacity for future growth.

The platform programme is now focused on the remaining components still hosted by RBS on our behalf: the clearing of payments with card schemes; settling payments to our customers' accounts; reporting data; and customer service systems. Several of the planned code releases have been delivered, with Visa, American Express and Diners functional in the test environment for the new platform. The remaining code releases will build MasterCard and other schemes, merchant settlement, reporting and portals onto the new platform. However, due to the new EU agreement with Visa and the anticipated EU payments directive, we have planned an additional code release to accommodate the new code required for cross-border payments.

Worldpay brand launch

We have launched and begun the roll out of the new Worldpay brand. Our new identity, which highlights our plan to make Worldpay "Leaders in Modern Money", has been launched across all business units globally. A new global website has been created, which for the first time brings together all parts of the business in one place, under this new identity. The site delivers relevant and tailored information to the viewer, depending upon their geographic location.

A full employee engagement programme is underway, allowing colleagues to understand and interact with the new brand, and the vast majority of our customer-facing communications have been rebranded, with the remainder scheduled to follow shortly. Our marketing and product teams are now working on plans to develop our products and service offerings in line with the new brand vision, and have already begun the process of raising awareness for the new Worldpay brand through all of our interactions with the outside world.

Board and management changes

During the period, we have made two new appointments to the Executive Committee. On 22 September 2014, Mark Kimber will join the Group as Chief Information Officer, taking responsibility for Technology across the Group. Mark joins us from JP Morgan Chase, where he was CIO for Europe. He has over 20 years experience in financial services having held senior roles with JP Morgan Chase, Bear Stearns, Lehman Brothers and others. In his last role he worked with industry regulators to ensure that the systems across the bank are compliant with the changing regulatory landscape. He has extensive experience of building and leading global technology functions where technology platform reliability is business critical.

Rob Hornby, who has led our Technology team as the Interim CIO for the last year, will become Chief Separation Officer and lead the completion of the Platform project and the separation from RBS.

Mark Edwards will also join the Group and Executive Committee on 5 September 2014 as General Counsel. Mark joins us from Barclays where he has worked for over 15 years and has held numerous senior appointments leading, creating and transforming combined Legal, Compliance and Financial Crime teams, most recently as General Counsel for Barclays Global Retail & Business Banking. He has a thorough knowledge of the payments business having also been General Counsel of Barclaycard.

On 5 March 2014, Chris Sullivan was reappointed to the Ship Midco Board.

On 30 April 2014, Ailbhe Jennings resigned from the Board of Managers of Ship Luxco Holding & CY S.C.A. Ruth Springham was appointed to the Board of Managers on the same date.

Current trading and outlook

Trading in June and July has been strong in all our divisions, especially the eCommerce division where we have seen record results for two consecutive months. We expect revenue and profitability to accelerate during the second half of the year as our continued investment in product capabilities, technology, innovation and organisational strength continue to deliver and provide a good base for 2015.

FINANCIAL REVIEW

INCOME STATEMENT

	6 months to 30 June 2014 £m	6 months to 30 June 2013 £m	Year on year change %
Underlying revenue	1,726.8	1,627.8	6.1%
Underlying gross profit	365.0	330.2	10.5%
Gross margin	21.1%	20.3%	3.9%
Underlying EBITDA	161.4	155.1	4.1%
Underlying depreciation & amortisation	(37.4)	(31.7)	(18.0)%
Underlying finance costs	(85.5)	(78.0)	(9.6)%
Underlying profit before tax	38.5	45.4	(15.2)%
Separately disclosed items	(76.0)	(188.1)	59.6%
Loss before tax	(37.5)	(142.7)	73.7%
Tax	(1.8)	(2.7)	33.3%
Loss for the period	(39.3)	(145.4)	73.0%

Underlying results exclude separately disclosed items and are considered by management to give a fairer view of the year on year comparison of trading performance.

Underlying revenue and gross profit

Underlying revenue in the period at £1,726.8m (2013: £1,627.8m) was £99.0m higher than the comparative prior year period. Excluding the impact of FX translation on our Worldpay US revenue, the increase was 9.7% and reflects strong growth in our eCommerce and Worldpay UK businesses. The acquisitions of YESpay and Century part way through the prior year contributed £0.9m and £15.3m respectively to the year on year increase.

Underlying gross profit at £365.0m (2013: £330.2m) was up £34.8m year on year. Excluding the impact of FX translation on our Worldpay US gross profit, the increase was 12.4%. The improvement in gross margin from 20.3% to 21.1% reflects the continuing shift in the proportion of gross profit coming from our higher margin eCommerce division which is growing faster than our other divisions. YESpay and Century contributed £0.8m and £8.5m respectively to the year on year increase.

Underlying personnel and general, selling and administrative expenses

Underlying personnel and general, selling and administrative expenses increased year on year by £28.5m, or 16.3%, to £203.6m. A significant proportion of this increase reflects our commitment to invest in developing the business. Acquisitions in the prior year added costs of £5.9m and the investment in development of innovative products and capability a further £11.1m. The investment in people in the second half of 2013 continued in the first half of 2014 with a combined increase of £7.2m on the comparative period. During the first half of 2014, the Group completed a detailed cost review to ensure that the operating leverage of the business can be maximised post the completion of separation and can continue to deliver additional funds for reinvestment in the development of the business.

Underlying EBITDA

Underlying EBITDA at £161.4m (2013: £155.1m) was up £6.3m, or 4.1% year on year. Acquisitions and translation contributed a net £1.0m to this improvement.

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

Underlying depreciation and amortisation

Underlying depreciation and amortisation was £37.4m (2013: £31.7m). The increase year on year reflects our continued investment in IT software, as well as additional depreciation associated with our new offices.

Underlying finance costs

Underlying finance costs were £85.5m (2013: £78.0m). The rise of £7.5m is a result of the refinancing activities in the prior year where equity share premium was repaid and replaced with a Payment-In-Kind (PIK) toggle note.

Separately disclosed items

Separately disclosed items in the period amounted to £76.0m (2013: £188.1m) and include separation costs, reorganisation and restructuring costs, FX gains and losses, asset impairments and the amortisation of business combination intangibles. 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 the other items are expected to be largely non-recurring.

The table below summarises the separately disclosed items which have been included in the interim financial statements:

	6 months to 30 June 2014 £m	**6 months to 30 June 2013 £m**
Affecting EBITDA:		
Separation – platform	(18.1)	(20.1)
Separation – other	(13.0)	(4.1)
Reorganisation and restructuring costs	(5.8)	(18.7)
Costs of business set-ups, acquisitions & disposals	(0.7)	(8.2)
Other	(3.9)	(3.7)
	(41.5)	**(54.8)**
Impairment of Platform assets	**(6.3)**	**-**
Amortisation of business combination intangibles	**(36.7)**	**(36.1)**
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)
FX gains/(losses)	8.5	(9.3)
	8.5	**(97.2)**
Total separately disclosed items	**(76.0)**	**(188.1)**

Total costs of separation in the period amounted to £31.1m (2013: £24.2m), of which £18.1m (2013: £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 £318m, of which £208m 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, branding and remediation costs incurred in separating the business operations from RBS.

As well as separation from RBS, the Group continues to incur costs in restructuring and reorganising the business to put us in the best position to continue to achieve our ambitious growth plans. In the six months to 30 June 2014, these include costs incurred in restructuring our WPUK business and in integrating the Century acquisition into our WPUS business.

Costs of business set-ups, acquisitions and disposals in the period include provisions for amounts payable under a management bonus arrangement following the acquisition of Century in the prior year.

Other separately disclosed items of £3.9m (2013: £3.7m) include loss on disposal of assets and shareholder costs.

The majority of the separately disclosed items affecting EBITDA result in cash flows, either in the year or in the future.

Following further re-planning of the Platform programme, a follow up review of potential impairment was undertaken at 30 June 2014 and identified a further £6.3m write-down which largely relates to the unamortised portion of the original Oracle Unlimited Licence Agreement (ULA) which has no remaining commercial value following the signing of a new 3 year unlimited licence agreement in May 2014.

The £36.7m of non-cash amortisation of business combination intangibles (2013: £36.1m) largely arises from the divestment of the business from RBS and subsequent strategic business acquisitions.

During the period, the Group recorded a gain of £8.5m (2013: loss of £9.3m) on the translation of its foreign currency assets and liabilities. The gain arose 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.

Loss before tax

The loss before tax for the period was £37.5m (2013: loss of £142.7m). The significant reduction year on year reflects the lower level of separately disclosed items.

Tax

The tax charge for the six months ended 30 June 2014, comprising current and deferred tax, was £1.8m (2013: £2.7m). Taxes, including all applicable UK and foreign taxes, are recognised by reference to management’s best estimate of the weighted average annual tax rates 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 arising on Group Financing. The tax charge for the period is principally affected by tax adjusted profits in the US and the Netherlands and tax adjusted losses in the UK.

CASH AND LIQUIDITY

Cash flow

	6 months to 30 June 2014 £m	6 months to 30 June 2013 £m	Year on year change £m
Underlying EBITDA	161.4	155.1	6.3
Separately disclosed items affecting EBITDA	(41.5)	(54.8)	13.3
Working capital	(3.8)	(4.7)	0.9
Tax (paid)/refunded	(14.2)	1.5	(15.7)
Non-cash items	0.8	0.2	0.6
Operating cash flow	**102.7**	**97.3**	**5.4**
Net capital expenditure	(77.7)	(59.8)	(17.9)
Underlying finance costs paid	(68.4)	(39.4)	(29.0)
Free cash flow	**(43.4)**	**(1.9)**	**(41.5)**
Acquisitions	(9.6)	(17.6)	8.0
Underlying movement in borrowings	(8.0)	(4.5)	(3.5)
Net impact of refinancing	-	(15.5)	15.5
Net cash flow	**(61.0)**	**(39.5)**	**(21.5)**

Operating cash flow in the period was £102.7m (2013: £97.3m), £5.4m higher than the prior year as the increase in trading cash flows and reduction in separately disclosed items were partially offset by increased tax payments. The increased tax payments reflect the growth of the business as well as the impact of a one-off refund in respect of 2011 UK tax which was received in the prior year.

The free cash outflow in the period was £43.4m (2013: outflow of £1.9m) as continued capital investment and finance costs exceeded the cash generated from operations. Net expenditure on tangible fixed assets and software in the period was £77.7m (2013: £59.8m) and includes £50.5m of hardware purchases and costs incurred in the development of our new technology platform.

During the period, the Group acquired the business and assets of Cobre Bem Tecnologia resulting in an initial cash outflow of £3.9m. We also invested in Pazien at an initial cost of £1.7m. In addition to these acquisitions, payments of deferred and contingent consideration were made in the period in respect of the Century and Cardsave acquisitions.

The £8.0m underlying movement on borrowings in the period (2013: £4.5m) reflects scheduled repayments on the bank loans.

As a result of the above, the net cash outflow in the period was £61.0m (2013: outflow of £39.5m).

Net debt

Net debt at 30 June 2014 was £2,158.4m (2013: £1,623.2m) made up as follows:

	As at 30 June 2014 £m	**As at 30 June 2013 £m**	**Year on year change £m**
Own cash	**109.9**	**146.0**	**(36.1)**
Bank borrowings	(1,666.2)	(1,622.6)	(43.6)
PIK note	(441.1)	-	(441.1)
Preferred equity certificates	(131.5)	(115.3)	(16.2)
Finance leases	(29.5)	(31.3)	1.8
Net debt	**(2,158.4)**	**(1,623.2)**	**(535.2)**

The increase in net debt year on year largely reflects the refinancing activities that took place in the latter half of 2013. In October 2013, $240m of additional bank debt was raised to fund the acquisition of Century. In December 2013, the Group issued a Payment-In-Kind (PIK) toggle note of £455m and the proceeds were primarily used to fund a repayment of capital contribution of £400.2m and fees of £15.8m.

Divisional performance review

Divisional performance presented and discussed in this section is based on underlying financial performance. Underlying EBITDA is considered by management to give a fairer view of the year on year comparison of trading performance and is defined as earnings before interest, tax, depreciation and amortisation. It also excludes separately disclosed items which are explained in note 5 to the interim financial statements. Included in the tables accompanying each Business Unit's section are the financial and non-financial key performance indicators.

The segmental analysis for the six months to 30 June 2013 has been restated to reflect a more accurate allocation of costs between business units.

	6 months to 30 June 2014 £m	Restated 6 months to 30 June 2013 £m	Year on year change £m
Revenue			
WPUK	580.9	526.8	54.1
WPUS	788.6	797.1	(8.5)
eCommerce	357.3	303.9	53.4
Corporate	-	-	-
Group revenue	**1,726.8**	**1,627.8**	**99.0**
Underlying gross profit			
WPUK	160.5	148.5	12.0
WPUS	83.8	82.5	1.3
eCommerce	120.7	99.2	21.5
Corporate	-	-	-
Group underlying gross profit	**365.0**	**330.2**	**34.8**
Underlying EBITDA			
WPUK	77.5	82.2	(4.7)
WPUS	30.9	32.3	(1.4)
eCommerce	76.7	58.4	18.3
Corporate	(23.7)	(17.8)	(5.9)
Group Underlying EBITDA	**161.4**	**155.1**	**6.3**

Worldpay UK (WPUK)

WPUK combines the former Streamline business with Cardsave, YESpay and our relatively new Zinc business. It supports businesses in the UK of all sizes with the ability to accept and process credit and debit card payments. It provides a comprehensive payment processing and settlement service enabling the capture and associated cash settlement of both card-holder present and card-holder not present transactions.

WPUK generates its revenue through merchant acquiring, rental of terminals, and the sale of related products and services. The business is managed through three customer channels: Small, Commercial and Corporate. More information on the customer segmentation and product range is provided on page 46 of the Worldpay Annual Report and Accounts 2013.

	6 months to 30 June 2014	**6 months to 30 June 2013**	**Year on year change**
Financial			
Revenue (£m)	580.9	526.8	54.1
Gross profit (£m)	160.5	148.5	12.0
Gross margin (%)	27.6%	28.2%	(2.1)%
Underlying EBITDA (£m)	77.5	82.2	(4.7)
Underlying EBITDA margin (%)	13.3%	15.6%	(14.7)%
Non-financial			
Acquiring transactions (m)	2,287.4	2,087.0	200.4
Net acquiring margin (%)	0.11%	0.11%	-

During the period, WPUK performed well in its market with transactions up 10% and acquiring turnover up 6%.

Revenue increased 10.3% to £580.9m and gross profit increased by 8.1% to £160.5m. The increase in revenue and gross profit was driven by volume growth in both the Small and Corporate sectors and increased income generated through the provision of additional value-added services. These were partly offset by a decline in both debit and credit margins and an adverse mix variance as a result of lower credit volumes in our SME channel.

In our Small sector we saw the benefits of prior year and current year pricing initiatives flowing through. New customer wins also increased by 52% year on year as we benefited from an increase in leads through new commercial partnerships and our strengthened partnership with RBS. In addition, we have invested in improved tools for our sales force which is driving improved conversion rates.

The above, together with the continuing benefits we are seeing from the investment we made in our Retentions team last year means that we are gaining market share as new customers added are greater than customers lost.

The Corporate sector also performed well in the period with new customer wins including Gatwick Airport and two major providers of financial services. In addition, we successfully retained a number of significant customers including M&S and River Island.

Overheads increased by £16.7m year on year reflecting investment in the prior and current year in people and capability to drive the business forward and build for the future. In addition, the division was hit by some bad debt write-offs in the period.

Innovation continues to be a key pillar of our strategy as we seek to provide customers not only with the breadth of our operations but also with the opportunity to benefit from new and improved services, sharper market insight and increasing ease of use. To this end, during the period we have rolled out contactless payment solutions and launched a loyalty app, initially with major high street restaurant chains.

Underlying EBITDA was £77.5m, a decrease of £4.7m year on year as the growth in overheads, bad debt write-offs and investment in innovation outstripped the underlying trading improvement.

Worldpay US (WPUS)

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

WPUS generates its revenue through merchant acquiring and the sale of related products and services. The business is managed through four segments: Small Business Unit (SBU), National Business Unit (NBU) – formerly "Mid Market", Independent Sales organisation (ISO), and ATMs. More information on the customer segmentation and product range is provided on page 47 of the Worldpay Annual Report and Accounts 2013.

	6 months to 30 June 2014	**6 months to 30 June 2013**	**Year on year change**
Financial			
Revenue (£m)	788.6	797.1	(8.5)
Gross profit (£m)	83.8	82.5	1.3
Gross margin (%)	10.6%	10.4%	1.9%
Underlying EBITDA (£m)	30.9	32.3	(1.4)
Underlying EBITDA margin (%)	3.9%	4.1%	(4.9)%
Non-financial			
Acquiring transactions (m)	1,712.7	1,614.0	98.7
Net acquiring margin (%)	0.18%	0.19%	(5.3)%

WPUS continued to show steady progress in the first half of 2014. Reported revenue reduced year on year by £8.5m with gross profit improving by £1.3m. However, adjusting for the impact of FX translation, revenue increased by £50.2m, or 6.3% and gross profit increased by £7.4m, or 9.0%.

Consumer spending was adversely impacted in the first three months of the year by the unusually severe and widespread winter weather, leading to a widely reported contraction in US GDP. Despite this, total transactions processed increased by 6.1% to 1.7bn, compared to 1.6bn in 2013, and acquiring turnover was up 6.8%. We provided payment processing services for active merchants in approximately 250,000 outlets, a slight decrease versus the prior year.

SBU new signed sales decreased against the prior year as a result of a decision to deploy fewer sellers in the direct sales channel and a lower volume of leads in the bank channel. Productivity on new sales did, however, show significant improvement and we expect new sales for SBU to improve in the second half of the year with the recent appointment of the new executive leader for business development to help drive our partner-led strategy. We also anticipate improvements in the bank channel based on new marketing initiatives scheduled for launch in the second half. SBU customer net nil performance (new deals offset by attrition) improved dramatically year over year as a result of the key customer retention initiatives executed in 2013.

National Business Unit new sales for the first half of the year showed positive growth. Income from new sales increased as a result of additional sales staff but results were adversely affected by the difficult weather conditions that impacted the US in the first three months of 2014.

ISO transaction volumes also increased, driven by improved new merchant performance and portfolio merchant growth.

The ATM business continues to be impacted by market consolidation and our current strategy is to maintain business performance with minimal additional investment.

Overheads increased by £2.7m year on year, principally as a result of the Century acquisition. Our strategic focus continues to be to develop more partnerships with point-of-sale (POS) vendors as well as software development partners, whilst continuing to serve our brick-and-mortar businesses and select verticals nationwide. We have successfully created and implemented the key components of a best-in-class business development team that encompasses a clearly defined mission and indoctrination of new culture, which we anticipate will have a positive impact on the business in the near term.

We continue to invest in improving our ability to service our customers' needs with the launch of a number of new products which meet their changing requirements. 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.

Underlying EBITDA for the half year was £30.9m, £1.4m below the prior year.

eCommerce

Worldpay's eCommerce business was established in 1994 when it became the world's first provider of internet payment services. Since then, we have created a multi-scheme, multi-currency and multi-payment processing operation, serving some of the world's largest online businesses. Our value proposition is centred around fulfilling our customers' most important payment needs, globally. Combined with our global reach is a focus on maximising transaction success and lowering business cost and risk for our customers.

In eCommerce, we have chosen to focus on six global vertical markets: Digital Content, Global Retail, Airlines, Travel, Gambling and Video Games to whom we offer market leading products across our portfolio of merchant acquiring, alternative payment methods, payment gateway services, global multi-currency processing and fraud and risk management.

	6 months to 30 June 2014	**6 months to 30 June 2013**	**Year on year change**
Financial			
Revenue (£m)	357.3	303.9	53.4
Gross profit (£m)	120.7	99.2	21.5
Gross margin (%)	33.8%	32.6%	3.7%
Underlying EBITDA (£m)	76.7	58.4	18.3
Underlying EBITDA margin (%)	21.5%	19.2%	12.0%
Non-financial			
Acquiring transactions (m)	433.8	315.9	117.9
Net acquiring margin (%)	0.20%	0.18%	11.1%

During the six months to 30 June 2014, the financial performance in our eCommerce division was strong, with both revenue and gross profit showing double-digit growth for the second year running. This reflects strong year on year growth in the majority of our vertical markets. The World Cup had a positive impact on our Travel and Gambling verticals, with high volumes and income during June 2014 and continuing into July.

We have continued to strengthen relationships with customers across all our vertical markets, which include rapidly growing innovators as well as well-known global brands such as Sony, Airbnb and AliExpress. Recent new customer wins that are contributing to our 2014 growth include Valve, Innogames and Ethiopian Airlines.

In merchant acquiring, plans to strengthen our position by obtaining local licences in several key countries are on track. We became the first non-bank acquirer to obtain Visa and MasterCard domestic acquiring licences in Japan and have also recently entered into sponsorship agreements with local banks in Canada and India, enabling us to provide domestic card acquiring services in those countries.

As part of the strategy to extend our geographic reach, we have continued to add further local alternative payment products in the US and Asia, and opened our first China office in Shanghai in early 2014. The integration of Cobre Bem Tecnologia, a Brazilian payment gateway company acquired on 30 April 2014, has started and we are strengthening local capabilities to support development of the attractive South American market.

In May 2014, a strategic investment was made in Pazien Inc., an innovative US-based start-up developing an integrated data and analytics tool to enable merchants to improve transaction success rates, increase revenue and reduce costs. We have also continued to invest in developing market-leading features and capabilities in our Risk Guardian product.

As a result of the above, revenue and gross profit in the eCommerce business increased by 17.6% and 21.7%, respectively, year on year. Underlying EBITDA grew by 31.3%, to £76.7m, an increase of £18.3m.

Corporate

	6 months to 30 June 2014	**6 months to 30 June 2013**	**Year on year change**
Financial			
Underlying EBITDA (£m)	(23.7)	(17.8)	(5.9)

Corporate principally contains central personnel and consultancy spend. Costs increased by £5.9m year on year as we continue to invest in the growth of the business and right-size our operations following the divestment 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; the operating leverage this provides will free cash to invest further in growth opportunities.

PRINCIPAL RISKS AND UNCERTAINTIES

Pages 30-35 of the Group's Annual Report and Accounts 2013 constitute the Group's Risk report which contains 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.

The principal risks identified are as follows:

- Technology;
- Data security;
- Regulatory;
- Customer credit;
- Settlement;
- Financial markets; and
- Scale of change.

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

Fergal O'Hannrachain Manager	Ruth Springham Manager

3 September 2014

Appendix 1 – Condensed consolidated interim financial statements of Ship Luxco Holding & CY S.C.A. for the six month period ended 30 June 2014

UNAUDITED CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
For the six month period ended 30 June 2014

		6 months to 30 June 2014			Restated 6 months to 30 June 2013		
		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**	**1,726.8**	**-**	**1,726.8**	1,627.8	-	1,627.8
Transaction and processing costs		**(1,361.8)**	**-**	**(1,361.8)**	(1,297.6)	-	(1,297.6)
Gross profit		**365.0**	**-**	**365.0**	330.2	-	330.2
Personnel expenses		**(118.5)**	**(13.2)**	**(131.7)**	(103.5)	(17.9)	(121.4)
General, selling and administrative expenses		**(85.1)**	**(28.3)**	**(113.4)**	(71.6)	(36.9)	(108.5)
Earnings before interest, tax, depreciation, and amortisation (EBITDA)	**4**	**161.4**	**(41.5)**	**119.9**	155.1	(54.8)	100.3
Depreciation & amortisation	**8,9**	**(37.4)**	**(43.0)**	**(80.4)**	(31.7)	(36.1)	(67.8)
Operating profit/(loss)		**124.0**	**(84.5)**	**39.5**	123.4	(90.9)	32.5
Finance costs	**6**	**(85.5)**	**8.5**	**(77.0)**	(78.0)	(97.2)	(175.2)
Profit/(loss) before tax		**38.5**	**(76.0)**	**(37.5)**	45.4	(188.1)	(142.7)
Tax (charge)/credit	**7**	**(11.7)**	**9.9**	**(1.8)**	(23.7)	21.0	(2.7)
Profit/(loss) for the period		**26.8**	**(66.1)**	**(39.3)**	21.7	(167.1)	(145.4)

The accompanying notes on pages 21 to 34 form an integral part of these condensed consolidated interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the six month period ended 30 June 2014

	6 months to 30 June 2014 £m	6 months to 30 June 2013 £m
Loss for the period	**(39.3)**	(145.4)
Items that will not be reclassified through to profit and loss	**-**	-
Items that are or may subsequently be reclassified to profit or loss:		
Currency translation movement on net investment in subsidiary undertakings	**(0.3)**	11.4
Total comprehensive expense for the period	**(39.6)**	(134.0)

The accompanying notes on pages 21 to 34 form an integral part of these condensed consolidated interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
As at 30 June 2014

	Notes	As at 30 June 2014 £m	As at 30 June 2013 £m	As at 31 Dec 2013 £m
Non-current assets				
Goodwill	8	**1,196.6**	1,183.0	1,195.9
Other intangible assets	8	**654.2**	667.1	656.4
Property, plant and equipment	9	**128.1**	126.2	132.7
Interest in Joint Venture	11	**3.4**	-	-
Deferred tax assets		**23.6**	4.1	20.6
		2,005.9	1,980.4	2,005.6
Current assets				
Inventory		**1.0**	0.6	1.3
Trade and other receivables		**291.6**	235.3	284.8
Scheme debtors		**420.8**	2,030.2	433.3
Merchant float		**1,516.2**	719.5	755.1
Own cash and cash equivalents	12	**109.9**	146.0	179.6
		2,339.5	3,131.6	1,654.1
Current liabilities				
Trade and other payables		**(158.5)**	(134.3)	(150.8)
Merchant creditors		**(1,937.0)**	(2,749.7)	(1,188.4)
Current tax liabilities		**(3.5)**	(5.3)	(0.5)
Derivative financial instruments		**(0.3)**	(0.2)	-
Borrowings	12	**(66.0)**	(51.3)	(65.2)
Finance leases	12	**(12.2)**	(8.8)	(9.1)
Provisions		**(36.7)**	(17.6)	(39.1)
		(2,214.2)	(2,967.2)	(1,453.1)
Non-current liabilities				
Borrowings	12	**(2,172.8)**	(1,686.6)	(2,194.3)
Finance leases	12	**(17.3)**	(22.5)	(18.3)
Provisions		**(2.6)**	(3.0)	(7.6)
Deferred tax liabilities		**(119.3)**	(159.3)	(131.1)
		(2,312.0)	(1,871.4)	(2,351.3)
Net (liabilities)/assets		**(180.8)**	273.4	(144.7)
Equity				
Called-up share capital		**8.4**	8.4	8.4
Share premium		**7.6**	-	4.1
Capital contribution reserve		**42.1**	442.3	42.1
Foreign exchange reserve		**0.2**	2.6	0.5
Retained earnings deficit		**(239.1)**	(179.9)	(199.8)
Shareholders' (deficit)/equity		**(180.8)**	273.4	(144.7)

The accompanying notes on pages 21 to 34 form an integral part of these condensed consolidated interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
For the six month period ended 30 June 2014

	Notes	**6 months to 30 June 2014 £m**	6 months to 30 June 2013 £m
Cash flows from operating activities			
Cash generated by operations	13	**116.9**	95.8
Tax (paid)/refunded		**(14.2)**	1.5
Net cash inflow from operating activities		**102.7**	97.3
Investing activities			
Purchase of intangible assets	8	**(64.7)**	(30.8)
Purchases of property, plant and equipment	9	**(13.0)**	(29.0)
Acquisitions of subsidiaries (net of cash acquired)	11	**(7.9)**	(17.6)
Acquisition of joint venture	11	**(1.7)**	-
Net cash used in investing activities		**(87.3)**	(77.4)
Financing activities			
Finance costs paid		**(70.5)**	(44.0)
New finance leases		**8.7**	8.5
Repayment of finance lease obligations		**(6.6)**	(3.9)
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
Repayment of borrowings		**(7.9)**	(351.5)
Payment of facility set-up fees		**(0.1)**	(15.6)
Issue of preferred equity certificates		**-**	0.7
Repayment of yield-free preferred equity certificates		**-**	(200.0)
Other financing flows		**-**	(0.7)
Net cash (used in) financing activities		**(76.4)**	(59.4)
Net decrease in own cash & cash equivalents		**(61.0)**	(39.5)
Own cash & cash equivalents at beginning of period		**179.6**	178.6
Effect of foreign exchange rate changes		**(8.7)**	6.9
Own cash & cash equivalents at end of period	12	**109.9**	146.0

The accompanying notes on pages 21 to 34 form an integral part of these condensed consolidated interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June 2014

	Share capital £m	Share premium £m	Capital contribution reserve £m	Foreign exchange reserve £m	Retained earnings deficit £m	Total £m
At 1 January 2013	**(8.2)**	**-**	**(615.1)**	**8.8**	**115.6**	**(498.9)**
Loss for the period	-	-	-	-	145.4	**145.4**
Foreign currency translation	-	-	-	(11.4)	-	**(11.4)**
Total comprehensive expense for the period	**-**	**-**	**-**	**(11.4)**	**145.4**	**134.0**
Transfer of C shares	**(0.3)**	-	-	-	-	**(0.3)**
Exercise of C shares	**0.1**	-	-	-	-	**0.1**
Repayment of capital contribution	-	-	**93.0**	-	-	**93.0**
Contribution from investor	-	-	**(1.3)**	-	-	**(1.3)**
YFPECS discounting unwind	-	-	**81.1**	-	**(81.1)**	-
At 30 June 2013	**(8.4)**	**-**	**(442.3)**	**(2.6)**	**179.9**	**(273.4)**
Loss for the period	-	-	-	-	19.9	**19.9**
Foreign currency translation	-	-	-	2.1	-	**2.1**
Total comprehensive expense for the period	**-**	**-**	**-**	**2.1**	**19.9**	**22.0**
Repayment of capital contribution	-	-	400.2	-	-	**400.2**
Employee Benefit Trust income ('EBT')	-	(4.1)	-	-	-	**(4.1)**
At 31 December 2013	**(8.4)**	**(4.1)**	**(42.1)**	**(0.5)**	**199.8**	**144.7**
Loss for the period	-	-	-	-	39.3	**39.3**
Foreign currency translation	-	-	-	0.3	-	**0.3**
Total comprehensive expense for the period	**-**	**-**	**-**	**0.3**	**39.3**	**39.6**
Transfer of C shares	(0.1)	-	-	-	-	**(0.1)**
Exercise of C shares	0.1	-	-	-	-	**0.1**
Employee Benefit Trust income ('EBT')	-	(3.5)	-	-	-	**(3.5)**
At 30 June 2014	**(8.4)**	**(7.6)**	**(42.1)**	**(0.2)**	**239.1**	**180.8**

The total comprehensive expense for the financial period of £39.6m (2013: £134.0m) was wholly attributable to the owners of the Company.

The accompanying notes on pages 21 to 34 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 incorporated and registered in Luxembourg. It is a holding company of the Worldpay Group (the 'Group'), one of the world's leading independent payment processing companies. The condensed consolidated interim financial statements of the Company for the six months ended 30 June 2014 comprises the Company and its subsidiaries.

2. Basis of preparation

The 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.

Income and expenses of subsidiaries acquired during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition. 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 the IFRS policies used by the Group and for any fair value adjustments required on consolidation.

All intra-group balances, income and expenses, and the effect of any intra-group profits on the balance sheet, are eliminated in full on consolidation.

The presentational currency of the Group is Sterling.

The Consolidated Interim Income Statement for the six months to 30 June 2013 has been restated to reflect the change in presentation of the Group's foreign exchange gains and losses. Previously these were categorised as a separately disclosed item under the General, selling and administrative expenses category. As of 1 July 2013, the Group changed the presentation of foreign exchange gains and losses to show them in the finance costs category as the foreign exchange gains and losses arise as a result of the Group's financing structure.

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 for the year ended 31 December 2013. These 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 3 September 2014.

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 for the year ended 31 December 2013.

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 for the year ended 31 December 2013, 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 the following new or revised standards. These have not impacted the balance sheet or reported results for the period, nor any previously reported results.

- IFRS 10 'Consolidated Financial Statements' – builds on existing principles by highlighting the concept of control as the determining factor on whether an entity should form part of the consolidated financial statements.
- IFRS 11 'Joint Arrangements' – this removes the choice between equity or proportionate accounting for jointly controlled entities.
- IFRS 12 'Disclosure of Interests in Other Entities' – includes disclosure requirements for all forms of interest in other entities.
- Amendments to IFRS 10, 12 and IAS 27 'Investment Entities' – includes provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10.
- IAS 28 'Investments in Associates and Joint Ventures' – updates to the rules on how to treat investments in associates or joint ventures which are held for sale and the treatment of any retained interest after a partial disposal.
- Amendments to IAS 32 'Offsetting Financial Assets and Financial Liabilities' – provides clarification on the application of offsetting rules.
- Amendments to IAS 36 'Recoverable Amount Disclosures for Non-Financial Assets' – aligns the disclosure requirements of IAS 36 following the issuance of IFRS 13. It is intended that disclosures around recoverable amount will be required when that amount is based on fair value less costs of disposal, and discount rates when present value techniques have been used in assessing recoverable amount.
- IFRIC 21 'Levies' – clarifies when to recognise a liability to pay a government levy that is accounted for in accordance with IAS 37.

4. Segmental information

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker (the Operating Committee) to allocate resources and assess performance. For each identified operating segment, the Group has disclosed information for the key performance indicators that are assessed internally to review and steer performance in the Performance review section of this report.

6 months to 30 June 2014

	WPUK	**WPUS**	**eCom**	**Corporate**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**
Underlying revenue	580.9	788.6	357.3	-	**1,726.8**
Underlying EBITDA	**77.5**	**30.9**	**76.7**	**(23.7)**	**161.4**
Underlying depreciation & amortisation	(22.5)	(3.2)	(10.7)	(1.0)	**(37.4)**
Underlying operating profit	**55.0**	**27.7**	**66.0**	**(24.7)**	**124.0**
Separately disclosed items affecting operating profit	(44.0)	(16.1)	(14.0)	(10.4)	**(84.6)**
Operating profit	**11.0**	**11.6**	**52.0**	**(35.1)**	**39.5**
Underlying finance costs					(85.5)
Separately disclosed items affecting finance costs					8.5
Loss before tax					**(37.5)**
Tax					(1.8)
Loss for the period					**(39.3)**
Non current assets	1,221.3	314.9	469.7	-	**2,005.9**

4. Segmental information (continued)

6 months to 30 June 2013 Restated	WPUK £m	WPUS £m	eCom £m	Corporate £m	Total £m
Underlying revenue	526.8	797.1	303.9	-	**1,627.8**
Underlying EBITDA	**82.2**	**32.3**	**58.4**	**(17.8)**	**155.1**
Underlying depreciation & amortisation	(13.8)	(6.7)	(9.0)	(2.2)	**(31.7)**
Underlying operating profit	**68.4**	**25.6**	**49.4**	**(20.0)**	**123.4**
Separately disclosed items affecting operating profit	(38.5)	(17.9)	(14.4)	(20.1)	**(90.9)**
Operating profit	**29.9**	**7.7**	**35.0**	**(40.1)**	**32.5**
Underlying finance costs					(78.0)
Separately disclosed items affecting finance costs					(97.2)
Loss before tax					**(142.7)**
Tax					(2.7)
Loss for the period					**(145.4)**
Non current assets	1,183.7	321.5	475.2	**-**	**1,980.4**

The Segmental analysis for the six months to 30 June 2013 has been restated to reflect a more accurate allocation of costs between business units.

The Group's revenue is generally consistent with the geographical locations of the divisions with the exception of the eCommerce 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 2014 £m	6 months to 30 June 2013 £m
Affecting earnings before interest, tax, depreciation, and amortisation (EBITDA)		
Platform costs	**18.1**	20.1
Other separation costs	**13.0**	4.1
Reorganisation and restructuring costs	**5.8**	18.7
Costs associated with business set-ups, acquisitions & disposals	**0.7**	8.2
Other	**3.9**	3.7
Total affecting EBITDA	**41.5**	54.8
Affecting depreciation and amortisation		
Impairment of platform assets	**6.3**	-
Amortisation of business combination intangibles	**36.7**	36.1
Total affecting depreciation and amortisation	**43.0**	36.1
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
Foreign exchange (gains)/losses	**(8.5)**	9.3
Total affecting finance costs	**(8.5)**	97.2
Total separately disclosed items	**76.0**	188.1

Total costs of separation in the period amounted to £31.1m (2013: £24.2m), of which £18.1m (2013: £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 £318m, of which £208m 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, branding and remediation costs incurred in separating the business operations from RBS.

As well as separation from RBS, the Group continues to incur costs in restructuring and reorganising the business to put us in the best position to continue to achieve our ambitious growth plans. In the six months to 30 June 2014, these include costs incurred in restructuring our WPUK business and in integrating the Century acquisition into our WPUS business.

Costs of business set-ups, acquisitions and disposals in the period include provisions for amounts payable under a management bonus arrangement following the acquisition of Century in the prior year.

Other separately disclosed items of £3.9m (2013: £3.7m) include loss on disposal of assets and shareholder costs.

The majority of the separately disclosed items affecting EBITDA result in cash flows, either in the year or in the future.

5. Separately disclosed items (continued)

Following further re-planning of the Platform programme, a follow up review of potential impairment was undertaken at 30 June 2014 and identified a further £6.3m write-down which largely relates to the unamortised portion of the original Oracle Unlimited Licence Agreement (ULA) which has no remaining commercial value following the signing of a new 3 year unlimited licence agreement in May 2014.

The £36.7m (2013: £36.1m) of non-cash amortisation of business combination intangibles largely arises from the divestment of the business from RBS and subsequent strategic business acquisitions.

During the period, the Group recorded a gain of £8.5m (2013: loss of £9.3m) on the translation of its foreign currency assets and liabilities. The gain arose 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.

6. Finance costs

	6 months to 30 June 2014 £m	6 months to 30 June 2013 £m
Underlying finance costs		
Effective interest on borrowings & finance leases	**67.9**	49.9
Interest on preferred equity certificates	**7.8**	7.7
Discount unwind on yield free preferred equity certificates	**0.3**	7.1
Amortisation of capitalised finance costs	**5.0**	5.6
Fair value losses/(gains)	**2.8**	5.5
Other finance costs	**1.7**	2.2
	85.5	78.0
Separately disclosed items affecting 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
Foreign exchange gains	**(8.5)**	9.3
	(8.5)	97.2
Total finance costs	**77.0**	175.2

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 2014, comprising current and deferred tax, was £1.8m (2013: £2.7m). Taxes, including all applicable UK and foreign taxes, are recognised by reference to management's best estimate of the weighted average annual tax rates 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 arising on Group financing. The tax charge for the period is principally affected by tax adjusted profits in the US and the Netherlands and tax adjusted losses in the UK.

8. Goodwill and other intangible assets

Goodwill	**£m**
Balance at 1 January 2013	**957.5**
Acquisition of YESpay Group	22.2
Transferred from discontinued operations held for sale	191.2
Foreign exchange impact	12.1
Balance at 30 June 2013	**1,183.0**
Acquisition of Century Payment Holdings, Inc.	29.4
Foreign exchange impact	(16.5)
Balance at 31 December 2013	**1,195.9**
Acquisition of Cobre Bem	7.4
Foreign exchange impact	(6.7)
Balance at 30 June 2014	**1,196.6**

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 2014, goodwill has not been re-tested since 31 December 2013.

8. Goodwill and other intangible assets (continued)

	Business combination intangibles			
	Customer relationships	**Brands**	**Software**	**Total**
Other intangible assets	**£m**	**£m**	**£m**	**£m**
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	1.2	-	0.9	2.1
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	4.7	0.9	1.3	6.9
Balance at 30 June 2013	**544.7**	**13.0**	**109.4**	**667.1**
Additions in the period	-	-	49.1	49.1
Acquisition of Century Payments	20.8	-	-	20.8
Transferred from property, plant & equipment	-	-	(0.6)	(0.6)
Disposals	-	-	(1.5)	(1.5)
Amortisation charge for the period	(36.1)	(1.9)	(18.1)	(56.1)
Impairment charge	-	-	(14.3)	(14.3)
Foreign exchange impact	(6.1)	(0.5)	(1.5)	(8.1)
Balance at 31 December 2013	**523.3**	**10.6**	**122.5**	**656.4**
Additions in the period	-	-	64.7	64.7
Acquisition of Cobre Bem	0.2	-	0.1	0.3
Transferred to property, plant & equipment	-	-	(3.6)	(3.6)
Disposals	-	-	(0.7)	(0.7)
Amortisation charge for the period	(35.9)	(0.8)	(17.2)	(53.9)
Impairment charge	-	-	(6.3)	(6.3)
Foreign exchange impact	(2.0)	(0.1)	(0.6)	(2.7)
Balance at 30 June 2014	**485.6**	**9.7**	**158.9**	**654.2**

9. Property, plant and equipment

	£m
Balance at 1 January 2013	**99.7**
Additions in the period	29.0
Acquisition of YESpay Group	0.3
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	1.0
Balance at 30 June 2013	**126.2**
Additions in the period	28.0
Acquisition of Century Payments	0.2
Disposals in the period	(3.0)
Impairment charge	(0.4)
Transferred from inventory	0.4
Transferred from other intangible assets – software	0.6
Depreciation charge for the period	(18.4)
Foreign exchange impact	(0.9)
Balance at 31 December 2013	**132.7**
Additions in the period	13.0
Disposals in the period	(0.8)
Transferred from other intangible assets - software	3.6
Depreciation charge for the period	(20.2)
Foreign exchange impact	(0.2)
Balance at 30 June 2014	**128.1**

10. Capital commitments

Capital commitments at 30 June 2014 were £8.9m (2013: £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

Cobre Bem

On 30 April 2014, the Group acquired Cobre Bem Tecnologia, a leading provider of gateway payment solutions in Latin America. Cobre Bem offers single point access to popular local payment methods in Latin America, including eight different credit/debit card types and more than 20 banks for direct online transfers, direct debit and Boleto Bancario. Their headquarters are in Brazil and they have offices in Rio de Janeiro and Sao Paulo. This acquisition highlights our commitment to offering our customers maximum global reach through a single technical connection.

The cost of the acquisition was £5.8m satisfied by £3.9m of cash paid and £1.9m of deferred consideration. Provisional goodwill has been calculated as £7.4m.

11. Acquisitions (continued)

Cobre Bem's contribution to the Group since acquisition has been £0.1m of revenue and £0.1m of loss before tax.

Pazien

On 8 May 2014, the Group acquired 34% of the share capital of Pazien, with conditional obligations and options to increase ownership. Pazien is an innovative start-up located in Boston. They are developing a powerful web-based reporting and analytics platform. This will effortlessly extract and aggregate payment data, providing actionable insights across providers and merchants to improve transaction success rates, increase revenue and reduce costs.

The Group has joint control of Pazien with the other parties to the arrangement and it has therefore been accounted for as a joint venture. The cost of the investment was £3.4m satisfied by £1.7m of cash paid and £1.7m of deferred consideration.

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 and losses	-	(22.4)	(3.0)	(52.9)	-	(78.3)
Other non-cash flows	-	(5.6)	(39.4)	-	-	(45.0)
Exchange movements	6.9	-	-	-	-	(6.9)
At 30 June 2013	**146.0**	**(1,622.6)**	**-**	**(115.3)**	**(31.3)**	**(1,623.2)**
Cash flows	43.6	(75.9)	(439.2)	-	4.8	(466.7)
Finance costs	-	(44.0)	(0.9)	(7.9)	(0.8)	(53.6)
Fair value gains and losses	-	0.6	(0.1)	(0.3)	-	0.2
Other non-cash flows	-	(5.7)	-	0.1	(0.1)	(5.7)
Exchange movements	(10.0)	51.7	-	-	-	41.7
At 31 December 2013	**179.6**	**(1,695.9)**	**(440.2)**	**(123.4)**	**(27.4)**	**(2,107.3)**
Cash flows	(61.5)	52.9	21.5	-	(1.1)	11.8
Finance costs	-	(46.2)	(20.6)	(7.8)	(1.0)	(75.6)
Fair value gains and losses	-	(2.2)	(0.6)	(0.3)	-	(3.1)
Other non-cash flows	-	(3.8)	(1.2)	-	-	(5.0)
Exchange movements	(8.2)	29.0	-	-	-	20.8
At 30 June 2014	**109.9**	**(1,666.2)**	**(441.1)**	**(131.5)**	**(29.5)**	**(2,158.4)**

The total above includes accrued interest at 30 June 2014 of £45.1m (30 June 2013: £19.2m).

12. Net debt and borrowings (continued)

	Senior bank borrowings £m	Subordinated bank borrowings £m	Preferred Equity Certificates £m	Finance leases £m	Total £m
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)**
Current	(64.3)	(0.9)	-	(9.1)	**(74.3)**
Non-current	(1,631.6)	(439.3)	(123.4)	(18.3)	**(2,212.6)**
At 31 December 2013	**(1,695.9)**	**(440.2)**	**(123.4)**	**(27.4)**	**(2,286.9)**
Current	(66.0)	-	-	(12.2)	**(78.2)**
Non-current	(1,600.2)	(441.1)	(131.5)	(17.3)	**(2,190.1)**
At 30 June 2014	**(1,666.2)**	**(441.1)**	**(131.5)**	**(29.5)**	**(2,268.3)**

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.

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 the cash flow statement

	6 months to 30 June 2014 £m	Restated 6 months to 30 June 2013 £m
Operating activities		
Loss for the period before tax	**(37.5)**	(142.7)
Adjustments for:		
Depreciation of property, plant and equipment	**20.2**	17.4
Amortisation and impairment of intangible assets	**60.2**	50.4
Foreign exchange on translation	**(0.7)**	-
Loss on sale of assets	**1.5**	0.2
Finance costs	**77.0**	175.2
Net cash inflow from operating activities	**120.7**	100.5
(Increase) in trade and other receivables	**(30.3)**	(18.0)
Increase in trade and other payables	**33.8**	10.9
(Decrease)/ Increase in provisions	**(7.3)**	2.4
Cash generated from operations	**116.9**	95.8

14. Contingent liabilities

As at 30 June 2014, 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 20 December 2010 and Envoy Services Limited (now called Worldpay AP Limited) on 27 July 2011, the dividend recapitalisation transaction which occurred in May 2013, the acquisition of Century Payments Holdings, Inc. on 25 September 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 2014, 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. As at 30 June 2014, 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. As at 30 June 2014, Yes-secure.com Limited has granted a deposit agreement to secure its own liabilities in favour of Lloyds TSB Bank plc dated 17 February 2011.

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 retained a 17.8% holding in the Group as well as representation on the Board.

On 9 December 2013, RBS sold its holding to Advent International and Bain Capital. Advent International and Bain Capital acquired an equal share of the RBS holding.

As at 30 June 2014, Ship Investor & CY S.C.A. heads the largest Group in which the Company is consolidated.

15. Related parties (continued)

Related party transactions and their impact on the Condensed Consolidated Interim Statement of Comprehensive Income for the six months ended 30 June 2014 and 30 June 2013 are set out in the table below.

	6 months to 30 June 2014	**6 months to 30 June 2013**
	£m	**£m**
Interest payable to related parties		
Blackjack Luxembourg S.à r.l	**1.5**	-
Ship Investor & CY S.C.A.	**6.0**	6.2
	7.5	6.2

	6 months to 30 June 2014	**6 months to 30 June 2013**
	£m	**£m**
Purchases from related parties		
Advent International	**0.7**	0.7
Bain Capital	**0.7**	0.8
	1.4	1.5

Balances with related parties as at 30 June 2014, 30 June 2013 and 31 December 2013 are set out in the table below.

	As at 30 June 2014	**As at 30 June 2013**	**As at 31 December 2013**
	£m	**£m**	**£m**
Amounts due to related parties			
Advent International	**0.9**	0.7	-
Bain Capital	**-**	0.3	-
Blackjack Luxembourg S.à r.l	**25.8**	-	24.2
Ship Investor & CY S.C.A.	**105.7**	92.8	99.2
	132.4	93.8	123.4

	As at 30 June 2014	**As at 30 June 2013**	**As at 31 December 2013**
	£m	**£m**	**£m**
Amounts due from related parties			
Advent International	**3.4**	-	3.4
Ship Investor & CY S.C.A.	**0.5**	-	0.2
	3.9	-	3.6

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 however variances in working capital balances are also caused by the day of the week 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, rue Beck
L-1222 Luxembourg

**Report of the Réviseur d'Entreprises Agréé
on the review of condensed consolidated interim financial statements**

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Ship Luxco Holding & CY S.C.A.("the Company") as at June 30, 2014 and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the six month period then ended, and notes thereto as set out on pages 16 to 34 ("the condensed consolidated interim financial statements"). Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on these condensed 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* as adopted, for Luxembourg, by the Institut des Réviseurs d'Entreprises. A review of interim financial information 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 condensed consolidated interim financial statements as at June 30, 2014 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union.

Luxembourg
3 September 2014
KPMG Luxembourg S.à r.l.
Cabinet de révision agréé

Jean-Manuel Séris