

3 March 2015

**Moneysupermarket.com Group PLC preliminary results  
for the year ended 31 December 2014**

It was a year of strong growth and investment in technology to benefit consumers and position the business for long-term growth.

<b>Financial highlights</b>	<b>2014</b>	<b>2013</b>	<b>Change</b>
Group revenue	£248.1m	£225.6m	10%
Adjusted EBITDA	£95.2m	£84.0m	13%
Statutory profit after tax	£52.8m	£34.7m	52%
Adjusted EPS	12.3p	10.8p	14%
Net cash/(net debt)	£13.1m	(£21.1m)	n/a
Final dividend for the year	5.69p	5.12p	11%
Ordinary dividend for the year	8.00p	7.28p	10%

- Insurance and Money revenues up 8% and 13% respectively
- TravelSupermarket.com revenues up 28% benefiting from ongoing investment in technology
- MoneySavingExpert.com revenues up 17% including further success of the Cheap Energy Club
- Capital investment of £16.1m in technology, part of a three-year investment programme

Peter Plumb, Moneysupermarket.com Group Chief Executive Officer, said:

“Our three well-trusted brands helped more than 40 million users make the most of their money in 2014. We invested over £16 million in our websites and systems and will do the same in 2015 to ensure we lead the market as the easiest and best way for families to save money on their household bills. Following 10% revenue growth in 2014, the group has started the year well and is on track to save more families more money than ever before.”

### **Outlook**

The Group has traded strongly in the first two months of 2015, however the comparatives will become tougher from the second quarter. The Board anticipates delivering its expectations for the year.

### **Results presentation**

There will be a presentation for investors and analysts at 100 Liverpool Street, London, EC2M 2RH 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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### **Cautionary note regarding forward looking statements**

This announcement 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 Company 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, Disclosure and Transparency Rules and applicable law, the Company undertakes no obligation to update, revise or change any forward looking statements to reflect events or developments occurring on or after the date such statements are published.

## Financial and Business Review

The Group traded strongly in the year with revenue increasing 10% to £248.1m and net profit after tax of £52.8m (2013: £34.7m). The Group invested £16.1m enhancing its technology as part of a three-year capital investment programme, and acquired OnTrees, a current account and credit card aggregation service, for £1.5m.

When reviewing performance, the Directors use a number of adjusted measures, including Adjusted EBITDA. This is reconciled below:

### Extract of Consolidated Statement of Comprehensive Income

for the year ended 31 December 2014

	Note	2014 £000	2013 £000
Revenue		248,131	225,553
Cost of sales		(52,443)	(50,156)
Gross profit		195,688	175,397
Distribution expenses		(34,037)	(30,708)
Administrative expenses		(97,787)	(100,170)
Operating profit		63,864	44,519
<b>Reconciliation to adjusted EBITDA:</b>			
Operating profit		63,864	44,519
Amortisation of acquisition related intangible assets	1	19,569	24,745
Contingent payable in relation to the acquisition of MoneySavingExpert.com	2	3,908	7,960
Corporate finance fees	3	-	553
<b>Adjusted operating profit</b>		<b>87,341</b>	<b>77,777</b>
Depreciation		3,446	3,648
Amortisation of internally generated technology related intangible assets		4,388	2,555
<b>Adjusted EBITDA</b>		<b>95,175</b>	<b>83,980</b>
Adjusted earnings per ordinary share:			
– basic (p)		12.3	10.8
– diluted (p)		12.2	10.7

## Notes

### Basis of Preparation

The results show the trading results for the years ended 31 December 2014 and 2013 respectively. The following adjustments have been made in arriving at adjusted EBITDA:

#### 1 Amortisation of acquisition related 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 £17.8m expensed in 2014 (2013: £23.0m).

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 £1.7m included within 2014 (2013: £1.7m).

#### 2 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 the Consolidated Statement of Comprehensive Income in 2014 of £3.9m (2013: £8.0m).

#### 3 Corporate finance fees

During the prior year, the Group incurred fees of £0.6m in relation to advice relating to a special dividend of £70.0m paid to shareholders in July 2013.

Reference is made below to adjusted cost base and adjusted distribution and administration expenses. These measures represent costs charged to the Consolidated Statement of Comprehensive Income, less intangible amortisation relating to acquisitions, costs recognised in respect of the contingent payable in relation to the acquisition of MoneySavingExpert and corporate finance fees.

During 2014 the MoneySuperMarket.com business continued to grow with revenues ahead of last year in all business areas. Growth was strong in the Insurance and Money businesses. After a period of falling motor insurance premiums, premiums increased, which encourages switching. Revenues in the Money vertical increased primarily through demand for comparing unsecured loans and credit cards. Growth rates accelerated in the second half of the year as the Group regained its natural search rankings.

TravelSupermarket.com grew its revenues for the full year by 28%. It benefited from focused TV advertising in the key trading months and from ongoing investment in technology.

Revenue in MoneySavingExpert.com was 17% ahead of last year (prior to eliminating intra-group revenues). Growth was driven by credit cards and utilities, which has again benefited from the success of the Cheap Energy Club launched in 2013. MoneySavingExpert.com contributed £15.2m to Group Adjusted EBITDA (2013: £13.3m).

The Group remains committed to its technology development and invested £16.1m in 2014. This investment, as part of a three-year programme, focuses on three areas – developing our data asset, building a new aggregation engine, and upgrading our customer experience and journey. The investment allows for greater flexibility and scalability across our different channels and any future channels. Customers will benefit from better connectivity across channels and be able to seamlessly use different devices to conduct the same transaction. The Group believes this investment will allow it to deliver services more effectively to customers, especially on mobile devices.

Group gross margins increased from 77.8% to 78.9%, largely as a result of increased volumes of traffic through natural search and the continued optimisation of paid search. The proportion of direct to site revenues increased from 75% in 2013 to 79% in 2014. Paid search represented 17% of revenue in the year (2013: 20%), with a notable reduction from the second quarter of 2014 onwards. This will affect year on year margin improvement comparisons from the second quarter of 2015 onwards.

Distribution costs were 11% higher than 2013, primarily due to higher offline marketing earlier in the year. The Group continued the 'You're So MoneySuperMarket' campaign on television supported by radio and print campaigns.

Adjusted administrative costs increased by 11% from £67.0m to £74.3m in 2014. Adjusted staff costs (including contract resource) were 9% higher at £41.9m, largely driven by increased bonus levels. Other administrative costs increased by £2.4m mainly as a result of development project work.

Adjusted EBITDA margins increased from 37.2% to 38.4% against the same period last year.

The Group operates across a number of businesses and markets. These are discussed below:

	Revenue <sup>1</sup>			
	31 December 2014		31 December 2013	
	£000	%	£000	%
Money	<b>58,903</b>	<b>24</b>	52,070	23
Insurance	<b>138,013</b>	<b>56</b>	127,566	57
Home Services <sup>2</sup>	<b>22,351</b>	<b>9</b>	21,728	10
MoneySuperMarket.com	<b>219,267</b>	<b>89</b>	201,364	89
TravelSupermarket.com	<b>22,648</b>	<b>9</b>	17,704	8
MoneySavingExpert.com	<b>22,848</b>	<b>9</b>	19,522	9
Other businesses	<b>214</b>	<b>-</b>	346	-
Intercompany revenue <sup>1</sup>	<b>(16,846)</b>	<b>(7)</b>	(13,383)	(6)
<b>Total</b>	<b>248,131</b>	<b>100</b>	225,553	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 and to show the contribution of the MoneySavingExpert.com business to the Group. Intercompany revenues have been eliminated as shown above.

2 Home Services revenue in 2013 has been restated to remove the shopping and vouchers channel.

## MoneySuperMarket.com

The Directors use key performance indicators ('KPIs') to assess the performance of the business against the Group's strategy. These are reviewed on a regular basis. The principal KPIs for the business are as follows:

*Visitors* - the Group measures the number of visitors to its websites as the number of unique visitors per day, per channel, per device, measured on a cumulative basis using cookie-based tracking methodologies.

*Transactions* - the Group measures transactions at the point in time that the customer leaves the Group's websites having clicked through to a third party website, or in some cases having completed an application form hosted on the Group's websites.

*Revenue per visitor ('RPV')* - the Group measures the total revenue (including click and other internet revenue) divided by the number of visitors defined above.

*Revenue per transaction ('RPT')* - the Group measures the click based revenue divided by the total number of transactions defined above.

## Money

The Money vertical offers customers the ability to search for and compare products including credit cards, current accounts, mortgages, loans, debt solutions, savings accounts and business finance. It also includes elements of the Group's leads business together with advertising revenue that derives from financial products.

The KPIs for the Money vertical are shown below:

	31 December 2014	31 December 2013	Change
Visitors (000)	<b>40,762</b>	41,727	(2)%
Transactions (000)	<b>21,582</b>	20,696	4%
Revenue (£000) – click based	<b>56,521</b>	49,004	15%
Revenue (£000) – other	<b>2,382</b>	3,066	(22)%
Revenue (£000) – total	<b>58,903</b>	52,070	13%
RPV	<b>£1.45</b>	£1.25	16%
RPT	<b>£2.62</b>	£2.37	11%

Total revenue increased by 13% from £52.1m to £58.9m and click based revenue by 15% from £49.0m to £56.5m. Visitors to the Money vertical were 2% lower than last year.

Revenues from credit products, defined as secured and unsecured loans, credit cards, debt solutions and mortgages but excluding impression-based advertising accounted for almost 80% of the growth in the Money vertical.

Trading improved in the second half of the year relative to the first half. Money revenues were 22% ahead in the second half of the year against a first half where revenues were 6% ahead, largely driven by the increase in the volume and quality of credit card and loan products available on our site, including market-leading and exclusive deals. The Group chose to stop operating in the payday loans market in the middle of 2013, reducing revenues in the second half of 2013, thereby improving half on half growth in 2014.

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 means financial institutions can borrow from the Bank of England at attractive rates and don't need to compete for retail deposits. The Government announced on 2 December that the scheme was to be extended for a further period to 29 January 2016.

Other revenue, which includes revenue from the sale of leads and advertising, fell by £0.7m. The Group has continued to focus upon 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 leads business and advisory business together with advertising revenue related to insurance products.

The KPIs for the Insurance vertical are shown below:

	31 December 2014	31 December 2013	Change
Visitors (000)	<b>36,194</b>	35,155	3%
Transactions (000)	<b>16,207</b>	15,595	4%
Revenue (£000) – click based	<b>118,377</b>	110,912	7%
Revenue (£000) – other	<b>19,636</b>	16,655	18%
Revenue (£000) – total	<b>138,013</b>	127,566	8%
RPV	<b>£3.81</b>	£3.63	5%
RPT	<b>£7.30</b>	£7.11	3%

Revenues in the Insurance vertical increased 8% from £127.6m to £138.0m. Click-based revenue increased by 7% from £110.9m to £118.4m. Visitors increased by 3% over the period.

Revenues in the second half of the year accelerated compared with the first half whereby revenues were 13% ahead of the corresponding second half period, following a 4% first half increase.

Motor insurance premiums increased in the second half of the year after a period of decline, this encouraged greater interest in switching. Home insurance premiums continued to decline. In addition, the Group recovered its natural search rankings after May 2014.

Travel insurance showed good growth, benefitting from improvements to the site. Life insurance also grew strongly following a redesign of the customer journey.

## Home Services

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

The KPIs for the Home Services vertical are shown below:

	31 December 2014	31 December 2013	Change
Visitors (000)	<b>16,630</b>	14,805	12%
Transactions (000)	<b>6,243</b>	5,204	20%
Revenue (£000) – click based	<b>22,351</b>	21,728	3%
Revenue (£000) – other	–	–	–
Revenue (£000) – total	<b>22,351</b>	21,728	3%
RPV	<b>£1.34</b>	£1.47	(9)%
RPT	<b>£3.58</b>	£4.18	(14)%

Revenue in the Home Services vertical increased for the full year by 3% from £21.7m to £22.4m.

The KPIs reported for this vertical used to include the shopping and vouchers business, which would have added revenue of £0.2m and 7.4m visitors in the year to the table above (revenue of £0.2m and 9.6m visitors in 2013). The shopping and voucher business is not a priority for 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 strong as the channel continued to benefit from the popular Cheap Energy Club service launched by MoneySavingExpert.com in 2013. This service allows consumers to register for alerts when savings available against their current tariff exceed a predetermined amount set by the

consumer. In the last quarter of 2014, the Group ran a highly successful collective switch, allowing customers to apply for market-leading tariffs available exclusively through the Group.

### **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:

	<b>31 December 2014</b>	31 December 2013	Change
Visitors (000)	<b>64,083</b>	55,857	15%
Transactions (000)	<b>31,318</b>	26,304	19%
Revenue (£000) – click based	<b>21,084</b>	16,986	24%
Revenue (£000) – other	<b>1,564</b>	718	118%
Revenue (£000) – total	<b>22,648</b>	17,704	28%
RPV	<b>£0.35</b>	£0.32	9%
RPT	<b>£0.67</b>	£0.65	3%

Revenues increased by 28% from £17.7m to £22.6m. Click based revenue increased by 24% to £21.1m.

Trading was very strong in the year, particularly in the seasonally stronger first half. The Travel business benefitted from a focused television and radio campaign in the important January and July trading periods, which resonated well with consumers.

The Group's ongoing investment in technology has enabled the business to re-platform a number of its core channels and will allow it to make future changes to the customer proposition in a more agile manner.

### **MoneySavingExpert.com ('MSE')**

MoneySavingExpert.com generated revenues of £22.8m (2013: £19.5m), of which £16.8m (2013: £13.4m) related to revenues also recognised within MoneySuperMarket.com, generated from traffic referred to it by MSE. It contributed £15.2m (2013: £13.3m) to Group adjusted EBITDA.

Trading trends have been consistent with those seen by MoneySuperMarket.com with good growth in revenues from borrowing. Utilities revenues continued to be driven by the Cheap Energy Club and the collective switch referred to earlier.

The acquisition of the trade and certain assets of MoneySavingExpert.com and a sole trader business from Martin Lewis, included a deferred element payable in part against the achievement of certain non-financial metrics over a three year period and in part at the Board's discretion subject to the continued employment of Martin Lewis. The deferred element will be settled on the third anniversary of completion in September 2015. The Group has recognised in administrative expenses a charge of £3.9m (2013: £8.0m) in the Consolidated Statement of Comprehensive Income in respect of deferred remuneration linked to continued employment.

### **Acquisition of OnTrees**

On 14 March 2014, the Group acquired the trade and assets of the OnTrees bank account and credit card 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. This 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.

### **Disposal of HD Decisions Limited**

On 7 May 2014, the Group disposed of its 25% holding in its credit scoring technology associate, HD Decisions Limited, for cash consideration of £5.3m, resulting in a profit on disposal of £3.9m. In addition, further contingent consideration of up to £1.9m may become payable, dependent upon certain financial targets over a three year earn-out period.

## **Cash balance and dividend**

As at 31 December 2014 the Group had net cash of £13.1m (2013: net debt £21.1m).

Having reviewed inter alia, the performance of the Group and the cash required by the business, the Board is recommending a final dividend, subject to shareholder approval, in respect of the year ended 31 December 2014 of 5.69p per ordinary share.

Together with the interim dividend of 2.31p per ordinary share paid on 12 September 2014, this gives a total normal dividend for the year of 8.00p per ordinary share (2013: 7.28p excluding the special dividend paid during that year), reflecting the Board's confidence in the ability of the business to generate cash on an on-going basis.

The Board is committed to a progressive dividend policy, with on-going monitoring of the appropriate capital structure.

The ex-dividend date for the final dividend is 26 March 2015, with a record date of 27 March 2015 and a payment date of 8 May 2015. Shareholders will have the opportunity to elect to reinvest their cash dividend and purchase existing shares in the Company through a Dividend Reinvestment Plan.

## **Tax**

The Group tax charge of £13.1m in the Consolidated Statement of Comprehensive Income represents an effective tax rate of 19.9% (2013: 19.5%). This is lower than the prevailing rate of 21.5% (2013: 23.25%) due to the profit on disposal of HD Decisions Limited being exempt from corporation tax under the substantial shareholdings exemption.

In future, and once the statutory rate of tax has settled, the Group expects the underlying effective rate of tax to approximate to the standard UK corporation tax rate.

## **Earnings per ordinary share**

Basic statutory earnings per ordinary share for the year ended 31 December 2014 was 9.7p (2013: 6.4p). Adjusted basic earnings per ordinary share increased from 10.8p to 12.3p 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 consideration payable for MoneySavingExpert.com, the profit on disposal of HD Decisions Limited and fees associated with the special dividend paid in the prior year. A tax rate of 21.5% (2013: 23.25%) has been applied to calculate adjusted profit after tax.

## **Outlook**

The Group has traded strongly in the first two months of 2015, however the comparatives will become tougher from the second quarter. The Board anticipates delivering its expectations for the year.

# Consolidated Statement of Comprehensive Income

for the year ended 31 December 2014

	<i>Note</i>	<b>31 December 2014 £000</b>	31 December 2013 £000
<b>Revenue</b>		<b>248,131</b>	225,553
Cost of sales		<b>(52,443)</b>	(50,156)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>195,688</b>	175,397
Distribution expenses		<b>(34,037)</b>	(30,708)
Administrative expenses		<b>(97,787)</b>	(100,170)
		<hr/>	<hr/>
<b>Operating profit</b>		<b>63,864</b>	44,519
Finance income		<b>194</b>	135
Finance costs		<b>(2,059)</b>	(1,754)
		<hr/>	<hr/>
<b>Net finance costs</b>		<b>(1,865)</b>	(1,619)
		<hr/>	<hr/>
Share of profit of associate		<b>59</b>	175
Profit on disposal of associate		<b>3,901</b>	-
		<hr/>	<hr/>
<b>Profit before tax</b>		<b>65,959</b>	43,075
Taxation		<b>(13,141)</b>	(8,416)
		<hr/>	<hr/>
<b>Profit for the year</b>		<b>52,818</b>	34,659
		<hr/>	<hr/>
<b>Other comprehensive income:</b>			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		<b>(4)</b>	5
		<hr/>	<hr/>
Other comprehensive income for the period		<b>(4)</b>	5
		<hr/>	<hr/>
<b>Total comprehensive income for the year</b>		<b>52,814</b>	34,664
		<hr/>	<hr/>
<b>Earnings per share:</b>			
Basic earnings per ordinary share (pence)	2	<b>9.7</b>	6.4
Diluted earnings per ordinary share (pence)	2	<b>9.6</b>	6.3



## Consolidated Statement of Financial Position

		31 December 2014 £000	31 December 2013 £000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		9,395	11,163
Intangible assets	4	166,498	174,314
Investments in associate		-	1,333
<b>Total non-current assets</b>		<b>175,893</b>	<b>186,810</b>
<b>Current assets</b>			
Trade and other receivables		27,526	21,907
Prepayments		3,096	2,192
Cash and cash equivalents		43,146	38,935
<b>Total current assets</b>		<b>73,768</b>	<b>63,034</b>
<b>Total assets</b>		<b>249,661</b>	<b>249,844</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Other payables	1	-	11,087
Borrowings		29,970	59,581
Deferred tax liabilities		7,754	9,290
<b>Total non-current liabilities</b>		<b>37,724</b>	<b>79,958</b>
<b>Current liabilities</b>			
Trade and other payables	1	56,375	31,260
Current tax liabilities		7,440	4,865
<b>Total current liabilities</b>		<b>63,815</b>	<b>36,125</b>
<b>Total liabilities</b>		<b>101,539</b>	<b>116,083</b>
<b>Equity</b>			
Share capital		109	108
Share premium		202,217	201,841
Retained earnings		(112,838)	(126,826)
Other reserves		58,634	58,638
<b>Total equity</b>		<b>148,122</b>	<b>133,761</b>
<b>Total equity and liabilities</b>		<b>249,661</b>	<b>249,844</b>

The Financial Statements were approved by the Board of Directors and authorised for issue on 2 March 2015. They were signed on its behalf by:

**Peter Plumb**

**Matthew Price**

## Consolidated Statement of Changes in Equity

for the year ended 31 December 2014

	Issued share capital	Share premium	Other reserves	Retained earnings	Reserve for own shares	Total
	£000	£000	£000	£000	£000	£000
At 1 January 2013	107	201,824	63,791	(65,987)	-	199,735
Foreign currency translation	-	-	5	-	-	5
Profit for the year	-	-	-	34,659	-	34,659
Total income and expense for the year	-	-	5	34,659	-	34,664
New shares issued	-	17	-	-	-	17
Exercise of LTIP awards	1	-	-	-	-	1
Distribution in relation to LTIP	-	-	-	(848)	-	(848)
Equity dividends	-	-	-	(102,902)	-	(102,902)
Tax effect of share-based payments	-	-	-	775	-	775
Reserves transfer	-	-	(5,158)	5,158	-	-
Share-based payments	-	-	-	2,319	-	2,319
<b>At 31 December 2013</b>	<b>108</b>	<b>201,841</b>	<b>58,638</b>	<b>(126,826)</b>	<b>-</b>	<b>133,761</b>
At 1 January 2014	108	201,841	58,638	(126,826)	-	133,761
Foreign currency translation	-	-	(4)	-	-	(4)
Profit for the year	-	-	-	52,818	-	52,818
Total income and expense for the period	-	-	(4)	52,818	-	52,814
Exercise of LTIP awards	1	-	-	-	-	1
New shares issued	-	376	-	-	-	376
Distribution in relation to LTIP	-	-	-	(917)	-	(917)
Equity dividends	-	-	-	(40,486)	-	(40,486)
Tax effect of share-based payments	-	-	-	521	-	521
Share-based payments	-	-	-	2,052	-	2,052
<b>At 31 December 2014</b>	<b>109</b>	<b>202,217</b>	<b>58,634</b>	<b>(112,838)</b>	<b>-</b>	<b>148,122</b>

The other reserves balance represents the merger and revaluation reserves generated upon the acquisition of Moneysupermarket.com Financial Group Limited by the Company, as discussed below, and a capital redemption reserve for £19,000 arising from the acquisition of 95,294,118 deferred shares of 0.02p by the Company from Simon Nixon.

Upon the acquisition of Moneysupermarket.com Financial Group Limited, a merger reserve of £60,750,000 for 15% of the fair value of assets acquired, a merger reserve of £16,923,000 for 45% of the book value transferred from a company under common control, and a revaluation reserve of £65,345,000 representing 45% of the fair value of the intangible assets transferred from a company under common control, were recognised. Amounts have been transferred from these reserves to retained earnings as the goodwill and other intangibles balances which related to this acquisition have been impaired and amortised.

The reserve for the Company's own shares comprises the cost of the Company shares held by the Group. At 31 December 2014, the Group held 242,089 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 year ended 31 December 2014

	Year ended 31 December 2014 £000	Year ended 31 December 2013 £000
<b>Operating activities</b>		
Profit for the period	52,818	34,659
Adjustments to reconcile Group net profit to net cash flows:		
Depreciation of property, plant and equipment	3,446	3,648
Amortisation of intangible assets	23,957	27,300
Net finance costs	1,865	1,619
(Profit)/loss on disposal of property, plant and equipment	(47)	22
Share of profit of associate	(59)	(175)
Profit on disposal of associate	(3,901)	-
Contingent payable in relation to MSE acquisition	3,908	7,960
Equity settled share-based payment transactions	2,052	2,319
Tax charge	13,141	8,416
Changes in trade and other receivables	(6,524)	(1,487)
Changes in trade and other payables	4,715	3,581
Tax paid	(11,404)	(14,518)
<b>Net cash flow from operating activities</b>	<b>83,967</b>	<b>73,344</b>
<b>Investing activities</b>		
Interest received	194	135
Acquisition of trade and assets	(1,500)	-
Acquisition of property, plant and equipment	(1,631)	(4,229)
Acquisition of intangible assets	(9,715)	(4,091)
Disposal of associate	5,292	-
<b>Net cash used in investing activities</b>	<b>(7,360)</b>	<b>(8,185)</b>
<b>Financing activities</b>		
Proceeds from exercise of Long Term Incentive Plan	1	1
Proceeds from share issue	376	17
Dividends paid	(40,486)	(102,902)
Distribution in relation to Long Term Incentive Plan	(917)	(848)
Proceeds from borrowings	20,000	60,000
Repayment of borrowings	(50,000)	-
Payment of transaction costs related to financing activities	-	(625)
Interest paid	(1,367)	(553)
<b>Net cash used in financing activities</b>	<b>(72,393)</b>	<b>(44,910)</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,214</b>	<b>20,249</b>
Cash and cash equivalents at 1 January	38,935	18,680
Effects of foreign exchange differences	(3)	6
<b>Cash and cash equivalents at 31 December</b>	<b>43,146</b>	<b>38,935</b>

## Notes

### 1 Acquisitions

#### *MoneySavingExpert.com ("MSE")*

On 21 September 2012, the Group acquired certain trade and assets from Martin Lewis and his company MoneySavingExpert.com. Additional amounts of up to £27.0m may become payable on the third anniversary of the completion of the acquisition. 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 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 year £3.9m (2013: £8.0m) has been charged to the Consolidated Statement of Comprehensive Income as an employment expense, and £0.3m (2013: £0.6m) has been recognised as an expense within net finance costs, being the unwinding of the discount rate applied.

At 31 December 2014, the amount accrued within current liabilities was £15.3m (2013: £11.1m within non-current liabilities).

### 2 Earnings per share

#### *Basic earnings per share*

Basic earnings per share amounts are calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the Company, by the weighted average number of ordinary shares outstanding during the year.

#### *Diluted earnings per share*

Diluted earnings per share amounts are calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the Company, by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

#### *Earnings per share*

Basic and diluted earnings per share have been calculated on the following basis:

	2014	2013
Profit after taxation attributable to ordinary equity holders (£000)	52,818	34,659
Basic weighted average ordinary shares in issue (millions)	544.4	540.8
Dilutive effect of share based instruments (millions)	6.1	8.2
Diluted weighted average ordinary shares in issue (millions)	550.5	549.0
Basic earnings per ordinary share (p)	9.7	6.4
Diluted earnings per ordinary share (p)	9.6	6.3

### 3 Dividends

	2014	2013
	£000	£000
Declared and paid during the year:		
Equity dividends on ordinary shares:		
Final Dividend for 2012: 3.94p per share	-	21,169
Special Dividend for 2013: 12.92p per share	-	70,026
Interim Dividend for 2013: 2.16p per share	-	11,707
Final Dividend for 2013: 5.12p per share	27,899	-
Interim Dividend for 2014: 2.31p per share	12,587	-
Proposed for approval (not recognised as a liability at 31 December):		
Equity dividends on ordinary shares:		
Final dividend for 2014: 5.69p per share	31,032	-

### 4 Intangible 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 internally developed	-	-	-	4,091	-	4,091
Transfers	-	-	-	(50)	-	(50)
At 1 January 2014	148,659	69,288	2,323	17,358	180,399	418,027
Additions	-	-	-	14,641	1,500	16,141
Disposals	-	-	-	(5,900)	-	(5,900)
<b>At 31 December 2014</b>	<b>148,659</b>	<b>69,288</b>	<b>2,323</b>	<b>26,099</b>	<b>181,899</b>	<b>428,268</b>
Amortisation and impairment:						
At 1 January 2013	78,240	54,892	1,270	9,197	72,814	216,413
Amortisation charge for the year	14,570	9,785	388	2,557	-	27,300
At 1 January 2014	92,810	64,677	1,658	11,754	72,814	243,713
Disposals	-	-	-	(5,900)	-	(5,900)
Amortisation charge for the year	14,570	4,611	388	4,388	-	23,957
<b>At 31 December 2014</b>	<b>107,380</b>	<b>69,288</b>	<b>2,046</b>	<b>10,242</b>	<b>72,814</b>	<b>261,770</b>
Net book value:						
<b>At 31 December 2014</b>	<b>41,279</b>	<b>-</b>	<b>277</b>	<b>15,857</b>	<b>109,085</b>	<b>166,498</b>
At 1 January 2014	55,849	4,611	665	5,604	107,585	174,314

### 5 Related party transactions

In addition to their salaries, the Group also provides non-cash benefits to Directors and executive officers. Directors and executive officers also participate in the Group's Long Term Incentive Plan scheme.

Gerald Corbett, Michael Wemms, Bruce Carnegie-Brown, Simon Nixon, Peter Plumb, Graham Donoghue, Paul Doughty, Matthew Price, Robin Klein and Sally James in total received dividends from the Group totalling £34,763,898 in 2013 and £6,820,037 in 2014. Gerald Corbett and Paul Doughty ceased to be Directors on 23 April 2014.

There were no amounts outstanding to the Company or any future commitments of the Company as at 31 December 2014 (2013: nil).

## **Statutory Information**

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2014 or 31 December 2013 but is derived from those accounts. Statutory accounts for 2013 have been delivered to the registrar of companies, and those for 2014 will be delivered in due course. The auditor has reported on those accounts; their reports were (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.

The annual report and accounts for the year ended 31 December 2014 will be posted to shareholders in March 2015. The results for the year ended 31 December 2014 were approved by the Board of Directors on 2 March 2015 and are audited. The Annual General Meeting will take place on 30 April 2015. The final dividend will be payable on 8 May 2015 to shareholders on the register at the close of business on 27 March 2015.