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9 August 2016

WORLDPAY GROUP PLC
Results for the 6 months ended 30 June 2016

	H1 2016	*H1 2015*	Change
Number of transactions (bn)	7.2	*6.3*	+15%
Transaction value (£bn)	217.1	*196.5*	+11%
Revenue (£m)	2,135.6	*1,940.3*	+10%
Net revenue[1] (£m)	539.7	*465.7*	+16%
Underlying EBITDA[2] (£m)	217.9	*182.6*	+19%
Profit before tax (£m)	168.6	*0.3*	+£168.3m
Earnings per share (p)	2.9	*0.2*	+2.7p
Free cash flow[3] (£m)	82.9	*20.0*	+£62.9m

For notes to the table, see page 5.

Financial and Operating Highlights

- Strong net revenue growth of 16% (14% at constant currency): expansion of business with existing customers, roll-out of enhanced capabilities and innovation, and new customer wins
  - Global eCom net revenue grew 25%: driven by growth in existing customer portfolio and a good contribution from new customers; also reflects very strong acquiring and treasury performance; we expect a moderation to more normal growth levels in the second half
  - Worldpay UK net revenue grew 12%: continue to increase customer numbers and product penetration through cross selling; also benefited from the overall positive effect on product propositions and pricing following the reduction in interchange costs
  - Worldpay US performance improving: net revenue growth of 11% (5% at constant currency); transaction volume up 10%; encouraging progress in the transformation of the US business
- Underlying EBITDA grew 19% (18% at constant currency), driven by revenue growth, and by strong cost management and improved efficiency in Worldpay UK, partly offset by continued investment in Global eCom and Worldpay US
- Success in growing our share of existing customer business and winning customer contracts giving increased visibility on longer-term growth prospects
- Further strengthening our capabilities to help our customers prosper, including through the addition of new payment types and transformational products and services
- Have begun boarding customers onto our new acquiring platform; boarding of all UK and Global eCom customers expected to be completed in the next 12 months

"We delivered a strong first half performance, further enhancing our product propositions, and deepening our capabilities and presence, both by geography and across our divisions and verticals. We are well positioned to deliver a good performance in the second half of the year, and our medium-term guidance remains unchanged. While the UK's vote to leave the EU has resulted in increased uncertainty, we do not expect it to have a material effect on Worldpay's trading performance. Our confidence in our prospects is reflected in further investment in capabilities to support sustainable growth over the medium-term, and the declaration of our maiden interim dividend of 0.65p per share."

Philip Jansen, Chief Executive Officer

Performance summary and outlook

The commentary below summarises Group and divisional performance for the six months to 30 June 2016. Except where otherwise stated, comparisons are made with the comparable period in 2015.

Strong Group performance

The Group delivered a strong performance, with the number of transactions processed growing by 15%, net revenue increasing by 16%, or 14% in constant currency terms, to £539.7m, and underlying EBITDA growing by 19% to £217.9m. Net revenue growth was driven by the expansion of our business with existing customers, including the further roll-out of innovative products and services in all divisions, and by the start of contracts with new customers. At the same time, we continued to strengthen our capabilities with new products and customer-focused innovation, and to win new customers, thereby increasing the visibility we have on our future growth.

Our strong financial performance, and increased free cash flow, which improved by £62.9m to £82.9m, support the payment of our maiden interim dividend, of 0.65p per share, to be paid on 18 October.

Global eCom

Global eCom performed very strongly, with the number of transactions processed growing 33%, driving net revenue growth of 25%, to £189.3m. We saw significant growth across the portfolio of existing customers, notably in the airline, retail and digital content verticals and with our government customers, and, in terms of products, strong growth in net acquiring income and treasury management and foreign exchange services. We also saw a good contribution from new customers that were signed in 2015, including from Turkish Airlines, and from customers in the retail vertical.

We signed a number of contracts with new customers, including China Eastern Airlines, Despegar, and Paddy Power Betfair, and renewed contracts with existing customers, giving us greater visibility on our growth over the longer-term. The terms of these renewed contracts reflect the higher volumes we are now processing for these customers, and as they commence in the second half of the year, this will result in a moderation of the rate of revenue growth in Global eCom.

We further strengthened our capabilities, and we have launched a range of new products including new integration methods such as Client Side Encryption (CSE) to reduce customer integration times and PCI costs, and enhanced Tokenisation, reducing the PCI exposure of our customers by securing sensitive data. We have also built further capability to allow customers to optimise their conversion rates by sending through additional information, and improved the usability and branding of our portals to help customers manage transactions and their accounts. We continue to focus on expanding our product footprint, especially in Asia, with BillDesk (India) and TenPay (China) live on our Alternative Payments platform, and additional countries expected to be added in the second half of the year.

WPUK

WPUK delivered a robust performance. Net revenue grew by 12% to £213.9m, with transactions growing by 6% as a result of strong growth in customer numbers and an increased penetration of transformational products and services, and also benefiting from the effective management of pricing.

We have seen very encouraging progress with Worldpay Total, our omnichannel product for medium-sized and larger customers, with a number of new customers signed including QHotels and Lloyds Pharmacy, and rollouts continuing across a number of sectors, including retail, hospitality and public sector. We also continue to deliver good momentum in the SME segment, with further growth in the number of UK SME customers, and with a highly successful cross-sales strategy. My Business Dashboard is now in active use with over 60,000 of our UK SME customers, the usage of our ecommerce products continues to grow, and, in partnership with Liberis, close to £5m has now been advanced to small businesses through Worldpay Business Finance. During the first half of the year, we launched innovative new pricing plans for our SME customers, which include fixed price and pay-as-you-go options. We also unveiled our My Business Hub product, our tablet-based integrated payments solution for UK SMEs.

WPUS

WPUS delivered an improved financial performance, with net revenue growing by 11%, or 5% on a constant currency basis, to £136.5m. Transactions grew by 10%, with growth in both our Small and Corporate Business segments. In Small Business, transactions grew by 9% and new customer activations are tracking ahead of plan. Good progress is also being made on new customer acquisitions and retention, implementing best practice from WPUK. In Corporate Business, the number of outlets grew by 10% and transactions by 13% with the growth well-balanced across our key verticals of Restaurants, Grocery, Petro and Retail.

The integration of SecureNet is progressing as planned and we expect to launch our partner- and developer-led integrated payments proposition under the “Worldpay Total” brand at Money 2020 later this year. Ahead of that, 15 new business development partner relationships were launched in the first half, including Groupon. EMV solutions have been rolled out in the period, with new business sales now on EMV-compliant devices. We are also well-advanced in our marketing programme to upgrade existing customers to EMV compliance. Later this year we will launch our new tablet-based point of sale proposition using NCR Silver hardware.

Separation update: delivering on our plan

We are delivering on our plan to achieve complete separation from RBS through our new acquiring platform. We have now commenced boarding customers onto the new platform to replace the last remaining component where we rely on RBS: the clearing and settlement engine. We expect to board our approximately 300,000 UK and Global eCom customers in stages over the coming 12 months, with completion of this process expected in the summer of 2017.

Board change

In May, we were delighted to announce that Karen Richardson, an accomplished and highly-regarded technology executive, would join the Board as an independent non-executive director and a member of the Audit and Nomination Committees. Her appointment took effect from 1 July 2016.

Investing in our capabilities and our people

Worldpay is a resilient business, with strong growth opportunities and highly visible, recurring revenues. Given our continued strong performance, we are increasing investment in our capabilities so that we can capitalise on the opportunities we see to deliver sustainable growth over the medium-term. We therefore expect incremental capital expenditure of around £15m in each of 2016 and 2017 for customer product development, increased platform capability and acceleration of planned gateway investments, and for cost growth to be in line with net revenue growth for the full year 2016. We are also continuing to make substantial investments in our people, supporting their development through the Worldpay Academy and other initiatives, and are pleased to have launched our first graduate recruitment scheme, expanding the pool of talent available to the Group.

Outlook

We are well positioned to deliver a good performance in the second half of the year, in line with our medium-term guidance which remains unchanged. While the UK's vote to leave the EU has resulted in increased uncertainty, we do not expect it to have a material effect on Worldpay's trading performance.

If current foreign exchange rates are maintained, these are likely to provide further benefits from the translation of our second half overseas earnings into Sterling. However, we expect the very strong Global eCom acquiring and treasury management performance we saw in the first half to moderate to more normal growth levels in the remainder of the year. In addition, we do not expect an incremental benefit to Worldpay UK in the second half of 2016 from the reduction in interchange costs. These reductions principally occurred in the second half of 2015, with the benefits mainly seen in that period and the first half of 2016.

Our guidance for the medium-term is unchanged: we continue to expect net revenue growth of approximately 9% to 11% CAGR over the medium to long term, and stronger operating leverage and cash flow from the second half of 2017 onwards. Our confidence in our prospects is reflected in the declaration of our maiden interim dividend of 0.65p per share.

Results presentation

The half year results conference call for analysts and investors will commence at 8:00am today and a simultaneous webcast will be available at http://investors.worldpay.com.

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About Worldpay

Worldpay is a leading payments company with global reach. We provide an extensive range of technology-led payment products and services to over 400,000 customers, enabling their businesses to grow and prosper. We manage the increasing complexity of the payments landscape for our customers, allowing them to accept the widest range of payment types around the world. Using our network and technology, we are able to process payments from geographies covering 99% of global GDP, across 146 countries and 126 currencies. We help our customers to accept more than 300 different payment types.

For more information, visit www.worldpay.com

Forward-looking statements

This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and businesses of Worldpay Group plc. Such statements and forecasts by their nature involve risk and uncertainty because they relate to future events and circumstances. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Worldpay Group plc cautions readers that no forward-looking statement is a guarantee of future performance. Nothing in this announcement should be construed as a profit forecast. These forward-looking statements are made at the date of this announcement. Except as required by law or regulation, Worldpay Group plc has no obligation to update the forward-looking statements or to correct any inaccuracies in them.

Notes

1. Net revenue is defined as revenue less interchange and scheme fees.
2. Underlying EBITDA is defined as earnings before interest, tax, depreciation and amortisation. It also excludes separately disclosed items which are discussed in note 3 to the condensed financial statements.
3. Free cash flow represents the Group's net inflow from operating activities (£167.0m), less net capital expenditure (£81.6m) and underlying finance costs (£23.2m). It excludes any working capital movements associated with the IPO (£20.7m).

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Financial review

The information presented and discussed in this section includes a number of measures that are not defined or recognised under IFRS including net revenue, underlying EBITDA, underlying earnings per share and free cash flow. These are considered to be key measures of the Group's financial performance and as such have been included here to aid comparability and enhance usefulness.

Net revenue, defined as revenue less interchange and scheme fees, is presented and discussed in this section as the Directors believe that this best reflects the relationship between revenue and profitability. Underlying EBITDA, being earnings before interest, tax, depreciation and amortisation, excluding separately disclosed items, is considered by the Directors to give a fairer view of the year-on-year comparison of underlying trading performance. Separately disclosed items are costs or income that have been recognised in the income statement which the Directors believe, due to their nature or size, should be disclosed separately to give a more comparable view of the year-on-year underlying financial performance. These are explained further later in this section.

Underlying earnings per share is calculated by taking profit for the period before separately disclosed items, divided by the number of shares in issue at the end of the period. With regards underlying earnings per share for the six month period ended 30 June 2015, we have divided by the number of shares in issue at the end of 2015, however, as this provides a more useful metric as it excludes the impact of the share capital reorganisation that occurred on IPO in October 2015.

Free cash flow represents the Group's net cash inflow from operating activities less net capital expenditure and underlying finance costs. It excludes any working capital movements associated with the IPO. The Directors believe that free cash flow provides a better reflection of the cash being generated by the business.

Group KPIs

	Six months ended 30 June 2016	**Six months ended 30 June 2015**	**Change**
Total transactions (bn)	7.2	6.3	+15%
Total transaction value (£bn)	217.1	196.5	+11%
Average transaction value (£)	30.0	31.2	-4%
Net revenue/transaction value (%)	0.25%	0.24%	+1bps

Income statement

	Six months ended 30 June 2016 £m	Six months ended 30 June 2015 £m	Change
Revenue	2,135.6	1,940.3	+10%
Interchange and scheme fees	(1,595.9)	(1,474.6)	-8%
Net revenue[1]	**539.7**	**465.7**	**+16%**
Gross profit	**472.8**	**406.4**	**+16%**
Underlying EBITDA[2]	**217.9**	**182.6**	**+19%**
Underlying depreciation and amortisation	(36.4)	(34.6)	-5%
Underlying finance costs	(28.2)	(85.2)	+67%
Share of results of joint venture and associate	(0.5)	(0.3)	-67%
Underlying profit before tax	**152.8**	**62.5**	**+144%**
Separately disclosed items:			
- affecting EBITDA	(35.6)	(34.4)	
- affecting depreciation and amortisation	(24.9)	(37.0)	
- affecting finance (costs)/income	76.3	9.2	
	15.8	(62.2)	+£78.0m
Profit before tax	**168.6**	**0.3**	**+£168.3m**
Tax charge on underlying profit	(40.5)	(4.4)	
Tax (charge)/credit on separately disclosed items	(69.5)	7.2	
	(110.0)	2.8	
Profit for the period	**58.6**	**3.1**	**+£55.5m**
Earnings per share			
Underlying diluted EPS (p)[3]	**5.6p**	**2.9p**	**+2.7p**
Reported diluted EPS (p)	**2.9p**	**0.2p**	**+2.7p**

[1] Net revenue is defined as revenue less interchange and scheme fees.

[2] Underlying EBITDA is defined as earnings before interest, tax, depreciation and amortisation. It also excludes separately disclosed items which are discussed in note 3 to the condensed financial statements.

[3] Underlying earnings per share is calculated by taking the profit for the period before separately disclosed items, divided by the number of shares in issue at the end of the period. For the six months ended 30 June 2015, the number of shares in issue at the end of 2015 has been used to remove the distortion caused by the pre-IPO position.

Revenue
Revenue in the period of £2,135.6m (2015: £1,940.3m) was £195.3m, or 10%, higher than in the prior period. This reflected an 11% increase in total transaction value driven by a 15% increase in total transactions, partly offset by a 4% fall in average transaction value as the use of contactless card payments increased. Excluding the impact of foreign currency translation on our WPUS revenue of £59.6m, growth was 7%. This growth reflects a 37% increase in our Global eCom business and a 5% increase in WPUS, partly offset by a 12% reduction in WPUK.

The increase in Global eCom reflects strong volume growth across a number of verticals, particularly in treasury management and foreign exchange services[4], net acquiring income[5] and gateway services[6]. The decline in WPUK reflects the pass through of Visa and MasterCard interchange reductions. The 5% underlying growth in WPUS was driven principally by growth in acquiring income reflecting an increase in transaction volumes in both the Small and Corporate Business segments.

Net revenue
Net revenue at £539.7m (2015: £465.7m) increased by £74.0m, or 16% in the six months to 30 June 2016 compared to the prior period and net revenue as a percentage of total transaction value increased by 1 basis point to 0.25%. Excluding the impact of foreign currency translation on our WPUS net revenue of £7.5m, growth was 14%. This growth reflects a 25% increase in our Global eCom business, a 12% increase in WPUK and a 5% increase in WPUS.

The increase in Global eCom and WPUS reflects the same factors as for revenue above. In WPUK, an increase in net acquiring income accounted for the majority of the increase, reflecting the impact of strong customer acquisition and cross-sales, as well as a net positive impact of lower interchange costs on the acquiring margin. As a result, net revenue as a percentage of total transaction value in WPUK increased by 2 basis points to 0.21%.

Further details on the segmental breakdown of net revenue performance are provided later in this report.

Gross profit
Gross profit at £472.8m (2015: £406.4m) increased by £66.4m, or 16% in the six months to 30 June 2016 compared to the prior period. Excluding the impact of foreign currency translation on our WPUS gross profit of £5.8m, growth was 15%. This reflects a 24% increase in our Global eCom business, a 13% increase in WPUK and a 4% increase in WPUS.

The increase in Global eCom and WPUK was driven from the net revenue improvements noted above. In WPUS, increased referral commission payments to partners resulted in underlying gross profit growth slightly below the rate of net revenue growth.

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[4] Income from treasury management and foreign exchange services is generated on settling foreign currency transactions on behalf of customers.
[5] Net acquiring income is defined as transaction service charges less interchange and scheme fees. Transaction service charges are earned for services provided to process transactions between the customer and an acquiring bank, which is a bank that accepts card payments from the card-issuing banks.
[6] Gateway services work in the same manner as transaction processing services, but are provided for online transactions only.

Underlying personnel and net operating expenses

Underlying personnel and net operating expenses at £254.9m (2015: £223.8m) increased by £31.1m, or 14% in the six months to 30 June 2016 compared to the prior period. Excluding the impact of foreign currency translation on our WPUS expenses of £4.1m, the increase was 12%.

The increase reflects higher staff costs due largely to growth in the average number of employees as a result of the recruitment, in the second half of 2015 and the first half of 2016, of personnel to enhance capabilities in sales, marketing and lead generation, product development, product management and data analytics to support the growth in revenue. In addition, non-staff operating expenses increased as bad debt and other provisions and charges were higher (partly volume driven) and we incurred additional costs in Corporate as a result of becoming a plc.

Underlying EBITDA

Underlying EBITDA at £217.9m (2015: £182.6m) increased by £35.3m, or 19% in the six months to 30 June 2016 compared to the prior period. Excluding the impact of foreign currency translation on our WPUS EBITDA of £1.7m, the growth was 18%. The underlying EBITDA growth of 18% reflects a 24% increase in Global eCom, an 18% increase in WPUK and a 1% increase in WPUS, offset by a 19% increase in Corporate costs.

Further details on the segmental breakdown of underlying EBITDA performance is provided later in this report.

Underlying depreciation and amortisation

Underlying depreciation and amortisation at £36.4m (2015: £34.6m) increased by £1.8m, or 5% in the six months to 30 June 2016 compared to the prior period. This increase reflects higher levels of capital expenditure (excluding expenditure on our new acquiring platform). Amortisation on our new acquiring platform has been low to date, however, as the assets become available for use, this will lead to a substantial increase in the underlying depreciation and amortisation charge. Once in use, these assets will be depreciated over 10 years.

Underlying finance costs

Underlying finance costs at £28.2m (2015: £85.2m) reduced by £57.0m, or 67% in the six months to 30 June 2016 compared to the prior period. The significant decrease reflects the benefit from the change in capital structure as a result of the IPO. The average cost of debt fell from 6.4% in the first half of 2015 to 3.1% in the first half of 2016.

Share of results of joint venture and associate

The share of results of joint venture and associate was a loss of £0.5m in the period (2015: loss of £0.3m) and reflects our investments in Pazien Inc. and SPay, Inc.

Separately disclosed items

	Six months ended 30 June 2016 £m	Six months ended 30 June 2015 £m	Change £m
Affecting EBITDA			
Separation – platform costs	(15.3)	(18.2)	+2.9
Separation – other costs	(8.0)	(9.9)	+1.9
IPO-related costs	(4.6)	(2.6)	-2.0
Reorganisation and restructuring costs	(4.5)	(1.4)	-3.1
Other costs	(3.2)	(2.3)	-0.9
Total affecting EBITDA	**(35.6)**	**(34.4)**	**-1.2**
Affecting depreciation and amortisation			
Amortisation of business combination intangibles and impairment of other intangibles	(24.9)	(37.0)	+12.1
Total affecting depreciation and amortisation	**(24.9)**	**(37.0)**	**+12.1**
Affecting finance (costs)/income			
Net gain on disposal of Visa Europe asset and related CVRs	98.7	-	+98.7
Fair value loss on Visa Inc. preference shares	(14.0)	-	-14.0
Foreign exchange (losses)/gains	(8.4)	9.2	-17.6
Total affecting finance (costs)/income	**76.3**	**9.2**	**+67.1**
Total (pre-tax)	**15.8**	**(62.2)**	**+78.0**
Tax (charge)/credit	(69.5)	7.2	-76.7
Total (post-tax)	**(53.7)**	**(55.0)**	**+1.3**

Separately disclosed items in the period amounted to a pre-tax net gain of £15.8m (2015: net cost of £62.2m). This comprised a net cost affecting EBITDA of £35.6m (2015: £34.4m) and a net cost affecting depreciation and amortisation of £24.9m (2015: £37.0m), which were offset by a net gain affecting finance (costs)/income of £76.3m (2015: £9.2m). Separately disclosed items are costs or income that have been recognised in the period which the Directors believe, due to their nature or size, should be disclosed separately to give a more comparable view of the year-on-year underlying financial performance.

The separately disclosed items affecting EBITDA comprise platform-related and other costs incurred in the separation from RBS, IPO-related costs, reorganisation and restructuring costs, and other costs.

Platform-related separation costs of £15.3m (2015: £18.2m) are non-capitalised costs associated with the upgrade and migration of the Group's core systems from RBS. They are principally personnel, maintenance and consultancy costs. Total costs incurred to 30 June 2016 on the platform programme are £502.1m, of which £326.4m has been included within tangible and intangible assets on the balance sheet, with the remainder charged directly to the income statement through separately disclosed items.

Other costs related to the separation from RBS of £8.0m (2015: £9.9m) principally relate to system implementation and remediation, and the excess costs of interim staff required to test and double-run systems as we ramp up to full platform launch as well as de-commissioning costs payable to RBS.

The IPO-related costs in the period of £4.6m (2015: £2.6m) reflect the ongoing costs of the share awards granted to management as part of the IPO as well as costs which have been levied on Worldpay as a result of a change of control clause triggered by the IPO.

Reorganisation and restructuring costs of £4.5m (2015: £1.4m) largely reflect costs incurred in the turnaround of our WPUS business and include consultancy fees, redundancy costs and other staff-related costs.

Other costs of £3.2m (2015: £2.3m) include advisory and legal costs incurred on corporate projects.

Separately disclosed items affecting depreciation and amortisation amounted to £24.9m (2015: £37.0m). These relate to the non-cash charge for amortisation of business combination intangibles recognised on the divestment of the business from RBS, as well as subsequent strategic business acquisitions. The reduction year-on-year reflects the fact that some assets recognised as part of the divestment from RBS were fully amortised at the end of 2015. In addition, the 2015 charge included £2.0m for the impairment of software development costs in WPUS.

There was a net gain in the period in relation to separately disclosed items affecting finance (costs)/income of £76.3m (2015: gain of £9.2m). This comprised a net gain on the disposal of the Visa Europe shares and related revaluation of the Contingent Value Rights of £98.7m (which is explained in more detail later in this report), partly offset by a fair value loss on the Visa Inc. preference shares of £14.0m and a net FX loss of £8.4m resulting from the period-end translation of the Group's assets and liabilities denominated in currencies other than Sterling. Whilst we expect to see non-cash gains and losses as a result of exchange rate movements, this was substantially larger than expected as a result of the significant depreciation of Sterling following the UK's decision, on 23 June 2016, to exit the EU.

Going forward, we expect separately disclosed items affecting operating profit in 2017 to consist largely of the remaining costs associated with the implementation of our new acquiring platform and separation from RBS, the non-cash charge for amortisation of business combination intangibles, and the charge for the transitional share award plan, awarded at IPO. We also expect to continue to see movement in separately disclosed items affecting finance (costs)/income in respect of the gain on the disposal of our Visa Europe asset as more clarity emerges over time on the claims under the Loss Share Agreement as well as the fair value of the Visa Inc. preference shares and FX gains and losses.

Profit before tax

The profit before tax for the period was £168.6m (2015: £0.3m). The improvement year-on-year reflects the strong trading performance, together with a reduction in underlying finance costs and the net gain in relation to the Visa Europe disposal.

Tax

The tax charge for the period of £40.5m (2015: £4.4m) arising on the underlying profit before tax has been calculated by applying an estimate of the underlying effective tax rate for the full year of 26.5%. The charge is higher than the UK headline rate for the year of 20% primarily due to higher overseas tax rates and non-deductible costs.

The tax charge of £69.5m (2015: credit of £7.2m) arising on separately disclosed items includes a tax charge of £86.6m relating to the disposal of the interest in Visa Europe. This is relatively high as no deferred tax asset has been recognised on the estimated liability under the LSA in excess of that which has been offset against the Visa Inc. preference shares.

After including separately disclosed items, the Group's total tax charge for the period was £110.0m (2015: credit £2.8m).

Earnings per share and dividends

Diluted underlying earnings per share in the period were 5.6p (based on 2 billion shares), an increase of 2.7p on the prior year period diluted underlying earnings per share of 2.9p. Underlying earnings per share for the prior period have been calculated by taking profit before separately disclosed items, divided by the number of shares in issue at the end of 2015 (2 billion). The year end number of shares has been used as this avoids the distortion caused by the pre-IPO position and therefore aids comparability.

On a reported basis, the diluted earnings per share for the period were 2.9p compared with 0.2p in the prior year.

In line with the guidance given at the time of the IPO, the Board has approved the payment of an interim dividend in relation to the six months ended 30 June 2016 of 0.65p per share which will be paid in October 2016 to those shareholders on the register on 16 September 2016. The Group's dividend policy is based on a pay-out ratio of 20% to 30% of reported profit after tax per annum, with approximately one third of any annual dividend to be paid in respect of the first half and two thirds in respect of the second half.

In calculating the dividend, the expected profit after tax for the full year has been adjusted to exclude the net gain on the disposal of our Visa Europe asset and revaluation of the related CVR liabilities, the fair value loss on Visa Inc. preference shares and the FX gains and losses arising on the revaluation of our non-sterling denominated debt and assets. The net gain on disposal of Visa Europe and the fair value loss on Visa Inc. preference shares have been excluded to be consistent with our treatment in relation to the distribution of proceeds to the CVR holders. The FX gains and losses have been excluded as these reflect material non-cash movements which are outside of our control. We expect to continue to exclude any future material gains or losses in relation to these items from future dividend calculations.

Cash and liquidity

Cash flow and net debt

	Six months ended 30 June 2016 £m	Six months ended 30 June 2015 £m	Change £m
Underlying EBITDA	217.9	182.6	+35.3
Separately disclosed items affecting EBITDA	(35.6)	(34.4)	-1.2
Working capital[7]	(1.2)	15.1	-16.3
Tax received/(paid)	5.9	(6.6)	+12.5
Non-cash items	0.7	(11.2)	+11.9
Net cash inflow from operating activities[7]	**187.7**	**145.5**	**+42.2**
Capital expenditure	(81.6)	(77.0)	-4.6
Underlying finance costs paid	(23.2)	(48.5)	+25.3
Free cash flow[7]	**82.9**	**20.0**	**+62.9**
Net cash from Visa Europe disposal (excl. term deposits)	68.9	-	+68.9
Acquisitions	(4.1)	(16.6)	+12.5
Underlying movement in borrowings	(42.2)	(59.1)	+16.9
Working capital movements related to IPO[7]	(20.7)	-	-20.7
Purchase of own shares for LTIP	(6.9)	-	-6.9
Net cash flow	**77.9**	**(55.7)**	**+133.6**

The net cash inflow from operations in the period increased by £42.2m, or 29%, to £187.7m (2015: £145.5m). The increase largely reflects improvements to underlying trading and changes in non-cash items as a result of changes in foreign exchange rates. However, we also benefited from a tax refund in the US in respect of 2015 of £4.8m and a timing difference on tax payable in The Netherlands of £4.8m which will reverse in the second half.

Expenditure on tangible fixed assets and software in the period was £81.6m (2015: £77.0m). This includes the ongoing investment in software and licences for our new acquiring platform; the costs associated with our data centre relocation in WPUS and with enhancing data security; and the purchase of new terminals and spend to develop a number of new customer propositions and improve our data analytics capability to support the growth plans of our operating divisions. Total capital expenditure is expected to remain between 16% and 20% of net revenue in 2016 and to reduce to approximately 10% of net revenue by 2018.

[7] Free cash flow represents the Group's net inflow from operating activities (£167.0m), less net capital expenditure (£81.6m) and underlying finance costs (£23.2m). It excludes any working capital movements associated with the IPO (£20.7m).

Underlying finance costs paid in the period were £23.2m (2015: £48.5m). The decrease year-on-year reflects the phasing of interest payments and the reduced overall debt following the restructuring in 2015, as well as the lower average cost of debt.

As a result of the above movements, free cash flow increased to £82.9m in 2016 compared with £20.0m in 2015.

Following the disposal of our share in Visa Europe on 21 June, we received £452.8m of cash of which £68.9m is shown as a net cash inflow (including £23.6m of cash in relation to the CVR holders) in the cash flow statement and £383.9m is being held in segregated accounts on term deposits for the benefit of the CVR holders.

Expenditure on acquisitions in the period reflects further investments in Pazien Inc. and SPay, Inc., and deferred consideration payments in respect of the acquisitions of Century Payments Holdings, Inc. and Cobre Bem Tecnologia.

The underlying movement in borrowings of £42.2m outflow (2015: outflow of £59.1m) included the repayment, in the first half of 2016, of £40.0m that had been drawn under the Group's revolving credit facility (RCF) in 2015.

The working capital outflow related to IPO in the period of £20.7m (2015: £nil) reflects amounts paid to advisors.

Net debt at 30 June 2016 was £1,373.2m (30 June 2015: £2,276.3m; 31 December 2015: £1,425.3m). The reduction since year end reflects the net cash inflow in the period of £117.9m (excluding repayment of the draw down under the RCF) offset by the impact of foreign exchange on net borrowings.

Disposal of interest in Visa Europe

On 21 June 2016, the Group disposed of its interest in Visa Europe to Visa Inc. and received a mixture of cash and non-cash consideration valued at €1,051m. The consideration is made up of €589.7m up-front cash, €405.4m of Series B preferred stock in Visa Inc. and €56.2m deferred cash which will be paid in three years. €547.5m of the up-front cash consideration and all of the preferred stock may be reduced by any final settlement of potential liabilities relating to ongoing interchange-related litigation involving Visa Europe. Potential losses from interchange litigation will be set against the preferred stock which can be reduced to absorb those losses. A Loss Sharing Agreement ('LSA') entered into by Worldpay, along with the ten other largest UK members of Visa Europe, provides a second level of protection to Visa Inc., capped at the €547.5m of up-front cash consideration.

As set out in our IPO Prospectus dated 13 October 2015, the holders of the contingent value rights ('CVRs') (a separate class of shares in the Company) are entitled to 90% of the net post-tax proceeds of the disposal in accordance with the terms of the CVRs (subject to the Company's right of retention), with Worldpay retaining 10% of the net proceeds.

The Visa Europe asset was recognised in the Group's balance sheet at 31 December 2015 as a fair value through profit and loss financial asset. On disposal, it has been derecognised from the Group's balance sheet and the elements of consideration set out above recognised along with the corresponding tax liabilities. The CVR liabilities have also been revalued to reflect the impact of the transaction. A net pre-tax gain on disposal of £98.7m has been recognised in finance income in the Group's income statement as a separately disclosed item. Tax on the above gain is £86.6m.

Following the disposal, Worldpay continues to be a participant in the Visa payments system but will no longer be entitled to receive certain rebates that are determined by reference to the volume of transactions Worldpay processes through the scheme.

Segmental review of performance

The Group reports four segments: Global eCom, WPUK, WPUS and Corporate. Further details about the three trading segments are provided in the Group's 2015 Annual Report and Accounts on pages 67 to 70. Corporate principally contains central personnel and consultancy costs. The information presented and discussed below is based on underlying financial performance.

	Six months ended 30 June 2016 £m	Six months ended 30 June 2015 £m	Change
Net revenue			
Global eCom	189.3	151.6	+25%
WPUK	213.9	191.1	+12%
WPUS	136.5	123.0	+11%
Group net revenue	**539.7**	**465.7**	**+16%**
Underlying EBITDA			
Global eCom	106.1	85.3	+24%
WPUK	93.1	78.8	+18%
WPUS	29.7	27.8	+7%
Corporate	(11.0)	(9.3)	-19%
Group underlying EBITDA	**217.9**	**182.6**	**+19%**

Global eCom

	Six months ended 30 June 2016	Six months ended 30 June 2015	Change
Net revenue (£m)	189.3	151.6	+25%
Underlying EBITDA (£m)	106.1	85.3	+24%
Total transactions (bn)	2.4	1.8	+33%
Total transaction value (£bn)	60.7	48.3	+26%
Average transaction value (£)	24.8	26.3	-6%
Net revenue/transaction value (%)	0.31%	0.31%	-

Our Global eCom division reported a very strong set of results for the six months ended 30 June 2016 with transactions up 33% to 2.4 billion, driven by increased volumes across a range of products and verticals. Average transaction values fell 6% year-on-year, however, as a significant proportion of the volume growth came from verticals where high volume, low value transactions are typical, for example Retail and Digital Content.

Net revenue increased by £37.7m, or 25%, to £189.3m in the period (2015: £151.6m), driven largely by growth in income from treasury management and foreign exchange services, net acquiring income and gateway services income. We also saw some benefit in the period from translation of non-Sterling trading and balances as a result of the weakening of Sterling, particularly against US Dollar, Euro and Japanese Yen.

Revenue from treasury management and foreign exchange services grew by 30% year-on-year as a result of increased volumes particularly in the Digital, Retail and Airlines verticals.

Net acquiring income grew by 27% in the period as a result of new business wins and growth of existing customers, particularly in Digital and Airlines.

Income from gateway services was up 17%, driven by volume increases particularly in the Retail and Travel verticals. Volume growth was partly offset by lower net revenue per transaction, driven largely by mix of customers.

Global eCom's underlying net revenue as a percentage of total transaction value remained strong at 0.31% for the period ended 30 June 2016, in line with the prior year.

Underlying EBITDA increased by £20.8m, or 24%, to £106.1m in the period (2015: £85.3m). This increase was driven by the growth in net revenue noted above. Operating costs grew by 24% largely as a result of the investment in organisational capability in the second half of 2015 and other volume-related spend necessary to deliver the revenue growth. There was also an adverse impact year-on-year as a result of some operating costs arising in currencies other than Sterling.

The Group has experienced an isolated issue with one of its gateways, which affected settlement for a small number of customers. We announced that we had restored normal processing for new transactions on 24 July. We currently believe that any effects from the issue are not likely to be material.

WPUK

	Six months ended 30 June 2016	Six months ended 30 June 2015	Change
Net revenue (£m)	213.9	191.1	+12%
Underlying EBITDA (£m)	93.1	78.8	+18%
Total transactions (bn)	2.7	2.6	+6%
Total transaction value (£bn)	100.1	98.3	+2%
Average transaction value (£)	36.4	37.7	-3%
Net revenue/transaction value (%)	0.21%	0.19%	+2bps

Our WPUK division performed well in the six months to 30 June 2016 with transactions up 6% to 2.7 billion, driven by new customer wins and strong cross-sales in both the Corporate and SME sectors and continuing growth in the use of cards as a payment mechanism. Total transaction value increased by only 2% partly driven by the loss of a high volume, low margin customer part-way through 2015. Average transaction values continued to fall (down 3% year-on-year) largely reflecting UK retail price deflation, particularly in the grocery sector (where Worldpay has a high market share), and the changing consumer behaviour with the continued increase in the use of contactless card payments for small value transactions.

Net revenue increased by £22.8m, or 12%, to £213.9m in the period (2015: £191.1m), with net acquiring income accounting for the majority of the increase. Net acquiring income grew by 21% reflecting the impact of strong customer acquisition and cross-sales, as well as a net positive impact of lower interchange costs on the acquiring margin. We do not expect an incremental benefit in the second half of 2016 from the reduction in interchange costs as these reductions principally occurred in the second half of 2015, with the benefits mainly seen in that period and the first half of 2016.

WPUK's net revenue as a percentage of total transaction value increased slightly to 0.21% for the period from 0.19% in the prior year period, largely reflecting the timing of re-pricing.

Underlying EBITDA increased by £14.3m, or 18%, to £93.1m in the period (2015: £78.8m). This improvement was driven by the growth in net revenue noted above together with ongoing strong cost control and improved operating efficiency. Operating costs, excluding the impact of a number of non-recurring items, including provisions for specific bad debts and third party development spend, were broadly flat year-on-year. Despite these, on an unadjusted basis, operating costs grew by 9%, significantly lower than net revenue growth, leading to an overall improvement in profit margin.

WPUS

	Six months ended 30 June 2016	Six months ended 30 June 2015	Change
Net revenue (£m)	136.5	123.0	+11%
Underlying EBITDA (£m)	29.7	27.8	+7%
Total transactions (bn)	2.0	1.9	+10%
Total transaction value ($bn)[8]	80.9	76.1	+6%
Average transaction value ($)[8]	39.5	41.0	-4%
Net revenue/transaction value (%)	0.24%	0.25%	-1bps

WPUS reported an encouraging performance in the six months ended 30 June 2016 and we are starting to see signs that the actions we are taking to turnaround this business are proving successful. Transactions were up 10% to 2.0 billion, driven by increased volumes in both our Small and Corporate Business segments. Average transaction values decreased by 4% year-on-year, reflecting the continued lower oil prices in the Petroleum sector and changes in portfolio mix.

Net revenue increased by £13.5m, or 11%, to £136.5m in the period (2015: £123.0m). Excluding the impact of foreign currency translation, net revenue increased by £6.0m, or 5%. This increase was driven principally by growth in acquiring income, reflecting the increase in transaction volumes. Net revenue as a percentage of total transaction value fell slightly compared to the prior year to 0.24% largely as a result of portfolio mix.

Underlying EBITDA increased by £1.9m, or 7%, to £29.7m in the period (2015: £27.8m). Excluding the impact of the foreign currency translation, underlying EBITDA was £0.2m, or 1%, better. Operating costs (excluding foreign currency translation) increased by £4.1m partly due to the transaction growth. In addition, we have continued our investment in people to deliver the transformation strategy, and have incurred additional bad debts and similar charges.

[8] 2015 total transaction value and average transaction value restated due to integration of SecureNet operational reporting. This impacts Group and WPUS segmental KPIs.

Principal risks and uncertainties

The principal risks and uncertainties facing the Group were reported under the heading 'Principal Risks and Uncertainties' on pages 58 to 65 of the Annual Report and Accounts for the year ended 31 December 2015, a copy of which is available on the Group's website: http://investors.worldpay.com.

The principal risks, including a description of the risk, the Group's risk appetite, risk indicators, potential impacts, mitigants and actions taken in 2015, are reported in the Annual Report and Accounts under the headings listed below:

- Industry;
- Legal and regulatory;
- Settlement;
- Credit risk;
- Data security;
- Technology;
- Scale of change; and
- Third parties.

As part of their ongoing review of risk, management and the Group Risk Committee have concluded that in addition to the principal risks and uncertainties disclosed in the above section of the Annual Report and Accounts, the Group also faces risks and uncertainties for the remaining six months of the current financial year in respect of the competitive landscape - competitors may move faster than Worldpay or the industry may consolidate, leading to lower margins or loss of customers.

To mitigate this risk, the Group has in place a number of key controls and is executing its strategy as described on pages 40 to 51 of the Annual Report and Accounts. The Board, having taken advice from the Group Risk Committee, has approved the principal risks being faced by the Group and the above statement.

We continue to monitor any implications arising from the UK vote to leave the EU. Our priority remains to support our customers and to help them prosper. Given the global nature of our business and our experience working across multiple regulatory regimes, our expectation, as we stated in our 2015 Annual Report and Accounts, is that the UK's exit from the EU will not have a material effect on our business.

Responsibility statement

The Directors confirm that, to the best of their knowledge, this condensed consolidated interim financial information has been prepared in accordance with IAS 34 as adopted by the EU and that the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

By order of the Board

Philip Jansen **Chief Executive Officer**	**Rick Medlock** **Chief Financial Officer**

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Independent review report to Worldpay Group plc

Introduction
We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2016 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated cash flow statement, the condensed consolidated statement of changes in equity and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities
The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

Our responsibility
Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, 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 (UK and Ireland) 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 condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2016 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Michael Harper
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London E14 5GL

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2016

		Unaudited Six months ended 30 June 2016			Unaudited Six months ended 30 June 2015		
	Note	Underlying result	Separately disclosed items (Note 3)	Total	Underlying result	Separately disclosed items (Note 3)	Total
		£m	£m	£m	£m	£m	£m
Revenue	2	2,135.6	-	**2,135.6**	1,940.3	-	1,940.3
Interchange and scheme fees		(1,595.9)	-	**(1,595.9)**	(1,474.6)	-	(1,474.6)
Net revenue	2	**539.7**	**-**	**539.7**	465.7	-	465.7
Other cost of sales		(66.9)	-	**(66.9)**	(59.3)	-	(59.3)
Gross profit		**472.8**	**-**	**472.8**	406.4	-	406.4
Personnel expenses		(153.1)	(11.8)	**(164.9)**	(134.9)	(12.1)	(147.0)
General, selling and administrative expenses		(101.8)	(23.8)	**(125.6)**	(88.9)	(22.3)	(111.2)
EBITDA*	2	**217.9**	**(35.6)**	**182.3**	182.6	(34.4)	148.2
Depreciation, amortisation and impairment		(36.4)	(24.9)	**(61.3)**	(34.6)	(37.0)	(71.6)
Operating profit	2	**181.5**	**(60.5)**	**121.0**	148.0	(71.4)	76.6
Finance (costs)/income	4	(28.2)	76.3	**48.1**	(85.2)	9.2	(76.0)
Share of results of joint venture and associate		(0.5)	-	**(0.5)**	(0.3)	-	(0.3)
Profit/(loss) before tax		**152.8**	**15.8**	**168.6**	62.5	(62.2)	0.3
Tax (charge)/credit	6	(40.5)	(69.5)	**(110.0)**	(4.4)	7.2	2.8
Profit/(loss) for period		**112.3**	**(53.7)**	**58.6**	58.1	(55.0)	3.1
Earnings per share (pence)							
Basic	8	**5.6**		**2.9**	3.6		0.2
Diluted	8	**5.6**		**2.9**	3.6		0.2

*EBITDA is defined as earnings before interest, tax, depreciation and amortisation.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2016

	Unaudited Six months ended 30 June 2016	Unaudited Six months ended 30 June 2015
	£m	**£m**
Profit for the period	58.6	3.1
Items that are or may subsequently be reclassified to profit or loss:		
Currency translation movement on net investment in subsidiary undertakings	29.1	(12.8)
Currency translation movement due to net investment hedging	(17.8)	(1.1)
Total comprehensive income for the period	**69.9**	**(10.8)**

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CONSOLIDATED BALANCE SHEET

As at 30 June 2016

	Note	Unaudited At 30 June 2016	Unaudited At 30 June 2015	Audited At 31 December 2015
		£m	£m	£m
Non-current assets				
Goodwill		1,308.7	1,258.0	1,275.3
Other intangible assets	9	769.1	677.1	719.4
Property, plant and equipment	10	124.0	127.9	122.3
Investment in joint venture and associate		8.1	6.1	5.2
Other receivables	5	46.9	-	-
Financial assets – Visa Inc. preference shares	5	153.2	-	-
Deferred tax assets		9.4	25.6	12.9
		2,419.4	**2,094.7**	**2,135.1**
Current assets				
Inventory		3.4	1.2	0.4
Trade and other receivables		422.1	369.5	396.5
Financial assets – Visa Europe shares	5	-	-	195.7
Scheme debtors		651.1	523.5	534.5
Current tax asset		1.0	-	7.5
Merchant float		1,076.5	1,024.7	696.4
Own cash and cash equivalents	12	266.9	99.5	165.3
Financial assets - term deposits	5	417.3	-	-
		2,838.3	**2,018.4**	**1,996.3**
Current liabilities				
Trade and other payables		(348.8)	(276.0)	(334.3)
Merchant creditors		(1,727.6)	(1,548.2)	(1,230.9)
Current tax liabilities		(143.4)	(10.3)	(9.6)
Derivative financial instruments		(9.7)	(0.3)	(0.2)
Financial liabilities – CVR liabilities	5	(265.2)	-	(140.9)
Borrowings	12	(10.6)	(146.6)	(9.2)
Finance leases		(16.2)	(14.7)	(15.0)
Provisions	5	(271.5)	(3.5)	(8.0)
		(2,793.0)	**(1,999.6)**	**(1,748.1)**
Non current liabilities				
Borrowings	12	(1,597.5)	(2,198.8)	(1,552.2)
Finance leases		(15.8)	(15.7)	(14.2)
Provisions		(0.9)	(1.0)	(0.7)
Deferred tax liabilities		(117.6)	(100.9)	(145.1)
		(1,731.8)	**(2,316.4)**	**(1,712.2)**
Net assets/(liabilities)		**732.9**	**(202.9)**	**671.1**
Equity				
Called-up share capital		60.0	50.0	60.0
Share premium		882.6	818.7	883.8
Own shares		(30.6)	-	(23.7)
Capital contribution reserve		38.1	6.7	38.1
Merger reserve		(374.5)	(374.5)	(374.5)
Foreign exchange reserve		2.0	(16.2)	(9.3)
Retained earnings/(deficit)		155.3	(687.6)	96.7
Total equity		**732.9**	**(202.9)**	**671.1**

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2016

	Called-up share capital	Share premium	Own shares	Capital contribution reserve	Merger reserve	Foreign exchange reserve	Retained earnings/ (deficit)	Total
	£m	£m	£m	£m	£m	£m	£m	£m
At 1 January 2016	**60.0**	**883.8**	**(23.7)**	**38.1**	**(374.5)**	**(9.3)**	**96.7**	**671.1**
Profit for the period	-	-	-	-	-	-	58.6	**58.6**
Investment in own shares	-	-	(6.9)	-	-	-	-	**(6.9)**
IPO fee capitalisation adjustment	-	(1.2)	-	-	-	-	-	**(1.2)**
Foreign currency translation	-	-	-	-	-	29.1	-	**29.1**
Foreign currency translation - net investment hedging	-	-	-	-	-	(17.8)	-	**(17.8)**
Total comprehensive income for the period	**-**	**(1.2)**	**(6.9)**	**-**	**-**	**11.3**	**58.6**	**61.8**
At 30 June 2016	**60.0**	**882.6**	**(30.6)**	**38.1**	**(374.5)**	**2.0**	**155.3**	**732.9**

For the six months ended 30 June 2015

	Called-up share capital	Share premium	Own shares	Capital contribution reserve	Merger reserve	Foreign exchange reserve	Retained earnings/ (deficit)	Total
At 1 January 2015	**50.0**	**818.7**	**-**	**6.7**	**(374.5)**	**(2.3)**	**(690.7)**	**(192.1)**
Profit for the period	-	-	-	-	-	-	3.1	**3.1**
Foreign currency translation	-	-	-	-	-	(12.8)	-	**(12.8)**
Foreign currency translation - net investment hedging	-	-	-	-	-	(1.1)	-	**(1.1)**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**(13.9)**	**3.1**	**(10.8)**
At 30 June 2015	**50.0**	**818.7**	**-**	**6.7**	**(374.5)**	**(16.2)**	**(687.6)**	**(202.9)**

CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2016

	Note	Unaudited Six months ended 30 June 2016	Unaudited Six months ended 30 June 2015
		£m	**£m**
Cash flows from operating activities			
Cash generated by operations	11	161.1	152.1
Tax received/(paid)		5.9	(6.6)
Net cash inflow from operating activities		**167.0**	**145.5**
Investing activities			
Cash received from sale of Visa Europe*	5	452.8	-
Movement of funds from sale of Visa Europe to financial assets - term deposits*	5	(383.9)	-
Purchase of intangible assets		(66.4)	(60.7)
Purchases of property, plant and equipment		(15.2)	(16.3)
Acquisitions (net of cash acquired)		(4.1)	(16.6)
Net cash used in investing activities		**(16.8)**	**(93.6)**
Financing activities			
Finance costs paid		(26.0)	(50.7)
New finance leases		11.2	9.0
Repayment of finance lease obligations		(8.4)	(6.8)
Repayment of borrowings		(40.0)	(59.1)
Payment of new borrowing fees		(2.2)	-
Purchase of own shares for LTIP		(6.9)	-
Net cash (used in) financing activities		**(72.3)**	**(107.6)**
Net increase/(decrease) in own cash and cash equivalents		**77.9**	**(55.7)**
Own cash and cash equivalents at beginning of period		165.3	168.7
Effect of foreign exchange rate changes		23.7	(13.5)
Own cash and cash equivalents at end of period		**266.9**	**99.5**

* Cash received from sale of Visa Europe includes £407.5m of cash held to settle the CVR liabilities and related tax, of which £383.9m was transferred to term deposits.

Note 1

General information and basis of preparation

General information

The comparative figures for the financial year ended 31 December 2015 are not the company's statutory accounts for that financial year. Those accounts have been reported on by the company's auditor and delivered to the registrar of companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Basis of preparation

The annual financial statements of Worldpay Group plc are prepared in accordance with IFRSs as adopted by the European Union.

The condensed set of financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as adopted by the European Union.

As required by the Disclosure and Transparency Rules of the Financial Conduct Authority (FCA), the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published Consolidated Financial Statements as at and for the year ended 31 December 2015.

In preparing the condensed set of financial statements, the 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 2015.

The Group includes a column for separately disclosed items on the face of its consolidated income statement. Separately disclosed items are costs or income that have been recognised in the income statement which the Directors believe, due to their nature or size, should be disclosed separately to give a more comparable view of the year-on-year underlying financial performance. They are presented in their relevant income statement category, but highlighted through separate disclosure.

Net revenue which is defined as revenue less interchange and scheme fees, is presented on the face of the income statement as the Directors believe that this best reflects the relationship between revenue and profitability.

The Group's cash flow statement is presented excluding merchant float. Merchant float represents surplus cash balances that the Group holds on behalf of its customers when the incoming amount from the card schemes or networks precedes when the funding to customers falls due. 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, the Directors have excluded the merchant float from the cash flow statement to allow a better understanding of the Group's underlying own cash flows.

Going concern

The Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed set of financial statements.

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Note 2

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 Executive 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 Segmental review of performance section of this report.

The Group reports four segments: Global eCom, WPUK, WPUS and Corporate which are described in the Segmental review of performance section of this report.

Six months ended 30 June 2016

	Global eCom	WPUK	WPUS	Corporate	Total
	£m	£m	£m	£m	£m
Income statement					
Revenue	573.0	485.7	1,076.9	-	**2,135.6**
Net revenue	189.3	213.9	136.5	-	**539.7**
Underlying EBITDA	106.1	93.1	29.7	(11.0)	**217.9**
Underlying depreciation and amortisation	(7.9)	(20.2)	(8.0)	(0.3)	**(36.4)**
Underlying operating profit	**98.2**	**72.9**	**21.7**	**(11.3)**	**181.5**
Separately disclosed items	(8.7)	(14.2)	(13.6)	(24.0)	**(60.5)**
Operating profit	**89.5**	**58.7**	**8.1**	**(35.3)**	**121.0**
Underlying finance costs					**(28.2)**
Separately disclosed items affecting finance (costs)/income					**76.3**
Share of results of joint venture and associate					**(0.5)**
Profit before tax					**168.6**
Tax					**(110.0)**
Profit for the period					**58.6**

Note 2 (continued)

Six months ended 30 June 2015

	Global eCom £m	WPUK £m	WPUS £m	Corporate £m	Total £m
Income statement					
Revenue	419.2	553.5	967.6	-	**1,940.3**
Net revenue	151.6	191.1	123.0	-	**465.7**
Underlying EBITDA	85.3	78.8	27.8	(9.3)	**182.6**
Underlying depreciation and amortisation	(7.7)	(18.6)	(8.0)	(0.3)	**(34.6)**
Underlying operating profit	**77.6**	**60.2**	**19.8**	**(9.6)**	**148.0**
Separately disclosed items	(8.1)	(12.8)	(20.4)	(30.1)	**(71.4)**
Operating profit	**69.5**	**47.4**	**(0.6)**	**(39.7)**	**76.6**
Underlying finance costs					**(85.2)**
Separately disclosed items affecting finance (costs)/income					**9.2**
Share of results of joint venture and associate					**(0.3)**
Profit before tax					**0.3**
Tax					**2.8**
Profit for the period					**3.1**

Segmental information by revenue streams

	Six months ended 30 June 2016 £m	Six months ended 30 June 2015 £m
Transaction service charges	1,894.7	1,726.4
Terminal rental fees	32.7	32.3
Treasury management and foreign exchange services	78.3	61.3
Ancillary income	129.9	120.3
Revenue	**2,135.6**	**1,940.3**

The Group's revenue is generally consistent with the geographical locations of the operating segments, with the exception of the Global eCom business, whose revenue is derived from worldwide sources. No individual customer accounts for more than 10% of Group revenue.

Note 3

Separately disclosed items

Separately disclosed items are costs or income that have been recognised in the income statement which the Directors believe, due to their nature or size, should be disclosed separately to give a more comparable view of the year-on-year underlying financial performance. They are presented in their relevant income statement category, but highlighted through separate disclosure. The following table gives further details of the items included.

	Six months ended 30 June 2016 £m	Six months ended 30 June 2015 £m
Affecting EBITDA		
Separation - platform costs	(15.3)	(18.2)
Separation – other costs	(8.0)	(9.9)
IPO-related costs	(4.6)	(2.6)
Reorganisation and restructuring costs	(4.5)	(1.4)
Other costs	(3.2)	(2.3)
Total affecting EBITDA	**(35.6)**	**(34.4)**
Affecting depreciation and amortisation		
Amortisation of business combination intangibles and impairment of other intangibles	(24.9)	(37.0)
Total affecting depreciation and amortisation	**(24.9)**	**(37.0)**
Affecting finance (costs)/income		
Net gain on disposal of Visa Europe shares and related CVRs	98.7	-
Fair value loss on Visa Inc. preference shares	(14.0)	-
Foreign exchange (losses)/gains	(8.4)	9.2
Total affecting finance (costs)/income	**76.3**	**9.2**
Total (pre-tax)	**15.8**	**(62.2)**
Tax (charge)/credit	(69.5)	7.2
Total (post-tax)	**(53.7)**	**(55.0)**

Separately disclosed items in the period amounted to a pre-tax net gain of £15.8m (2015: net cost of £62.2m). This comprised a net cost affecting EBITDA of £35.6m (2015: £34.4m) and a net cost affecting depreciation and amortisation of £24.9m (2015: £37.0m), which were offset by a net gain affecting finance costs/income of £76.3m (2015: £9.2m) affecting finance costs.

The separately disclosed items affecting EBITDA comprise platform-related and other costs incurred in the separation from RBS, IPO-related costs, reorganisation and restructuring costs, and other costs.

Note 3 (continued)

Platform-related separation costs of £15.3m (2015: £18.2m) are non-capitalised costs associated with the upgrade and migration of the Group's core systems from RBS. They are principally personnel, maintenance and consultancy costs. Total costs incurred to 30 June 2016 on the platform programme are £502.1m, of which £326.4m has been included within tangible and intangible assets on the balance sheet, with the remainder charged directly to the income statement through separately disclosed items.

Other costs related to the separation from RBS of £8.0m (2015: £9.9m) principally relate to system implementation and remediation, and the excess costs of interim staff required to test and double-run systems as we ramp up to full platform launch as well as de-commissioning costs payable to RBS.

The IPO-related costs in the period of £4.6m (2015: £2.6m) reflect the ongoing costs of the share awards granted to management as part of the IPO as well as costs which have been levied on Worldpay as a result of a change of control clause triggered by the IPO.

Reorganisation and restructuring costs of £4.5m (2015: £1.4m) largely reflect costs incurred in the turnaround of our WPUS business and include consultancy fees, redundancy costs and other staff-related costs.

Other costs of £3.2m (2015: £2.3m) include advisory and legal costs incurred on corporate projects.

Separately disclosed items affecting depreciation and amortisation amounted to £24.9m (2015: £37.0m). These relate to the non-cash charge for amortisation of business combination intangibles recognised on the divestment of the business from RBS, as well as subsequent strategic business acquisitions. The reduction year-on-year reflects the fact that some assets recognised as part of the divestment from RBS were fully amortised at the end of 2015. In addition, the 2015 charge included £2.0m for the impairment of software development costs in WPUS.

There was a net gain in the period in relation to separately disclosed items affecting finance costs of £76.3m (2015: gain of £9.2m). This comprised a net gain on the disposal of the Visa Europe shares and related revaluation of the Contingent Value Rights of £98.7m, partly offset by a fair value loss on the Visa Inc. preference shares of £14.0m and a net FX loss of £8.4m resulting from the period-end translation of the Group's assets and liabilities denominated in currencies other than Sterling. Whilst we expect to see non-cash gains/losses as a result of exchange rate movements, this was substantially larger than expected as a result of the significant depreciation of Sterling following the UK's decision, on 23 June 2016, to exit the EU.

Note 4

Finance (costs)/income

	Six months ended 30 June 2016 £m	Six months ended 30 June 2015 £m
Underlying finance costs		
Effective interest on borrowings	(25.3)	(69.4)
Effective interest on finance leases	(0.9)	(0.3)
Loan notes - interest	-	(7.6)
Amortisation of banking facility fees	(2.2)	(5.0)
Fair value gains/(losses)	2.0	(1.6)
Other finance costs	(1.8)	(1.3)
	(28.2)	**(85.2)**
Separately disclosed finance (costs)/income		
Net gain on disposal of Visa Europe asset	207.0	-
Finance costs on CVRs	(108.3)	-
Fair value loss on Visa Inc. preference shares	(14.0)	-
Foreign exchange (losses)/gains	(8.4)	9.2
	76.3	**9.2**
Total finance (costs)/income	**48.1**	**(76.0)**

Note 5

Visa Europe

Disposal of Visa Europe shares

On 21 June 2016, the Group disposed of its interest in Visa Europe to Visa Inc. and received a mixture of cash and non-cash consideration valued at €1,051m. The consideration is made up of €589.7m up-front cash, €405.4m of Series B preferred stock in Visa Inc. and €56.2m deferred cash which will be paid in three years. €547.5m of the up-front cash consideration and all of the preferred stock may be reduced by any final settlement of potential liabilities relating to ongoing interchange-related litigation involving Visa Europe. Potential losses from interchange litigation will be set against the preferred stock which can be reduced to absorb those losses. A Loss Sharing Agreement ('LSA') entered into by Worldpay, along with the ten other largest UK members of Visa Europe, provides a second level of protection to Visa Inc., capped at the €547.5m of up-front cash consideration.

Following the disposal, Worldpay continues to be a participant in the Visa payments system but will no longer be entitled to receive certain rebates that are determined by reference to the volume of transactions Worldpay processes through the scheme.

Note 5 (continued)

Contingent Value Rights ('CVRs')
As set out in our IPO Prospectus dated 13 October 2015, the holders of the CVRs (a separate class of shares in the Company) are entitled to 90% of the net post-tax proceeds of the disposal in accordance with the terms of the CVRs (subject to the Company's right of retention), with Worldpay retaining 10% of the net proceeds.

The CVRs are non-voting and are not convertible into Ordinary Shares. Given the nature of the CVRs, they are classified as financial liabilities recognised initially at fair value and subsequently at amortised cost, with the gain or loss recognised in "Finance (costs)/income" in the Group's income statement. Further details of the CVRs are set out in Worldpay's 2015 Annual Report and Accounts.

Accounting treatment
Visa Europe asset
The Visa Europe asset was recognised in the Group's balance sheet at 31 December 2015 as a fair value through profit and loss financial asset. On disposal, it has been derecognised from the Group's balance sheet with the net gain on disposal recognised in "Finance (costs)/income" in the Group's income statement.

£68.9m (at date of disposal) of the up-front cash consideration has been included in "Own cash and cash equivalents", including £23.6m in relation to the CVR holders. The remaining £383.9m (at date of disposal) has been included in "Financial assets – term deposits". The deferred cash consideration has been included in non-current "Other receivables". All balances have been revalued to period end rates in the Group balance sheet as at 30 June 2016.

The preference stock received on disposal of our interest in Visa Europe has been recognised as a financial asset under the non-current "Financial assets – Visa Inc. preference shares" category. It has been recognised at fair value initially and has been classified as fair value through profit and loss. Subsequent movements on the fair value of the preferred stock are recognised in "Finance (costs)/income" in the Group's income statement in order to be consistent with the accounting treatment on the CVR liabilities mentioned below. The potential liability under the LSA has also been offset against the preference shares to the extent that Visa Inc. has the legal right to do so. Any excess of the LSA liability has been included in "Provisions" within current liabilities.

When measuring the fair values of the financial asset – Visa Inc. preference shares as well as the LSA liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Visa Inc. preference shares and the LSA liability are classified as Level 3 due to the lack of identical transactions with regularly available market prices.

In order to fair value the LSA liability as at 30 June 2016, the Directors have considered a range of potential outcomes, including the likely value of the potential level of Visa Europe liabilities that the Group may be liable for, and calculated a weighted average.

CVR liabilities
The CVR liabilities have been classified as financial liabilities at amortised cost based on a re-estimation of future cash-flows, with any changes being recognised in "Finance (costs)/income" in the income statement.

Note 5 (continued)

Conclusion

Based on the above, the following has been recognised in the Group's 2016 half year financial statements:

	As at 30 June 2016 £m	As at 30 June 2015 £m	As at 31 December 2015 £m
Balance sheet			
Non-current assets			
Other receivables	46.9	-	-
Financial assets – Visa Inc. preference shares	153.2	-	-
Current assets			
Financial assets – Visa Europe shares	-	-	195.7
Own cash and cash equivalents*	74.8	-	-
Financial assets - term deposits	417.3	-	-
Current liabilities			
Accruals	(0.8)	-	-
Current tax liabilities	(98.1)	-	-
Provisions	(262.3)	-	-
Derivative financial instruments	(8.7)	-	-
Financial liabilities – CVR liabilities	(265.2)	-	(140.9)
Deferred tax liabilities	(27.6)	-	(39.2)
Net assets	**29.5**	**-**	**15.6**

The net assets at 30 June 2016 include the fair value loss on Visa Inc. preference shares and the impact of movements in foreign exchange rates since 21 June 2016 (being the date of disposal) and the period end (£1.8m). These have been excluded from the table below.

	Six months ended 30 June 2016 £m	Six months ended 30 June 2015 £m	Year ended 31 December 2015 £m
Income statement			
Net gain on disposal of financial assets	207.0	-	-
Finance income – Visa Europe shares	-	-	195.7
Finance cost – CVR liabilities	(108.3)	-	(140.9)
Profit before tax	**98.7**	**-**	**54.8**
Taxation	(86.6)	-	(39.2)
Profit after tax	**12.1**	**-**	**15.6**

* Includes £25.6m (£23.6m at date of disposal) of cash in relation to the CVR holders.

Note 6

Tax

	Six months ended 30 June 2016 £m	Six months ended 30 June 2015 £m
Tax (charge)/credit:		
On underlying results	**(40.5)**	**(4.4)**
On separately disclosed items		
On gain on disposal of Visa Europe	(86.6)	-
On other separately disclosed items	17.1	7.2
	(69.5)	**7.2**
Total tax (charge)/credit	**(110.0)**	**2.8**

The tax charge for the period of £40.5m (2015: £4.4m) arising on the underlying profit before tax has been calculated by applying an estimate of the underlying effective tax rate for the full year of 26.5%. The charge is higher than the UK headline rate for the year of 20% primarily due to higher overseas tax rates and non-deductible costs.

The tax charge of £69.5m (2015: credit of £7.2m) arising on separately disclosed items includes a tax charge of £86.6m relating to the disposal of the interest in Visa Europe. This is relatively high as no deferred tax asset has been recognised on the estimated liability under the LSA in excess of that which has been offset against the Visa Inc. preference shares.

After including separately disclosed items, the Group's total tax charge for the period was £110.0m (2015: credit £2.8m).

Note 7

Dividends

The Group's dividend policy is based on a pay-out ratio of 20% to 30% of reported profit after tax per annum, with approximately one third of any annual dividend to be paid in respect of the first half, declared as an interim dividend, and two thirds in respect of the second half, declared as a final dividend subject to shareholder approval.

In line with the above policy, the Board has declared an interim dividend of 0.65p per share (2015 no interim dividend), which will be paid on 18 October 2016 to those shareholders on the share register at the close of business on 16 September 2016.

The interim dividend was approved by the Board after 30 June 2016 and accordingly, has not been recognised as a liability at the period end.

Note 8

Earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue during the financial period.

Diluted earnings per share amounts are calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue during the financial period, adjusted for the effects of potentially dilutive options. The dilutive effect is calculated on the full exercise of all potentially dilutive ordinary share options granted by the Group, including performance-based options which the Group considers to have been earned.

The weighted average number of shares used to determine earnings per share has been calculated in accordance with the principle of reverse acquisition accounting.

Underlying basic and diluted earnings per share are included as the Directors believe this provides a better reflection of the Group's performance.

	Six months ended 30 June 2016	Six months ended 30 June 2015
Profit (£m)		
Underlying results	112.3	58.1
Total profit for the period	58.6	3.1
Weighted average number of shares for (millions):		
Basic	1,988.7	1,605.1
Diluted	1,990.5	1,605.1
Basic earnings per share (pence)		
Underlying basic earnings per share	**5.6**	**3.6**
Total basic earnings per share	**2.9**	**0.2**
Diluted earnings per share (pence)		
Underlying diluted earnings per share	**5.6**	**3.6**
Total diluted earnings per share	**2.9**	**0.2**

During 2015, the Company's 50,000,000 ordinary shares were split into 1,605,083,333 ordinary shares without a corresponding change in share capital. As a result, the weighted average numbers of shares for comparative periods has been adjusted for in accordance to IAS 33.

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Note 9

Other intangible assets

During the period, additions to other intangible assets amounted to £84.4m (six month period ended 30 June 2015: £57.0m; year ended 31 December 2015: £144.7m). As at 30 June 2016, the net book value of other intangible assets was £769.1m (six month period ended 30 June 2015: £677.1m, year ended 31 December 2015: £719.4m), of which £288.0m are under the course of construction and are not yet being amortised (six month period ended 30 June 2015: £175.5m, year ended 31 December 2015: £235.3m).

Note 10

Property, plant and equipment

During the period, additions to property, plant and equipment amounted to £16.0m (six month period ended 30 June 2015: £20.0m; year ended 31 December 2015: £34.3m). As at 30 June 2016, the net book value of property, plant and equipment was £124.0m (six month period ended 30 June 2015: £127.9m, year ended 31 December 2015: £122.3m) of which £49.2m are under the course of construction and are not yet being amortised (six month period ended 30 June 2015: £54.3m; year ended 31 December 2015: £51.3m).

Note 11

Note to cash flow statement

Cash and cash equivalents comprises cash and demand deposits with banks, together with short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of change in value. Merchant float is excluded from the cash flow statement.

The table below reconciles the profit for the period before tax to cash generated by operations:

	Six months ended 30 June 2016	**Six months ended 30 June 2015**
	£m	**£m**
Operating activities		
Profit before tax	168.6	0.3
Adjustments for :		
Depreciation and impairment of property, plant and equipment	16.1	18.4
Amortisation and impairment of intangible assets	45.2	53.2
Foreign exchange gains	0.7	(11.2)
Share of results of joint venture and associate	0.5	0.3
Finance costs/(income)	(48.1)	76.0
Net cash inflow from operating activities before movements in working capital	**183.0**	**137.0**
(Increase)/decrease in trade and other receivables	(21.6)	0.4
(Decrease)/increase in trade and other payables	(3.8)	18.4
Increase/(decrease) in provisions	3.5	(3.7)
Net cash inflow from operating activities before tax	**161.1**	**152.1**

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Note 12

Net debt and borrowings

	Own cash and cash equivalents	Senior bank borrowings	Senior unsecured notes	Sub - ordinated borrowings	Loan notes	Finance leases	Total
	£m	£m	£m	£m	£m	£m	£m
At 31 December 2015	165.3	(1,195.8)	(365.6)	-	-	(29.2)	**(1,425.3)**
Cash flows	77.9	57.0	7.5	-	-	(1.9)	**140.5**
Finance costs	-	(18.1)	(7.2)	-	-	(0.9)	**(26.2)**
Impact of changes in effective interest rate	-	1.9	0.1	-	-	-	**2.0**
Other non-cash flows	-	(1.8)	(0.4)	-	-	-	**(2.2)**
Exchange movements	23.7	(37.4)	(48.3)	-	-	-	**(62.0)**
At 30 June 2016	**266.9**	**(1,194.2)**	**(413.9)**	**-**	**-**	**(32.0)**	**(1,373.2)**
At 31 December 2014	**168.7**	**(1,826.1)**	**-**	**(450.5)**	**(118.0)**	**(28.2)**	**(2,254.1)**
Cash flows	(55.7)	107.7	-	-	-	(1.9)	**50.1**
Finance costs	-	(48.6)	-	(20.7)	(7.6)	(0.3)	**(77.2)**
Impact of changes in effective interest rate	-	0.2	-	-	-	-	**0.2**
Other non-cash flows	-	(7.4)	-	-	-	-	**(7.4)**
Exchange movements	(13.5)	25.6	-	-	-	-	**12.1**
At 30 June 2015	**99.5**	**(1,748.6)**	**-**	**(471.2)**	**(125.6)**	**(30.4)**	**(2,276.3)**
At 31 December 2014	**168.7**	**(1,826.1)**	**-**	**(450.5)**	**(118.0)**	**(28.2)**	**(2,254.1)**
Cash flows	(5.6)	769.5	(356.6)	483.0	130.1	0.1	**1,020.5**
Finance costs	-	(85.3)	(2.0)	(32.5)	(12.1)	(1.1)	**(133.0)**
Impact of changes in effective interest rate	-	(0.6)	-	-	-	-	**(0.6)**
Other non-cash flows	-	(38.5)	4.9	-	-	-	**(33.6)**
Exchange movements	2.2	(14.8)	(11.9)	-	-	-	**(24.5)**
At 31 December 2015	**165.3**	**(1,195.8)**	**(365.6)**	**-**	**-**	**(29.2)**	**(1,425.3)**

On 16 October 2015, as part of the IPO process, all previous borrowings were repaid and the Group arranged new borrowing facilities totalling £1.7bn. These new borrowings comprised of a £600m three-year term facility (Term Facility 1); a £900m five-year term facility (Term Facility 2); and a £200m revolving credit facility. The rates of interest are LIBOR based plus a margin dependent on leverage. The maximum margin for Term Facility 1 is 2.00% and for Term Facility 2 is 2.50%.

On 10 November 2015, the Group issued €500m 3.75% senior unsecured notes due 2022, the proceeds of which were used to reduce Term Facility 1. The issue extended the average term of the Group's debt, diversified its funding sources and fixed the interest rate on this portion of debt.

Net debt at 30 June 2016 was £1,373.2m (six months ended 30 June 2015: £2,276.3m; year ended 2015: £1,425.3m). The reduction year-on-year reflects the IPO and the resultant refinancing activity.

Note 13

Contingent liabilities

Contingent liabilities are disclosed when the associated outflow of economic benefits is considered possible. These have not substantially changed since 31 December 2015, the details of which are disclosed in note 7a of the Annual Report and Accounts.

Note 14

Related party transactions

There have been no significant changes to the nature of related parties disclosed in the full consolidated financial statements for the Group as at and for the year ended 31 December 2015.

All transactions in the period arose in the normal course of business on an arm's length basis.

There have been no other new related parties in the six month period ended 30 June 2016 other than the appointments of Deanna Oppenheimer and Karen Richardson to the Board.

Note 15

Subsequent events

There were no events between the balance sheet date and the date of release of this consolidated financial information that required disclosure.