

30 July 2014

Moneysupermarket.com Group PLC interim results for the six months to 30 June 2014

Moneysupermarket.com Group PLC ("MoneySuperMarket.com" or the "Company"), the UK's leading price comparison website, announces its interim results for the 6 months to 30 June 2014.

Financial highlights	Six Months Ended June 2014	Six Months Ended June 2013	Change
Group revenue	£122.4m	£112.3m	9%
Gross profit	£94.4m	£86.7m	9%
Adjusted EBITDA	£43.6m	£39.9m	9%
Statutory profit after tax	£21.0m	£15.1m	39%
Underlying profit after tax*	£17.1m	£14.9m	14%
Adjusted EPS	5.6p	5.2p	6%
(Net debt)/ net cash	(£21.0m)	£25.4m	n/a
Interim dividend for the period	2.31p	2.16p	7%

* Underlying profit after tax excludes share of profits from associates and profit on disposal of associates.

The capital investment programme in our technology and data asset is on track, with investment of £7.8m so far of a forecast £17m for the full year.

Peter Plumb, MoneySuperMarket.com plc Chief Executive Officer, said:

"It's been a good first half of 2014, with good revenue growth in our MoneySuperMarket, MoneySavingExpert and TravelSupermarket brands. Group revenue and profits were 9% higher than the first half of 2013.

"Helping customers with new ways to save money and select the products they need means we have to invest in our business. And that's just what we're doing, spending £17m this year to enhance our site for customers, whether they choose to use mobiles, tablets or desktop PCs to compare prices, features and products."

Results presentation

There will be a presentation for investors and analysts at UBS, 1 Finsbury Avenue, London, EC2M 2PP at 9.30am this morning. The presentation will be streamed live. Visit: <http://corporate.moneysupermarket.com/> to register and listen.

For further information, contact:

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Financial and Business Review

The Group presents below an extract of the Consolidated Statement of Comprehensive Income for the six months ended 30 June 2014 and 30 June 2013 along with a reconciliation to adjusted EBITDA. The Directors believe that the presentation of the adjusted EBITDA measure allows users of the financial information to gain a better understanding of the underlying performance of the business.

Extract of Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2014

	6 months ended 30 June 2014 £000	6 months ended 30 June 2013 £000
Revenue	122,383	112,304
Cost of sales	(28,027)	(25,604)
Gross profit	94,356	86,700
Distribution expenses	(18,430)	(16,085)
Administrative expenses	(52,232)	(50,591)
Operating profit	23,694	20,024

Reconciliation to adjusted EBITDA:

Operating profit	23,694	20,024
Depreciation	1,986	1,718
Amortisation of acquisition related Intangible Assets ⁽¹⁾	12,091	12,373
Amortisation of internally generated technology related Intangible Assets ⁽¹⁾	1,843	1,063
Contingent payable in relation to the acquisition of MoneySavingExpert.com ⁽²⁾	4,019	4,160
Corporate finance fees	-	553
Adjusted EBITDA	43,633	39,891
Adjusted earnings per ordinary share:		
– basic (p)	5.6	5.2
– diluted (p)	5.5	5.2
Normal earnings per ordinary share:		
– basic (p)	3.9	2.8
– diluted (p)	3.8	2.8

Notes

Basis of Preparation

The results show the trading results for the six months ended 30 June 2014 and 30 June 2013. The following adjustments have been made in arriving at adjusted EBITDA:

1 Amortisation of Intangible Assets

- The acquisition of Moneysupermarket.com Financial Group Limited by the Company prior to Listing gave rise to £207.2m of intangible assets. These will be written off over a period of 3-10 years with a charge of £11.2m expensed in the first half of 2014 (2013: £11.5m).
- The acquisition of the trade and certain assets of MoneySavingExpert.com and a sole trader business from Martin Lewis (together 'MSE') on 21 September 2012 by the Group gave rise to £12.9m of intangible assets. These will be written off over a period of 3-10 years with a charge of £0.9m expensed in the first half of both of 2014 and 2013.
- A charge of £1.8m (2013: £1.1m) relating to the amortisation of internally generated technology related intangible assets.

2 Contingent payable in relation to the acquisition of MoneySavingExpert

- In the first half of 2014 the Group has recognised an administrative expense of £4.0m (2013: £4.2m) relating to deferred remuneration which is linked to continued employment in the Consolidated Statement of Comprehensive Income.

Reference is made in the Overview and Financial Performance sections to adjusted administration and distribution expenses. These measures represent the costs charged to the Consolidated Statement of Comprehensive Income, less intangible amortisation relating to acquisitions, costs relating to the contingent payable for MoneySavingExpert.com and corporate finance fees in relation to the special dividend paid in July 2013.

Overview

We present a positive set of financial results for the six months ended 30 June 2014. Revenue for the six months was £122.4m (2013: £112.3m), up 9%, generating adjusted EBITDA of £43.6m (2013: £39.9m), also up 9%.

During the first half of 2014 the Group has continued to grow. Revenues were ahead of the same period last year in all verticals of the MoneySuperMarket.com site (Money, Insurance, and Home Services). The Group's other businesses – TravelSupermarket.com and MoneySavingExpert.com - performed particularly well with revenue growth of 35% and 28% respectively.

Revenue growth in the important Insurance vertical increased by 7% in the second quarter, compared to 1% growth in the first quarter. The Group's investment in improving customer experience, CRM, and pricing, together with some improvement in the market for switching, contributed to this growth.

The Group was able to support its brands through increased offline marketing expenditure, featuring the "How I Roll" campaign. Offline marketing expenditure increased 15% during the half to £16.0m (2013: 13.9m).

Underlying profit after tax grew from £14.9m to £17.1m (+14%). The underlying figure excludes the profit on disposal of an associate. The Group sold its 24.25% interest in HD Decisions Limited on 7 May 2014 for net proceeds of £5.2m, resulting in a profit on disposal of £3.8m.

As stated at the prior year end, the Group is increasing its capital investment this year, including investing £7.8m in its technology and data assets in the first half. We forecast around £17 million of capital investment this year. This investment is part of a three year programme.

The investment is focused on three areas – upgrading our MoneySuperMarket.com systems, developing our data asset, and developing our TravelSupermarket.com site. The upgrade of the MoneySuperMarket.com systems involves rolling out new systems, parts of which have already been rolled out in TravelSupermarket.com, and are generating benefits for that business and its customers. This is a major upgrade to the engine that lies behind the website, and it is flexible, adaptable and usable across our different channels, and any future channels. Customers will notice better connectivity across channels and will be able to use different devices to conduct the same transaction, picking up where they left off. The new engine will allow us to manage, adapt and extend comparison services faster and easier.

On 14 March 2014 the Group purchased the trade and assets of the OnTrees bank account and credit card account aggregation service for £1.5m. This web and mobile app allows consumers to see an overview of their finances by connecting their bank accounts and credit cards in a single tool. The tool gives a breakdown of all income and expenditure across accounts and helps users see where they are spending most, and where they can save.

Financial Performance

Group revenue increased by 9% to £122.4m (2013: £112.3m) and adjusted EBITDA increased by 9% to £43.6m (2013: £39.9m).

Group gross margins were maintained at 77%, continuing to benefit significantly from the acquisition of MSE completed in September 2012. Direct to site revenues were 78% of total revenues in the first half of 2014 (2013: 74%). Paid search represented 18% of revenues (2013: 22%). The Group chose to drive revenue with an additional £6.8m of online and offline marketing, whilst maintaining a stable EBITDA margin of 36% in the first half year.

Adjusted administrative and distribution costs increased by 10% from £49.6m to £54.6m. Distribution costs increased by 15% from £16.1m to £18.4m due to the additional offline marketing expenditure discussed above. The Group anticipates spending 10% more than last year on offline media in the full year. Adjusted administrative expenses increased by 8% from £33.5m to £36.1m. Headcount increased from 515 in June 2013 to 525 in June 2014 including a team of 72 (2013: 54) at MSE.

The capital investment programme primarily on software development will increase the Group's amortisation charge. The Group's policy is to amortise software development over three years. We expect software amortisation charges of around £5m in 2014 (2013: £2.6m) rising to approximately £9m in 2015. Amortisation of the intangible assets related to the 2007 Group reorganisation prior to its IPO will step down from £23m in 2013 to around £18m in 2014.

The Group operates across a number of businesses and vertical markets. These are outlined in more detail below:

	Revenue			
	6 months to 30 June 2014		6 months to 30 June 2013	
	£000	%	£000	%
Money	29,545	24	27,920	25
Insurance	68,072	56	65,467	58
Home Services	9,092	7	6,580	6
MoneySuperMarket.com	106,709	87	99,967	89
TravelSupermarket.com	12,380	10	9,203	8
MoneySavingExpert.com	11,266	9	8,816	8
Other businesses	122	0	265	0
Intercompany revenue ¹	(8,094)	(6)	(5,947)	(5)
Total	122,383	100	112,304	100

¹ In the above table revenues in MoneySuperMarket.com arising from traffic from MoneySavingExpert.com have been shown in both MoneySuperMarket.com and MoneySavingExpert.com to present the revenues from MoneySuperMarket.com on a consistent basis in 2014 and 2013, and to show the contribution of the MoneySavingExpert.com business to the Group. Intercompany revenues have been eliminated as shown above.

Money

The Money vertical offers customers the ability to search for and compare products such as credit cards, current accounts, mortgages, loans, debt solutions, savings accounts and business finance, amongst other things. It also includes elements of the Group's lead business (PAA) and advisory business (SAS) together with advertising revenue that is derived from financial products.

The KPIs for the Money vertical are shown below:

	6 months to 30 June 2014	6 months to 30 June 2013	Change
Visitors (000)	21,457	22,726	-6%
Transactions (000)	11,235	10,484	7%
Revenue (£000) – click based revenue	28,183	26,541	6%
Revenue (£000) – other	1,362	1,379	-1%
Revenue (£000) – total	29,545	27,920	6%
RPV	£1.38	£1.23	12%
RPT	£2.51	£2.53	-1%

Revenue in the Money vertical increased by 6% from £27.9m to £29.5m.

Revenues from credit products (defined as secured and unsecured loans, credit cards, debt solutions and mortgages but excluding impression based advertising) were 18% ahead of last year, whilst non-credit revenues, principally savings and current accounts, grew 4%. The Group has seen good growth in its credit card and mortgages businesses.

The Group's non-credit business and in particular its savings revenues have continued to be impacted by the Government's 'Funding for Lending' scheme which enables financial institutions to borrow from the Bank of England at very attractive rates. This has meant deposit rates available to consumers have fallen significantly and this has reduced consumers' propensity to switch products, and the demand from providers for more costly retail deposits has fallen reducing the number of providers who have a commercial arrangement with the Group for retail deposits.

Other revenue, which includes revenue from leads and advertising revenue, was flat. The Group has continued to focus on improving its core click based offering reducing impression-based advertising revenues.

Insurance

The Insurance vertical offers customers the ability to search for and compare insurance products such as breakdown, dental, home, life, medical, motor, pet and travel insurance, amongst other things. It also includes elements of the Group's lead business (PAA) and advisory business (SAS) and data tools to insurance providers.

The KPIs for the Insurance vertical are shown below:

	6 months to 30 June 2014	6 months to 30 June 2013	Change
Visitors (000)	18,209	18,801	-3%
Transactions (000)	8,229	8,214	0%
Revenue (£000) – click based revenue	58,880	57,113	3%
Revenue (£000) – other	9,192	8,354	10%
Revenue (£000) – total	68,072	65,467	4%
RPV	£3.74	£3.48	7%
RPT	£7.16	£6.96	3%

Revenues in the Insurance vertical increased by 4% from £65.5m to £68.1m.

Revenues increased in each of the four major lines of business - motor, home, travel and life insurance. Revenues in the second quarter of the year increased by 7% on the same period last year, compared to 1% growth in the first quarter. The Group's investment in improving the customer experience, CRM, and pricing, together with some improvement in the switching market, contributed to this growth. In addition, the Group launched a loyalty scheme, offering free national breakdown cover for customers who buy motor insurance for the second time through our site.

Other revenue from data products to insurance product providers increased by £0.8m.

Home Services

The Home Services vertical offers customers the ability to search for and compare products such as broadband, mobile phones and utilities.

The KPIs for the Home Services vertical are shown below:

	6 months to 30 June 2014	6 months to 30 June 2013	Change
Visitors (000)	7,239	6,777	7%
Transactions (000)	3,217	2,371	36%
Revenue (£000) – total	9,092	6,580	38%
RPV	£1.26	£0.97	30%
RPT	£2.83	£2.78	2%

Revenue in the Home Services vertical increased by 38% from £6.6m to £9.1m.

The KPIs reported for this vertical used to include the shopping and vouchers business, which would have added revenue of £0.1m and visitors of 3.5m in the six months to 30 June 2014 to the table above (revenue of £0.1m and visitors of 4.9m in the same period last year). The shopping and voucher business is not being prioritised by the Group and so is excluded from the table to allow better visibility of the underlying performance of the vertical.

Revenues from utility switching, which account for the majority of revenues within the Home Services vertical, were stronger than the same period last year as the channel continued to benefit from last year's price inflation and the Cheap Energy Club operated by MSE. This innovative service allows consumers to register with MSE for alerts when savings available against their current tariff exceed a predetermined amount set by the consumer. Revenues from utilities slowed

in the second quarter with fewer visitors looking to switch. Compared to 2013, revenue in the Home Services vertical grew by 18% in the second quarter of 2014 compared to 62% in the first quarter of 2014. In the second half of 2013, the Group benefitted from an exceptional interest in switching energy suppliers, adding approximately £9m to its revenue in that half year.

TravelSupermarket.com

TravelSupermarket.com offers customers the ability to search for and compare car hire, flights, hotels and package holidays, amongst other things.

The KPIs for TravelSupermarket.com are shown below:

	6 months to 30 June 2014	6 months to 30 June 2013	Change
Visitors (000)	33,983	29,225	16%
Transactions (000)	17,577	14,132	24%
Revenue (£000) – click based revenue	11,620	8,832	32%
Revenue (£000) – other	760	371	105%
Revenue (£000) – total	12,380	9,203	35%
RPV	£0.36	£0.31	16%
RPT	£0.66	£0.62	6%

Revenue in TravelSupermarket.com increased by 35% from £9.2m to £12.4m.

The Group has invested in the technology for the site with a major redevelopment of the car hire technology late last year. Elements of this investment are being rolled out to the Group's other businesses. Further investment of £2-3 million in TravelSupermarket.com systems is planned for this year. Developing the customer offering using this investment has allowed TravelSupermarket.com to attract more visitors and convert them better into transactions. The business was supported by television and radio advertising in the important January trading period.

MoneySavingExpert.com (“MSE”)

MSE (acquired in September 2012) generated revenues of £11.3m (2013: £8.8m) for the Group, of which £8.1m (2013: £5.9m) related to revenues also recognised within MoneySuperMarket.com, generated from traffic referred to it by MSE. MSE contributed £7.5m (2013: £6.2m) to Group adjusted EBITDA in the first half of 2014.

Trading trends have been consistent with those seen by MoneySuperMarket.com with revenues from money products, particularly savings, being challenging whilst revenues from credit cards and utilities have been strong, the latter being driven by the Cheap Energy Club.

The Group has continued to build the team within MSE and improve the scalability and resilience of its operations.

Cash Balance and Dividend

As at 30 June 2014 the Group had net debt of £21.0m (2013: net cash of £25.4m).

Having reviewed the cash required by the business and the performance of the Group, the Board has decided to increase its interim dividend by 7% to 2.31p per ordinary share.

The ex-dividend date is 13 August 2014, with a record date of 15 August 2014 and a payment date of 12 September 2014. Shareholders have the opportunity to elect to reinvest their cash dividend and purchase existing shares in the Company through a Dividend Reinvestment Plan.

Earnings per ordinary share

Basic statutory earnings per ordinary share for the six months to 30 June 2014 were 3.9p (2013: 2.8p). Adjusted basic earnings per ordinary share increased from 5.2p to 5.6p per share. The adjusted earnings per ordinary share is based on profit before tax after adding back intangible amortisation related to acquisitions, costs related to the contingent payable for MoneySavingExpert.com, profit on disposal of an associate and fees associated with the special dividend paid in July 2013. The statutory tax rate of 21.5% (2013: 23.25%) has been applied to calculate adjusted profit after tax.

Outlook

Trading in the first three weeks of July continued the improving trend seen in the second quarter. The Group is well positioned for the rest of 2014 as we continue to help more households make the most of their money. Notwithstanding the strong performance in energy in the second half of 2013, the Board's expectations for the full year remain unchanged.

Directors' responsibility statement in respect of the half-yearly financial report

Each of the Directors, whose names and functions are listed below, confirms that, to the best of his or her knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU
- the interim management report includes a fair review of the information required by:
 - (a) DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year 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 year; and
 - (b) DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions described in the last annual report that could do so.

Name	Function
Bruce Carnegie-Brown	Chairman
Simon Nixon	Non-Executive Deputy Chairman
Peter Plumb	Chief Executive Officer
Matthew Price	Chief Financial Officer
Graham Donoghue	Chief Product Officer
Michael Wemms	Senior Independent Non-Executive Director
Rob Rowley	Independent Non-Executive Director
Sally James	Independent Non-Executive Director
Robin Klein	Independent Non-Executive Director

29 July 2014

Principal Risks and Uncertainties

Set out below is a summary of the principal risks and uncertainties facing the Group for the remaining six months of the year.

Financial risks

Reduction of providers

Potential impact

Providers may consolidate, withdraw their products from price comparison websites or reduce their customer acquisition activity via price comparison websites. This may reduce competition for business, customer choice, Group revenue and the customer proposition of price comparison websites.

Mitigation

The Group continues to focus on building strong relationships with providers to ensure the Group is able to provide solutions to the needs of providers and to maximise the opportunities for providers to acquire customers in a cost effective manner.

Investment in new areas and/or significant acquisitions

Potential impact

Significant investments in new products and services or new geographies fail to make a return. Failure to generate anticipated revenue growth, synergies and/or cost savings from significant acquisitions could lead to significant goodwill and intangible asset impairments.

Mitigation

Investments in new areas typically leverage existing expertise and experience built up over many years. Capital requirements are relatively low and investment is managed in stages such that it is not finally committed until there is good visibility of a return. Significant acquisitions are approved by the Board following pre-acquisition due diligence. Post-acquisition performance of significant acquisitions is closely monitored to ensure corrective action can be taken in the event of deviations from expected performance.

Financial services and other markets regulation

Potential impact

The business model in financial services or other lines of business may be compromised by changes to existing regulation or the introduction of new regulation.

Mitigation

The Group has a team of regulatory specialists who work with the business to ensure that it remains compliant with existing regulation and informed of impending regulation. The Group has embraced regulation to date and shares the vision of the regulators generally to make the market more transparent to the end customer.

Economic environment

Potential impact

Reduction in visitors and revenue from a recession as customers seek to reduce levels of discretionary expenditure.

Mitigation

The Group continues to focus on building a wide range of market leading services to meet customers' needs. Customers seeking to reduce levels of discretionary expenditure will also be looking to obtain 'best' value from compulsory products and services. The diversification of the Group both in the number of verticals that it operates in and the range of products and services it provides in each vertical should lessen the impact of a recession upon the Group although it cannot entirely mitigate against it.

Significant worsening in financial markets

Potential impact

Financial institutions may reduce the quantum of lending and/or tighten their acceptance criteria for customers seeking to obtain credit. Financial institutions may reduce their reliance on the retail market to obtain funds or may have lower cost funds available from other sources including the Bank of England to support their business activities. Providers may increase their focus on customer retention rather than acquisition. These factors may reduce commissions available to price comparison websites.

Mitigation

The Group continues to focus on building strong relationships with providers to ensure the Group is able to provide solutions to the needs of providers and to maximise the opportunities for providers to acquire customers in a cost effective manner.

Operational risks

Competitive environment

Potential impact

Loss of market share and erosion of margins from increased competition.

Mitigation

The Group continues to focus on building market leading products to improve its proposition to customers. This includes investment in customer retention tools and technology including CRM initiatives which deliver additional features and functionality to customers.

Brand perception and reputation

Potential impact

Reduction in customer loyalty with existing customers and an inability to attract new customers if the business fails to maintain its position as a leading price comparison website or if its reputation is negatively impacted by any event, such as the loss or misuse of customer personal data or a failure to treat customers fairly.

Mitigation

Continued investment in television advertising reinforced through press activity will maintain the Group in customers' minds. Rigorous checking of the website through audit and review will maintain the accuracy of the information displayed. Rigorous use of internal controls and testing of the Group's systems together with infrastructure investments will ensure the integrity and robustness of the Group's systems and ensure that customers are treated fairly.

Business continuity, capacity and functionality of IT and systems

Potential impact

Failure to provide adequate service levels to customers or maintain revenue generating services.

Mitigation

The Group maintains two separate data centres with n+1 redundancy in relation to its core infrastructure to ensure that service is maintained in the event of a disaster at the primary data centre. Developed software is rigorously tested and the Group operates a robust release process which mitigates the likelihood of software being released into a live environment without being fully tested.

Loss of key management

Potential impact

Loss of key management resulting in a lack of necessary expertise or continuity to execute strategy.

Mitigation

Existing key management, new hires or management teams that are recruited through acquisitions are tied in through attractive equity and other incentive packages and rewarding career structures. In addition, succession plans have been developed or are being developed for key members of the management team (including through acquisitions) which are regularly reviewed.

Reliance on search engine natural listings

Potential impact

Reduction in gross margin through reduction in revenue derived from search engine optimisation activities.

Mitigation

The Group will continue to invest in sustainable search engine optimisation activities which adhere to search engine guidelines.

Changing customer behaviour

Potential impact

Reduction in customer loyalty with existing customers and an inability to attract new customers if the business fails to adapt to changing customer behaviour, such as the increasing use of mobile devices to access the internet, 'apps' and social media.

Mitigation

The Group continues to focus on building market-leading products to improve its proposition to customers. The Group continues to engage with customers to understand any changes in the way they utilise the Group's services.

Independent Review Report to Moneysupermarket.com 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 2014 which comprises the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows 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 2, 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 2014 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Stuart Burdass
for and on behalf of KPMG LLP
Chartered Accountants
St James' Square
Manchester, M2 6DS
29 July 2014

Consolidated Statement of Comprehensive Income

		6 months to 30 June 2014 £000	6 months to 30 June 2013 £000
	<i>Note</i>		
Revenue	4	122,383	112,304
Cost of sales		(28,027)	(25,604)
		<hr/>	<hr/>
Gross profit		94,356	86,700
Distribution expenses		(18,430)	(16,085)
Administrative expenses		(52,232)	(50,591)
		<hr/>	<hr/>
Operating profit		23,694	20,024
Finance income		58	61
Finance costs		(1,232)	(415)
		<hr/>	<hr/>
Net finance costs		(1,174)	(354)
		<hr/>	<hr/>
Share of profit of associates net of tax		59	146
Profit on disposal of associate		3,808	-
		<hr/>	<hr/>
Profit before tax		26,387	19,816
Taxation	5	(5,437)	(4,722)
		<hr/>	<hr/>
Profit for the period		20,950	15,094
		<hr/>	<hr/>
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		-	6
		<hr/>	<hr/>
Other comprehensive income for the period		-	6
		<hr/>	<hr/>
Total comprehensive income for the period		20,950	15,100
		<hr/>	<hr/>

Reconciliation to adjusted EBITDA:

Operating profit	23,694	20,024
Amortisation of intangibles	13,934	13,436
Depreciation	1,986	1,718

Normal EBITDA

39,614	35,178
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Contingent payable in relation to the acquisition of

MoneySavingExpert.com ⁽¹⁾

4,019	4,160
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Corporate finance fees ⁽²⁾

-	553
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Adjusted EBITDA

43,633	39,891
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Earnings per share:

Basic earnings per ordinary share (pence)	6	3.9	2.8
Diluted earnings per ordinary share (pence)	6	3.8	2.8

Basis of Preparation

The adjusted results show the trading results for the 6 months ended 30 June 2014 and 30 June 2013. The board regards an adjusted EBITDA figure as being the most meaningful profit measure for this period. The following adjustments have been made to the Consolidated Statement of Comprehensive Income:

1 Contingent payable in relation to the acquisition of MoneySavingExpert

- The Group has recognised an administrative expense relating to deferred remuneration which is linked to continued employment in its Consolidated Statement of Comprehensive Income in the first half of 2014 of £4.0m (2013: £4.2m).

2 Corporate finance fees

- During the prior period the Group incurred fees for advice relating to a special dividend of £70m paid to shareholders in July 2013. These have been added back in calculating adjusted EBITDA in 2013.

Consolidated Statement of Financial Position

	30 June 2014 £000	31 December 2013 £000	30 June 2013 £000
Assets			
Non-current assets			
Property, plant and equipment	10,810	11,163	10,098
Intangible assets	8 168,082	174,314	185,192
Investments in associates	-	1,333	1,304
Total non-current assets	178,892	186,810	196,594
Current assets			
Trade and other receivables	28,198	21,907	24,321
Prepayments	2,910	2,192	2,238
Cash and cash equivalents	39,021	38,935	25,408
Total current assets	70,129	63,034	51,967
Total assets	249,021	249,844	248,561
Liabilities			
Non-current liabilities			
Other payables	9 15,444	11,087	7,021
Borrowings	59,727	59,581	-
Deferred tax liabilities	8,371	9,290	12,711
Total non-current liabilities	83,542	79,958	19,732
Current liabilities			
Trade and other payables	35,064	31,260	29,825
Dividends declared but not paid	-	-	70,026
Current tax liabilities	3,717	4,865	4,434
Total current liabilities	38,781	36,125	104,285
Total liabilities	122,323	116,083	124,017
Equity			
Share capital	109	108	108
Share premium	201,841	201,841	201,824
Retained earnings	(133,890)	(126,826)	(136,028)
Other reserves	58,638	58,638	58,640
Total equity	126,698	133,761	124,544
Total equity and liabilities	249,021	249,844	248,561

Consolidated Statement of Changes in Equity for the period ended 30 June 2014

	Issued share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Reserve for own shares £000	Total £000
At 1st January 2013	107	201,824	63,791	(65,987)	-	199,735
Foreign currency translation	-	-	6	-	-	6
Profit for the period	-	-	-	15,094	-	15,094
Total income and expense for the period	-	-	6	15,094	-	15,100
Exercise of LTIP awards	1	-	-	-	-	1
Distribution in relation to LTIP	-	-	-	(848)	-	(848)
Equity dividends paid	-	-	-	(21,170)	-	(21,170)
Equity dividends declared	-	-	-	(70,026)	-	(70,026)
Tax effect of share-based payments	-	-	-	684	-	684
Reserves transfer	-	-	(5,157)	5,157	-	-
Share-based payment	-	-	-	1,068	-	1,068
At 30 June 2013	108	201,824	58,640	(136,028)	-	124,544
At 1st July 2013	108	201,824	58,640	(136,028)	-	124,544
Foreign currency translation	-	-	(1)	-	-	(1)
Profit for the period	-	-	-	19,565	-	19,565
Total income and expense for the period	-	-	(1)	19,565	-	19,564
New shares issued	-	17	-	-	-	17
Equity dividends paid	-	-	-	(11,707)	-	(11,707)
Share-based payment	-	-	-	1,251	-	1,251
Reserves transfer	-	-	(1)	1	-	-
Tax effect of share-based payments	-	-	-	92	-	92
At 31 December 2013	108	201,841	58,638	(126,826)	-	133,761
At 1st January 2014	108	201,841	58,638	(126,826)	-	133,761
Foreign currency translation	-	-	-	-	-	-
Profit for the period	-	-	-	20,950	-	20,950
Total income and expense for the period	-	-	-	20,950	-	20,950
Exercise of LTIP awards	1	-	-	-	-	1
Distribution in relation to LTIP	-	-	-	(917)	-	(917)
Equity dividends paid	-	-	-	(27,899)	-	(27,899)
Tax effect of share-based payments	-	-	-	143	-	143
Share-based payment	-	-	-	659	-	659
At 30 June 2014	109	201,841	58,638	(133,890)	-	126,698

Other reserves

The other reserves balance represents the merger and revaluation reserves generated upon the acquisition of Moneysupermarket.com Financial Group Limited by the Company.

Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Reserve for own shares

The reserve for the Company's own shares comprises the cost of the Company shares held by the Group. At 30 June 2014, the Group held 268,441 shares at a cost of 0.02 pence per share through a trust, for the benefit of the Group's employees.

Consolidated Statement of Cash Flows

for the period ended 30 June 2014

	6 months to 30 June 2014 £000	6 months to 30 June 2013 £000
Operating activities		
Profit for the period	20,950	15,094
Adjustments to reconcile Group net profit to net cash flows:		
Depreciation of property, plant and equipment	1,986	1,718
Amortisation of intangible assets	13,934	13,436
Net finance costs	1,174	354
Loss on disposal of property, plant and equipment	5	-
Share of profit of associates	(59)	(146)
Profit on disposal of associate	(3,808)	-
Contingent payable in relation to MSE acquisition	4,019	4,160
Equity settled share-based payment transactions	659	1,068
Tax charge	5,437	4,722
Changes in trade and other receivables	(7,009)	(3,944)
Changes in trade and other payables	435	3,158
Tax paid	(7,358)	(7,922)
Net cash flow from operating activities	30,365	31,698
Investing activities		
Interest received	58	57
Acquisition of trade and assets	(1,500)	-
Acquisition of property, plant and equipment	(1,407)	(1,212)
Acquisition of intangible assets	(3,143)	(1,105)
Disposal of associate	5,199	-
Net cash used in investing activities	(793)	(2,260)
Financing activities		
Proceeds from issue of share capital	1	1
Dividends paid	(27,899)	(21,170)
Distribution in relation to Long Term Incentive Plan	(917)	(848)
Proceeds from borrowings	20,000	-
Repayment of borrowings	(20,000)	-
Payment of transaction costs related to financing activities	-	(625)
Interest paid	(671)	(74)
Net cash used in financing activities	(29,486)	(22,716)
Net increase in cash and cash equivalents	86	6,722
Cash and cash equivalents at start 1 January	38,935	18,680
Effects of foreign exchange differences	-	6
Cash and cash equivalents at 30 June	39,021	25,408

Notes

1. Reporting entity

Moneysupermarket.com Group PLC ('Company') is a company domiciled in the United Kingdom. The condensed consolidated financial statements of the Company as at and for the six months ended 30 June 2014 comprise the Company and its subsidiaries ('Group').

The financial statements have been prepared on a going concern basis, which the Directors deem appropriate, given the Group's low level of net debt and continued growth and forecast profitability.

The consolidated financial statements of the Group as at and for the year ended 31 December 2013 are available upon request from the Company's registered office at Moneysupermarket House, St. David's Park, Ewloe, Chester, CH5 3UZ or online at www.moneysupermarket.com.

2. Statement of compliance

This condensed set of consolidated interim financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2013. The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

The comparative figures for the year ended 31 December 2013 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.

These condensed consolidated interim financial statements were approved by the Board of Directors on 29 July 2014.

3. Significant accounting policies

As required by the Disclosure and Transparency Rules of the Financial Conduct Authority, the condensed set of financial statements has been prepared by the Group by applying the same 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 2013.

4. Segmental information

	Money	Insure	Travel	Home	MSE	Reportable segments	Other	Interseg -mental revenue	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Period ended 30 June 2013									
Revenue									
Segment revenues	27,920	65,467	9,203	6,580	8,816	117,986	265	(5,947)	112,304
Results									
Operating expenses					(2,631)				(92,280)
Results from operating activities					6,185				20,024
Net finance expense									(354)
Share of profit of associate									146
Profit before tax									19,816
Income tax expense									(4,722)
Profit for the period									15,094
Assets									
Unallocated assets									248,561
<hr/>									
	Money	Insure	Travel	Home	MSE	Reportable segments	Other	Interseg -mental revenue	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Period ended 30 June 2014									
Revenue									
Segment revenues	29,545	68,072	12,380	9,092	11,266	130,355	122	(8,094)	122,383
Results									
Operating expenses					(3,724)				(98,689)
Results from operating activities					7,542				23,694
Net finance expense									(1,174)
Share of profit of associate									59
Profit on disposal of associate									3,808
Profit before tax									26,387
Income tax expense									(5,437)
Profit for the period									20,950
Assets									
Unallocated assets									249,021
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In applying IFRS 8 – Operating Segments, the Group has disclosed five reportable segments, being Money, Insurance, Home, Travel and MoneySavingExpert.com. Money, Insurance and Home operate under the brand name MoneySuperMarket.com, and Travel under the brand name TravelSupermarket.com, however, all four segments are reported separately. MoneySavingExpert.com is disclosed as a separate operating segment, with revenue generated by Financial Services Net Limited, Local Daily Deals Limited and the shopping and vouchers channel reported within 'Other'. This disclosure correlates with the information which is presented to the Group's Chief Operating Decision Maker, the Company Board, which reviews revenues by segment. The Group's costs, finance income or expense, tax charges and net assets are only reviewed by the Chief Operating Decision Maker at a consolidated level, with the exception of MoneySavingExpert.com, and therefore have not been allocated between all segments in the analysis above. All of the Group revenue reported for the first six months of 2014 was generated in the UK (2013: all Group revenue).

5. Taxation

The Group's effective consolidated tax rate for the six months ended 30 June 2014 is 20.6% (2013: 23.8%). This reduction in the effective tax rate is primarily as a result of the profit on sale of associate of £3.8m being exempt from corporation tax. The effective tax rate is broadly in line with the applicable corporation tax rate of 21.5%, which has decreased from 23.25% in the prior year, following a reduction in the enacted rate. In both periods, the effective rate has been broadly in line with the applicable corporation tax rate for the year.

6. Earnings per share

Basic and diluted earnings per share have been calculated as follows.

	2014	2013
Profit after taxation attributable to ordinary shareholders (£000)	20,950	15,094
Basic weighted average ordinary shares in issue (millions)	543.8	539.5
Dilutive effect of share based instruments (millions)	6.1	9.3
Diluted weighted average ordinary shares in issue (millions)	549.9	548.8
Basic earnings per ordinary share (pence)	3.9	2.8
Diluted earnings per ordinary share (pence)	3.8	2.8

7. Dividends

	2014	2013
	£000	£000
Declared and paid during the period:		
Equity dividends on ordinary shares:		
Final dividend for 2013: 5.12 pence per share (2012: 3.94 pence per share)	27,899	21,170
Declared but not paid during the period (recognised as a liability as at 30 June):		
Equity dividends on ordinary shares:		

Special dividend for 2013: 12.92 pence per share - 70,026

Proposed for approval (not recognised as a liability as at 30 June):

Equity dividends on ordinary shares:

Interim dividend for 2014: 2.31 pence per share **12,587** 11,707
(2013: 2.16 pence per share)

8. Intangible fixed assets

	Market related	Customer relationship	Customer list	Technology related	Goodwill	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 January 2013	148,659	69,288	2,323	13,317	180,399	413,986
Additions	-	-	-	1,105	-	1,105
Transfer to tangible fixed assets	-	-	-	(50)	-	(50)
At 30 June 2013	148,659	69,288	2,323	14,372	180,399	415,041
Amortisation						
At 1 January 2013	78,240	54,892	1,270	9,197	72,814	216,413
Charged in period	7,285	4,893	195	1,063	-	13,436
At 30 June 2013	85,525	59,785	1,465	10,260	72,814	229,849
Net book value						
At 1 January 2013	70,419	14,396	1,053	4,120	107,585	197,573
At 30 June 2013	63,134	9,503	858	4,112	107,585	185,192
Cost						
At 1 January 2014	148,659	69,288	2,323	17,358	180,399	418,027
Additions	-	-	-	6,202	1,500	7,702
Disposals	-	-	-	(5,900)	-	(5,900)
At 30 June 2014	148,659	69,288	2,323	17,660	181,899	419,829
Amortisation						
At 1 January 2014	92,810	64,677	1,658	11,754	72,814	243,713
Charged in period	7,285	4,611	195	1,843	-	13,934
Disposals	-	-	-	(5,900)	-	(5,900)

At 30 June 2014	100,095	69,288	1,853	7,697	72,814	251,747
Net book value						
At 1 January 2014	55,849	4,611	665	5,604	107,585	174,314
At 30 June 2014	48,564	-	470	9,963	109,085	168,082

9. Contingent payments in relation to MoneySavingExpert.com

Additional amounts of up to £27.0m may become payable on the third anniversary of the completion of the acquisition of MoneySavingExpert.com. The amount payable depends in part upon the achievement of a number of non-financial performance measures specified in the purchase agreement and is, in part, at the discretion of the Company's Board, subject to the continued employment of Martin Lewis.

The arrangement to pay these additional amounts has been accounted for separate to the business combination as remuneration as their payment is linked to the continued employment of Martin Lewis.

The benefit payable will be charged to the Consolidated Statement of Comprehensive Income over the period in which the services are provided (the earnout period) as an employment expense. Management has estimated the benefit payable by assessing, amongst other things, the performance of the acquired business since acquisition, against the measures specified in the purchase agreement. During the period £4.0m (2013: £4.2m) has been charged to the Consolidated Statement of Comprehensive Income as an employment expense, and £0.3m (2013: £0.3m) has been recognised as a finance expense, being the unwinding of the discount rate applied. At 30 June 2014, the value of the liability was £15.4m (30 June 2013: £7.0m).

10. Share-based payments

On 3 April 2014 conditional awards were made over 1,595,722 shares to a number of Directors and employees under the Long Term Incentive Plan scheme.

The share option charge in the Statement of Comprehensive Income can be attributed to the following types of option:

	2014	2013
	£000	£000
Long Term Incentive Plan scheme (LTIP)	596	1,020
Sharesave scheme	63	48
	659	1,068

The following table indicates the changes in the number of share options during the period. The number of awards in the table represents the number awarded, of which up to 150% could vest:

LTIP

At 1 January 2013		7,066,590
Options issued during the period		1,441,167
1.1.1	Options exercised during the period	(3,136,257)
1.1.2	Options forfeit during the period	(311,615)
At 30 June 2013		<u>5,059,885</u>
At 1 July 2013		5,059,885
Options issued during the period		108,290
Options exercised during the period		-
Options forfeit during the period		(368,570)
At 31 December 2013		<u>4,799,605</u>
At 1 January 2014		4,799,605
Options issued during the period		1,595,722
1.1.3	Options exercised during the period	(1,921,093)
1.1.4	Options forfeit during the period	(389,890)
At 30 June 2014		<u>4,084,344</u>

11. Related party transactions

The Company is the ultimate parent entity of the Group. Intercompany transactions with wholly owned subsidiaries have been excluded from this note, as per the exemption offered in IAS 24.

During the period there were no transactions, and at the period end there were no outstanding balances, relating to key management personnel and entities over which they have control or significant influence, other than the Long Term Incentive Plan awards noted in the table above. On 9 March 2014, 2,881,639 awards vested under the 2011 Long Term Incentive Plan following full achievement of the performance criteria. On 3 April 2014, under the 2014 Long Term Incentive Plan, conditional awards were made over 1,595,722 shares.

Simon Nixon, Peter Plumb, Graham Donoghue, Gerald Corbett, Paul Doughty, Michael Wemms, Bruce Carnegie-Brown, Sally James, and Robin Klein in total received dividends from the Group during the period totalling £4,706,486 in relation to the year ended 31 December 2013. Gerald Corbett and Paul Doughty ceased to be Directors on 23 April 2014.

Forward looking statements

This report includes statements that are forward looking in nature. Forward looking statements involve known and unknown risks, assumptions, uncertainties and other factors which may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward looking

statements. Except as required by the Listing Rules and applicable law, the Company undertakes no obligation to update, revise or change any forward looking statements to reflect events or developments occurring after the date of this report.