

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended immediately to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (“FSMA”) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

**Your attention is drawn to the risk factors set out on pages 15 to 29.**

If you sell or have sold or otherwise transferred all of your MoneySupermarket.com Group PLC Shares, please send this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

Credit Suisse, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for MoneySupermarket.com Group PLC and for no-one else in connection with the Acquisition and will not be responsible to anyone other than MoneySupermarket.com Group PLC for providing the protections afforded to clients of Credit Suisse or for providing advice in relation to the Acquisition.

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# **MoneySupermarket.com Group PLC**

## **Proposed Acquisition of MoneySavingExpert**

**and**

## **Notice of General Meeting**

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**This document should be read as a whole. Your attention is drawn to the letter from your Chairman which is set out on pages 3 to 14 of this document and which recommends that you vote in favour of the resolution to be proposed at the General Meeting referred to below.**

Notice of General Meeting of MoneySupermarket.com Group PLC to be held at 11 a.m. on 5 July 2012 at the Andaz, 40 Liverpool Street, London, EC2M 7QN is set out at the end of this document. A Form of Proxy for use at this General Meeting is enclosed. To be valid, the Form of Proxy should be completed, signed and returned in accordance with the instructions printed thereon to the Company’s registrar, Capita Registrars at PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible but in any event so as to arrive not later than 48 hours before the time fixed for the start of the meeting.

This document is a circular relating to the Acquisition which has been prepared in accordance with the Listing Rules made under section 73A of FSMA. This document has been approved by the Financial Services Authority.

No person has been authorised to give any information or make any representation other than those contained in the document and, if given or made, such information or representations must not be relied on as having been authorised. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

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This document is dated 8 June 2012.

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## EXPECTED TIMETABLE OF EVENTS

Latest time and date for receipt of Forms of Proxy from Shareholders	11 a.m. on 3 July 2012
General Meeting	11 a.m. on 5 July 2012
Expected date of Completion of the Acquisition	September or October 2012

## PART I

### LETTER FROM THE CHAIRMAN

*(incorporated and registered in England and Wales with company registration number 6160943)*

*Directors:*

Gerald Corbett (*Non-Executive Chairman*)  
Simon Nixon (*Executive Deputy Chairman*)  
Peter Plumb (*Chief Executive Officer*)  
Paul Doughty (*Chief Financial Officer*)  
Graham Donoghue (*Managing Director, Financial Services*)  
David Osborne (*Marketing Director*)  
Michael Wemms (*Senior Independent Non-Executive Director*)  
Rob Rowley (*Independent Non-Executive Director*)  
Bruce Carnegie-Brown (*Independent Non-Executive Director*)

*Registered Office:*

St. David's Park  
Ewloe  
Chester  
CH5 3UZ

8 June 2012

*To: MoneySupermarket.com Group PLC Shareholders and, for information only, MoneySupermarket.com Group PLC optionholders*

Dear Shareholder

#### **Proposed Acquisition of MoneySavingExpert and Notice of General Meeting**

##### **1. Introduction**

On 1 June 2012, the Board announced that MoneySupermarket.com Group PLC (“**MoneySupermarket.com**” or the “**Company**”) had conditionally agreed that entities within the MoneySupermarket.com Group would acquire MoneySavingExpert as a going concern (the “**Acquisition**”) from Martin Lewis and MoneySavingExpert.com (together, the “**Sellers**”). MoneySavingExpert operates one of the leading United Kingdom based personal finance and personal finance journalism websites.

The total consideration for the Acquisition is up to £87,000,000 with initial consideration of £60,000,000 payable on Completion, being satisfied by a payment of £35,000,000 in cash and the issue of 22,123,894 Initial Consideration Shares to Martin Lewis. Martin Lewis will be subject to a three year lock-up from Completion in relation to the Initial Consideration Shares subject to certain exceptions. Deferred consideration of up to £27,000,000 is payable in Consideration Shares and in cash following the third anniversary of Completion, subject in part to the achievement of certain non-financial performance criteria and in part to MoneySupermarket.com’s discretion. Further details of the Acquisition are set out in Part V (Summary of the Principal Terms and Conditions of the Acquisition Agreement and Related Documentation) of this document.

The cash element of the initial consideration for the Acquisition, being £35,000,000, will be funded exclusively out of cash resources in existence at Completion and from the Bank Facility, being a facility for £20,000,000 entered into by the Company with Lloyds Banking Group, which is available for general corporate purposes.

Due to the size of the Acquisition, pursuant to the Listing Rules, Completion of the Acquisition is required to be conditional upon Shareholder approval. Completion is also conditional upon certain other conditions, including obtaining certain competition authority approvals, which are described in more detail in Part V (Summary of the Principal Terms and Conditions of the Acquisition Agreement and Related Documentation) of this document. Shareholder approval will therefore be sought at a General Meeting to be held on 5 July 2012. The notice convening the General Meeting is set out at the end of this document. The Acquisition will not proceed if the Conditions are not satisfied or waived.

The purpose of this document is to give you further details of the Acquisition, including the background to and reasons for it, and to explain the reasons why the Directors unanimously recommend that you vote in favour of the Resolution at the General Meeting.

Simon Nixon has irrevocably agreed to vote in favour of the Resolution at the General Meeting in respect of his beneficial holding which amounts to 267,257,021 Shares or 52.48 per cent. of the

existing issued ordinary share capital (excluding Treasury Shares) of the Company at the latest practicable date prior to publication of this document. In addition, the other Directors also intend to vote in favour of the Resolution at the General Meeting in respect of their own beneficial holdings which amount, in aggregate, to an additional 2,091,560 Shares representing approximately an additional 0.41 per cent. of the existing issued ordinary share capital (excluding Treasury Shares) of the Company as at the latest practicable date prior to publication of this document.

Please complete and return the Form of Proxy which accompanies this document, whether or not you intend to attend the General Meeting.

## **2. Background to and reasons for the Acquisition**

### ***MoneySupermarket.com's strategy***

MoneySupermarket.com is a leading United Kingdom based provider of price comparison services, mainly through its personal finance price comparison website [www.moneysupermarket.com](http://www.moneysupermarket.com). MoneySupermarket.com also operates TravelSupermarket.com, a United Kingdom travel price comparison website. MoneySupermarket.com Group websites attracted approximately 130.2 million visitors in the year ended 31 December 2011.

MoneySupermarket.com operates across four business verticals—money, insurance, travel and home services—and provides customers with a free, online service, which enables them to search for and compare a wide range of products across a substantial representation of the relevant market, allowing them to choose products suited to their requirements. Customers can compare products on MoneySupermarket.com's website by reference to price and product features.

MoneySupermarket.com's stated objective is to "help every household to make the most of their money". In order to meet this objective, part of MoneySupermarket.com's strategy is to ensure that the MoneySupermarket.com brand is at the front of customers' minds and needs ("Build our Brand"), and to create websites which are available when and wherever a customer wants them, and which deliver the best customer experience ("Best Shop").

### ***Background to the Acquisition***

MoneySavingExpert operates a leading United Kingdom based personal finance journalism website which provides its users with free online access to a range of services related to saving money and personal finance including guides, tips, tools and techniques. The MoneySavingExpert Website is complemented by features such as email subscriptions to a weekly newsletter, a user forum, and bespoke online tools. The MoneySavingExpert Website was established in 2003 by personal finance journalist, Martin Lewis.

The principal activity of MoneySavingExpert is the provision of consumer information in relation to saving money and personal finance, in an objective manner consistent with its strategy of helping the consumer first, primarily through the MoneySavingExpert Website and weekly newsletter emails. This activity is informed by MoneySavingExpert's role as a consumer champion and by hosting online forums on which MoneySavingExpert's users discuss consumer and money issues. Martin Lewis and the MoneySavingExpert Website also provide information and promote topical consumer-focused issues such as financial education in schools and reclaiming payment protection insurance.

MoneySavingExpert primarily derives revenue from the MoneySavingExpert Website and weekly newsletter emails through revenue-sharing arrangements with intermediary providers such as price comparison websites (including MoneySupermarket.com) and, to a lesser extent, on the basis of CPA pricing models and CPC pricing models agreed with direct providers. In articles which contain links to products, revenue is generated when consumers click on a revenue-generating link through to a direct provider's website from the MoneySavingExpert Website (via an intermediary in the case of revenue arrangements with intermediary providers) and, depending on the terms of the arrangement, purchase a product or service. Further information regarding MoneySavingExpert is set out in paragraph 3 of this Part I (Letter from the Chairman).

MoneySupermarket.com is a key intermediary provider to MoneySavingExpert and accounted for approximately 59 per cent. (approximately £9,300,000) of the revenues of MoneySavingExpert during the financial year ended 31 October 2011, as a supplier of links to product providers mentioned within MoneySavingExpert's editorial and direct links to MoneySupermarket.com's price comparison services.

MoneySupermarket.com is a publicly listed company which is independent in that it is not controlled by a direct provider of financial services who customers pay for products and services.

MoneySupermarket.com understands the importance of being independent and intends to preserve the editorial independence of MoneySavingExpert in a manner which is consistent with MoneySavingExpert's current practices. In order to ensure this, MoneySupermarket.com and Martin Lewis have entered into an Editorial Code, further details of which are set out in Part V (Summary of the Principal Terms and Conditions of the Acquisition Agreement and Related Documentation) of this document.

### ***Benefits of the Acquisition***

The Board believes that the Acquisition will benefit MoneySupermarket.com through the following:

#### ***(i) Value proposition***

The Acquisition is expected to be earnings enhancing in the first full financial year post-Completion<sup>1</sup>. In addition, MoneySupermarket.com anticipates being able to benefit from corporation tax relief which should be available on that part of the purchase price attributed to certain assets, in particular intangible assets and goodwill. This relief is expected to reduce MoneySupermarket.com's taxable profits by virtually all of the total amount of consideration payable over a period of time, to be determined, but expected to be between three and ten years. Whilst further analysis is still to be undertaken, and no assurance can be given at this time, the Board currently anticipates a period in the region of five years. Further information regarding the expected tax relief is set out in paragraph 6 of this Part I (Letter from the Chairman).

An unaudited *pro forma* statement of net assets as at 31 December 2011, illustrating the expected effect of the Acquisition on MoneySupermarket.com's net assets, is set out in Part IV (Unaudited Pro Forma Statement of Net Assets of the Enlarged Group) of this document. As illustrated by the unaudited *pro forma* statement of net assets, had the Acquisition occurred on that date, the net assets of the Enlarged Group would have been £189,605,000 and the total liabilities of the Enlarged Group would have been £58,466,000.

#### ***(ii) Enhanced brand and content***

The MoneySavingExpert brand has a strong presence in the United Kingdom personal finance and personal finance journalism sector.

The MoneySavingExpert Website was ranked by Experian in the Experian Hitwise Top 10 Awards in the "Business and Finance – Business Information" category. According to Google Analytics, the MoneySavingExpert Website attracted approximately 39 million unique visitors and approximately 277 million page impressions in the year ended 31 October 2011. The editorial content and interactive forums of MoneySavingExpert are some of the key attractions for users of the MoneySavingExpert Website. According to Hitwise, the forum operated by MoneySavingExpert was the eighth biggest social networking site in the United Kingdom during November 2011. MoneySavingExpert estimates that the number of weekly newsletter emails delivered to its users in the year ended 31 October 2011 was approximately 246.5 million.

One of MoneySupermarket.com's strategic priorities is to develop an Everyday Brand which is at the front of customers' minds and needs, and which will result in the development of a long term relationship with MoneySupermarket.com's customers. MoneySavingExpert has sought to position the MoneySavingExpert brand as a trusted, independent source of information regarding saving money for its users. The Directors believe that the MoneySavingExpert brand has credibility with its users and that the content of the MoneySavingExpert Website, including its user forums, is attractive to its users and encourages repeat visits. The Directors also believe that the MoneySavingExpert and MoneySupermarket.com brands are complementary and that the Acquisition would assist the MoneySupermarket.com Group's strategy to build an Everyday Brand, which its customers recognise and trust as well as seeking to be the Best Shop. In addition, the Acquisition of MoneySavingExpert is aligned with MoneySupermarket.com's stated objective to "help every household to make the most of their money".

Martin Lewis is closely associated with the MoneySavingExpert brand and regularly appears on television and radio, and in print media, such as newspaper columns.

Conditional on Completion, Martin Lewis will grant MoneySupermarket.com a licence to use his name and image on the MoneySavingExpert Website for a period of three years, subject to certain terms and conditions. A summary of the Personal Licence Agreement is set out in Part V (Summary

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<sup>1</sup> Nothing in this document should be construed as a profit forecast or interpreted to mean that the future earnings per share, profits, margins or cash flows of MoneySupermarket.com will necessarily be greater than the historical published figures.



of the Principal Terms and Conditions of the Acquisition Agreement and Related Documentation) of this document.

***(iii) Grow direct-to-site revenues***

Part of MoneySupermarket.com's strategic plan is to develop the Best Shop for its customers including by delivering the best customer experience through the MoneySupermarket.com Group websites. In seeking to develop the Best Shop, MoneySupermarket.com intends to grow its direct-to-site revenue and the Directors believe that the Acquisition will assist this growth. Direct-to-site revenues are derived from customers visiting a Group website without having been directed to the website through a sponsored or paid listing on a search engine, web portal or other third party with minimal associated direct costs to the Group. Direct-to-site traffic therefore transacts at a higher margin than other traffic.

The prominence of the MoneySavingExpert brand and Martin Lewis and the distribution of weekly newsletters of MoneySavingExpert have contributed to the generation of significant volumes of direct-to-site traffic for MoneySavingExpert. Following the Acquisition, MoneySupermarket.com intends to share its significant experience in attracting direct-to-site traffic with MoneySavingExpert to seek to grow the volume of direct-to-site traffic to the MoneySavingExpert Website (and therefore the Enlarged Group's direct-to-site traffic).

MoneySupermarket.com is a key intermediary provider to MoneySavingExpert and accounted for approximately 59 per cent. of revenues of MoneySavingExpert (approximately £9,300,000) during the financial year ended 31 October 2011, as a supplier of links to product providers mentioned within MoneySavingExpert's editorial and direct links to MoneySupermarket.com's price comparison services. Following the Acquisition, substantially all of the revenues currently generated by the MoneySavingExpert Website are expected to be reported as direct-to-site traffic for the Enlarged Group.

***(iv) Website optimisation***

The Directors believe that MoneySupermarket.com's experience and technical and other resources will benefit MoneySavingExpert and MoneySavingExpert users and enhance the user experience of the MoneySavingExpert Website, including through website design and by leveraging MoneySupermarket.com's experience in new operating systems and technologies such as mobile internet.

MoneySupermarket.com believes that sharing its best practice with MoneySavingExpert will benefit MoneySavingExpert and the Enlarged Group. For example, the Directors believe that MoneySupermarket.com's expertise in relation to consumer acquisition through online and offline marketing methods will assist in improving the visibility and accessibility of the MoneySavingExpert Website to consumers, which in turn will drive further traffic to the MoneySavingExpert Website and position the Enlarged Group to optimise conversion rates.

**3. Information on MoneySavingExpert**

MoneySavingExpert operates a leading United Kingdom based personal finance website which provides its users with free online access to a range of services related to saving money and personal finance products including guides, tips, tools and techniques. The principal activity of MoneySavingExpert is the provision of consumer information in relation to saving money and personal finance, in an objective manner consistent with its strategy of helping the consumer first, primarily through the MoneySavingExpert Website and weekly newsletter emails. This activity is informed by MoneySavingExpert's role as a consumer champion and by hosting online forums on which MoneySavingExpert's users discuss consumer and money issues. The MoneySavingExpert Website is complemented by features such as email subscriptions to a weekly newsletter, a user forum, and bespoke online tools.

The MoneySavingExpert Website was established in 2003 by personal finance journalist Martin Lewis. MoneySavingExpert employed approximately 42 permanent staff members in April 2012. According to Google Analytics, the MoneySavingExpert Website attracted approximately 39 million unique visitors and approximately 277 million page impressions in the year ended 31 October 2011.

The MoneySavingExpert Website offers free online services, including information, to its users, which MoneySavingExpert has researched including in the areas of credit cards and loans, shopping, deals and vouchers, utilities and phones, banking and saving, travel and motoring, insurance, mortgages and homes, and income and family. MoneySavingExpert's services include a range of online tools,

researched articles in respect of specific products, personal finance guides, weekly newsletter emails which are sent to subscribers, online forums and a blog written by Martin Lewis. Martin Lewis and the MoneySavingExpert Website also provide information and promote topical consumer-focused issues such as financial education in schools and reclaiming payment protection insurance.

The blog written by Martin Lewis is not being acquired by MoneySupermarket.com, however MoneySupermarket.com will have a licence to retain the blog on the MoneySavingExpert Website for a period of three years following Completion, subject to the terms of the Personal Licence Agreement. Upon expiry of the licence, the blog shall remain the property of Martin Lewis and MoneySupermarket.com will no longer have any right to use the blog. A summary of the Personal Licence Agreement is set out in Part V (Summary of the Principal Terms and Conditions of the Acquisition Agreement and Related Documentation) of this document.

The online tools of MoneySavingExpert include a selection of bespoke calculator functions and other interactive personal finance based tools. The primary online tools of MoneySavingExpert are “Travel Money Maximiser”, “Amazon Discount Finder”, “MobileValuer”, “Premium Bonds Calculator”, “Tunechecker”, “Student Finance 2012 Calculator”, “MegaShopbot”, “Budget Planner”, “FlightChecker” and “CallChecker”.

The weekly newsletter emails of MoneySavingExpert set out current offers, products and services. MoneySavingExpert estimates that the number of weekly newsletter emails delivered to its users in the year ended 31 October 2011 was approximately 246.5 million. MoneySavingExpert uses the weekly newsletter emails to alert its users to important developments and deals and to drive user traffic to the sites offering such deals and information.

MoneySavingExpert primarily generates revenue from the MoneySavingExpert Website and weekly newsletter emails through revenue-sharing arrangements with intermediary providers such as price comparison websites (including MoneySupermarket.com) and, to a lesser extent, on the basis of CPA pricing models and CPC pricing models agreed with direct providers. In articles which contain links to products, revenue is generated when consumers click on a revenue-generating link through to a direct provider’s website from the MoneySavingExpert Website (via an intermediary in the case of revenue arrangements with intermediary providers) and, depending on the terms of the arrangement, purchase a product or service.

MoneySavingExpert reviews consumer finance products based on independent and impartial comparisons and then selects the products it recommends to users. MoneySavingExpert will generally offer a link for the products recommended in the review which, if a user clicks on the link, in some but not all cases will be paid for by the provider of the product (paying links are indicated as such on the MoneySavingExpert Website). The recommendation is determined by MoneySavingExpert’s editorial staff.

MoneySavingExpert’s revenue is inherently correlated to its proprietary research and related recommendations, specifically articles published in its weekly newsletter emails. MoneySavingExpert’s financial performance is therefore influenced by a number of factors including:

- if limited numbers of products are launched by providers which the MoneySavingExpert editorial team believes are appropriate for inclusion in editorial content (“best buy products”), users tend to be less engaged which affects their activity on the MoneySavingExpert Website and can impact revenue;
- if new best buy products do not have revenue generating links, MoneySavingExpert will include them on the MoneySavingExpert Website but will not generate revenue from them;
- the ability of MoneySavingExpert to source deals and negotiate commercially attractive revenue-earning terms with providers, particularly intermediary providers such as price comparison websites (and in turn for such intermediary providers to source deals and negotiate commercially attractive revenue-earning terms with direct providers); and
- changes in the consumer finance marketplace caused either by competition amongst financial institutions for customers or general macro-economic conditions both of which may lead to changes to the pricing or other terms of existing products or the introduction of new products to the consumer finance market which the MoneySavingExpert editorial team believes are appropriate for users.

MoneySavingExpert’s editorial-led business model is complementary to that of MoneySupermarket.com and its revenues are primarily derived from four consumer and personal

finance segments, namely (1) Credit Cards, Loans, Banking & Saving; (2) Energy and Phones; (3) Insurance; and (4) Shopping and Travel.

MoneySavingExpert does not accept fees to rank any particular provider's products or services more prominently on the MoneySavingExpert Website or to provide more favourable recommendations in relation to a particular product or service of a provider.

The largest provider to MoneySavingExpert is MoneySupermarket.com. Payments made by MoneySupermarket.com to MoneySavingExpert represented approximately 59 per cent. of the revenues of MoneySavingExpert for the year ending 31 October 2011, as a supplier of links to product providers mentioned within MoneySavingExpert's editorial and direct links to MoneySupermarket.com's price comparison services. The other providers to MoneySavingExpert are predominantly other intermediaries, including a number of other price comparison websites. MoneySavingExpert does not tend to have direct relationships with financial product providers, however occasionally direct links are included on the MoneySavingExpert Website.

#### 4. Summary financial information on MoneySavingExpert

The revenues, EBITDA, profit-before-tax and net income of MoneySavingExpert for the three years ended 31 October 2011, which have been extracted without adjustment from the financial information in Part III (Financial Information) of this document, are summarised below.

Shareholders should read the whole of this document and not just rely on the summarised financial information set out below.

<b>Year ended 31 October</b>	<b>2009</b> <b>£000</b>	<b>2010</b> <b>£000</b>	<b>2011</b> <b>£000</b>
Revenues	9,736	11,361	15,773
EBITDA	6,915	8,379	12,642
Profit before tax	6,966	8,383	12,644
Net income	6,927	8,084	11,795

As at 31 October 2011, MoneySavingExpert had net assets of £11,327,000, including net cash of £9,377,000, which is not being acquired as part of the Acquisition.

Further financial information on MoneySavingExpert is contained in Part III (Financial Information) of this document.

#### 5. Principal Terms and Conditions of the Acquisition

Under the terms of the Acquisition Agreement, which was signed on 1 June 2012, MoneySavingExpert.com has conditionally agreed to sell all of the assets used by MoneySavingExpert.com in operating MoneySavingExpert as a going concern to MoneySupermarket.com Newco, a wholly owned subsidiary of MoneySupermarket.com and Martin Lewis has conditionally agreed to sell his assets relating to MoneySavingExpert as a going concern to MoneySupermarket.com. Martin Lewis is the sole beneficial owner of MoneySavingExpert.com.

The total consideration for the Acquisition is up to £87,000,000 with initial consideration of £60,000,000 payable on Completion, being satisfied by a payment of £35,000,000 in cash to the Sellers and the issue of 22,123,894 Initial Consideration Shares to Martin Lewis. Assuming that no Shares are issued from the date of this document until Completion, upon Completion Martin Lewis is expected to own approximately 4.34 per cent. of the Company (excluding Treasury Shares). Martin Lewis will be subject to a three year lock-up from Completion in relation to the Initial Consideration Shares, subject to certain exceptions. Deferred consideration of up to £27,000,000 is payable in Consideration Shares and in cash following the third anniversary of Completion, subject in part to the achievement of certain non-financial performance criteria, and in part to MoneySupermarket.com's discretion. The performance criteria are to achieve growth over the three years in brand awareness, unique visitors to the MoneySavingExpert Website and the use of affiliate and non-affiliate links by users. The deferred consideration payment may, at the election of MoneySupermarket.com, be satisfied by: (a) the issue of Consideration Shares (up to 50 per cent. of the total deferred consideration payment payable); (b) a cash payment; or (c) a combination of Consideration Shares and a cash payment. Further details of the Acquisition are set out in Part V (Summary of the Principal Terms and Conditions of the Acquisition Agreement and Related Documentation) of this document. The cash element of the initial consideration for the Acquisition,



being £35,000,000, will be funded exclusively out of cash resources in existence at Completion and from the Bank Facility, being a facility for £20,000,000 entered into by the Company with Lloyds Banking Group, which is available for general corporate purposes.

In the event that the MoneySupermarket.com Group sells or agrees to sell all or substantially all of its interest in MoneySavingExpert to a third party within: (a) six months of Completion, MoneySupermarket.com will pay to Martin Lewis 100 per cent.; or (b) six to twelve months of Completion, MoneySupermarket.com will pay to Martin Lewis 50 per cent., in each case, of any amount received by MoneySupermarket.com from that third party over £87,000,000.

A summary of the principal terms of the Acquisition Agreement is set out in Part V (Summary of the Principal Terms and Conditions of the Acquisition Agreement and Related Documentation) of this document.

On Completion, Martin Lewis will become an employee of the Enlarged Group and his role will be editor-in-chief of MoneySavingExpert. As editor-in-chief he will lead the editorial team of MoneySavingExpert following Completion. As a Shareholder, it is intended that Martin Lewis' interests and those of the Group will be aligned. Following Completion, Martin Lewis will also be eligible to participate in the MoneySupermarket.com Group's bonus scheme. The Group's bonus scheme is focused on the delivery of the financial targets set out in the annual budget and certain Group, personal and strategic goals.

As part of the Acquisition, MoneySupermarket.com and Martin Lewis have entered into the Personal Licence Agreement pursuant to which MoneySupermarket.com may, following Completion, use Martin Lewis' brand in connection with MoneySavingExpert, subject to the terms and conditions set out in that agreement. A summary of the principal terms of the Personal Licence Agreement is set out in Part V (Summary of the Principal Terms and Conditions of the Acquisition Agreement and Related Documentation) of this document.

MoneySupermarket.com understands the importance of being independent and intends to preserve the editorial independence of MoneySavingExpert in a manner which is consistent with MoneySavingExpert's current practices. In order to ensure this, MoneySupermarket.com and Martin Lewis have entered into an Editorial Code. Failure to comply with these principles may result in some or all the deferred consideration becoming payable. A summary of the principal terms of the Editorial Code is set out in Part V (Summary of the Principal Terms and Conditions of the Acquisition Agreement and Related Documentation) of this document.

Due to the size of the Acquisition, pursuant to the Listing Rules, Completion is required to be conditional upon Shareholder approval. Completion is also conditional upon certain other conditions, including obtaining certain competition authority approvals, which are described in more detail in Part V (Summary of the Principal Terms and Conditions of the Acquisition Agreement and Related Documentation) of this document. Shareholder approval will therefore be sought at a General Meeting to be held on 5 July 2012. The notice convening the General Meeting is set out at the end of this document. The Acquisition will not proceed if the Conditions are not satisfied or waived.

Completion of the Acquisition is conditional upon:

- (a) the Resolution being passed by Shareholders approving the Acquisition;
- (b) the OFT issuing a decision in terms satisfactory to MoneySupermarket.com and MoneySupermarket.com Newco that it is not its intention to refer any of the transactions contemplated by the Acquisition Agreement or matters arising out of the Acquisition Agreement to the Competition Commission pursuant to the Enterprise Act 2002 and the time allowed for an application for review of such decision having expired without any such application for review having been made; and
- (c) admission of the Initial Consideration Shares becoming effective.

MoneySupermarket.com may agree to waive the condition that a decision from the OFT is obtained confirming that the OFT does not intend to refer the Acquisition to the Competition Commission. In the event that MoneySupermarket.com waives this condition and the OFT refers the Acquisition to the Competition Commission, and provided that both parties agree, the Acquisition will become conditional upon the Competition Commission:

- making a report which contains a decision that the Acquisition is not a merger for the purposes of the Enterprise Act 2002;

- making a report that the Acquisition is not expected to result in a substantial lessening of competition within any market in the United Kingdom for goods and services; or
- deciding that the Acquisition may result in a substantial lessening of competition but nevertheless allowing the Acquisition to proceed on terms satisfactory to MoneySupermarket.com and MoneySupermarket.com Newco.

MoneySupermarket.com expects Completion to occur as soon as it obtains the necessary competition authority approvals and, assuming the Acquisition is not referred to the Competition Commission, it anticipates that Completion will occur in September or October 2012, however this timing is subject to change.

## 6. Financial Effects of the Acquisition

MoneySupermarket.com anticipates being able to benefit from corporation tax relief which should be available on that part of the purchase price attributed to certain assets, in particular intangible assets and goodwill. The trade and assets of Martin Lewis and MoneySavingExpert.com will be acquired by MoneySupermarket.com and MoneySupermarket.com Newco each of whose individual company financial statements are prepared under UK GAAP. Virtually all of the consideration payable is expected to be represented by goodwill and intangible assets on the UK GAAP balance sheet of MoneySupermarket.com. These intangible assets and goodwill will be amortised over a period of time, to be determined, but expected to be between three and ten years. Whilst further analysis is still to be undertaken, and no assurance can be given at this time, the Board currently anticipates a period in the region of five years. Tax relief should be available for this amortisation via the provisions of Part 8 of the Corporation Taxes Act 2009. Accordingly, tax relief should be available over a period of time for the whole of the amount of consideration attributable to the goodwill and intangible assets, which should result in tax relief being available for virtually all of the total consideration payable in connection with the Acquisition over such a period.

The Acquisition is expected to be earnings enhancing in the first full financial year following Completion.<sup>2</sup> An unaudited *pro forma* statement of net assets as at 31 December 2011, illustrating the expected effect of the Acquisition on MoneySupermarket.com's net assets, is set out in Part IV (Unaudited Pro Forma Statement of Net Assets of the Enlarged Group) of this document. As illustrated by the unaudited *pro forma* statement of net assets, had the Acquisition occurred on that date, the net assets of the Enlarged Group would have been £189,605,000.

The Company has entered into the Bank Facility, being a facility for £20,000,000 with Lloyds Banking Group, which is available for general corporate purposes. Further details of the Bank Facility are set out in Part VI (Additional Information) of this document.

## 7. Current Trading and Prospects

### (a) MoneySupermarket.com

On 18 April, MoneySupermarket.com issued an interim management statement in respect of the first quarter of 2012, an extract from which is set out below:

“The Group's financial performance in the first quarter was in line with the Board's expectations. Internet revenues and EBITDA for Q1 were respectively 14% and 12% ahead of the same period last year. Visitors<sup>3</sup> to the Moneysupermarket.com website were 15% ahead with visitors increasing across the Money, Insurance and Home Services verticals while Travel visitors were 11% lower.<sup>4</sup>

### Money

Revenues in the Money vertical were 22% ahead of Q1 2011 on visitor volumes that were 20% higher.

Revenues from credit products (credit cards, loans, mortgages and debt solutions) were 14% ahead of the same period last year. Slower growth in credit card revenues was more than offset by strong growth in loans.

<sup>2</sup> Nothing in this document should be construed as a profit forecast or interpreted to mean that the future earnings per share, profits, margins or cash flows of MoneySupermarket.com will necessarily be greater than the historical published figures.

<sup>3</sup> MoneySupermarket.com's visitor numbers are based on MoneySupermarket.com Group data.

<sup>4</sup> Internet key performance indicators including vertical and Group visitor numbers and vertical revenue numbers exclude Financial Services Net Limited and Local Daily Deals Limited. The Directors believe that this enables the users of the financial information to gain a better understanding of the financial performance of the MoneySupermarket.com business.

Revenues from non-credit products, which include savings, current accounts and advertising revenues, improved by 42% driven in particular by growth in savings and current accounts.

### **Insurance**

Revenues in the Insurance vertical were 13% ahead and visitor volumes were 9% ahead of the same period last year. Motor insurance saw strong growth and life insurance continued to perform strongly, building on the momentum of the second half of 2011.

### **Home Services**

Revenues in the Home Services vertical were fractionally ahead with visitors 12% ahead of the same period last year. Utilities revenues, which account for the majority of revenue in the Home Services vertical, were flat.

### **Travel**

Revenues in the Travel vertical were 11% lower on visitor volumes that were also 11% lower. Market conditions continue to be challenging across the flights and hotels channels, with consumers continuing to manage their discretionary spending tightly. Our package holidays channel, however, continues to perform well, in part reflecting the investment made in the new channel in 2011.

### **Financial position**

The Group continued to be cash generative and as at the end of March 2012 had cash balances of £36.6m.”

### **Current trading**

The Group has made a good start to Q2 and continues to trade in line with management expectations.

#### **(b) MoneySavingExpert**

(i) MoneySavingExpert’s revenue is inherently correlated to its proprietary research and related recommendations, specifically articles published in its weekly newsletter emails. MoneySavingExpert’s financial performance is therefore influenced by a number of factors including:

- if limited numbers of products are launched by providers which the MoneySavingExpert editorial team believes are appropriate for inclusion in editorial content (“best buy products”), users tend to be less engaged which affects their activity on the MoneySavingExpert Website and can impact revenue;
- if new best buy products do not have revenue generating links, MoneySavingExpert will include them on the MoneySavingExpert Website but will not generate revenue from them;
- the ability of MoneySavingExpert to source deals and negotiate commercially attractive revenue-earning terms with providers, particularly intermediary providers such as price comparison websites (and in turn for such intermediary providers to source deals and negotiate commercially attractive revenue-earning terms with direct providers); and
- changes in the consumer finance marketplace caused either by competition amongst financial institutions for customers or general macro-economic conditions both of which may lead to changes to the pricing or other terms of existing products or the introduction of new products to the consumer finance market which the MoneySavingExpert editorial team believes are appropriate for users.

MoneySavingExpert’s editorial-led business model is complementary to that of MoneySupermarket.com and its revenues are primarily derived from four consumer and personal finance segments, namely (1) Credit Cards, Loans, Banking & Saving; (2) Energy and Phones; (3) Insurance; and (4) Shopping and Travel.

(ii) MoneySavingExpert’s trading during the six months to 30 April 2012 was mixed, measured against a very strong comparator period. Whilst the number of visitors to the MoneySavingExpert Website and forum and subscribers to MoneySavingExpert’s weekly newsletter emails continued to be robust, overall revenues for the period were 6 per cent. lower

and EBITDA 12 per cent. lower than the same period last year. The MoneySavingExpert business saw significant growth in revenue in the first half of last year where revenues were more than 60 per cent. ahead of the 6 months to April 2010.

- (iii) Revenues from Credit Cards, Loans, Banking & Saving were approximately 6 per cent. ahead of the same period last year, notwithstanding a particularly strong performance in these areas during the comparator period. Growth in these areas was tempered on occasion during the six months to 30 April 2012 by a lack of availability of new products which the MoneySavingExpert editorial team felt were appropriate for its users. There were also a number of occasions where MoneySavingExpert was unable to secure a commercial relationship with a product provider either directly or indirectly which impacted revenue growth.

Revenues from Insurance and Energy and Phones fell by approximately 20 per cent. over the period. The domestic energy market was benign in the first half of the financial year compared to the period in the prior year and consequently fewer consumers switched energy suppliers.

Revenues from the Insurance segment were impacted by the growing ability of price comparison sites (including MoneySupermarket.com) to attract and maintain a growing volume of repeat visitors directly aided by better email marketing and significant spending on offline media campaigns.

Revenues from the Shopping and Travel vertical grew over the same period last year.

The MoneySavingExpert business cost base remained relatively stable but with some increase in its cost of sales through search engine marketing costs and the costs of operating the MoneySavingExpert Website.

Visitor numbers to the MoneySavingExpert Website and the number of weekly newsletter emails sent over the period continued to see growth. Weekly newsletter emails typically generate significant revenues for the MoneySavingExpert business. Visits were approximately 15 per cent. ahead of the same period last year whilst weekly newsletter email volumes (which are opted into by its users) grew by approximately 20 per cent.

- (iv) The Board believes that visitor numbers and weekly newsletter email volumes continue to reflect the popularity and relevance of the MoneySavingExpert business in what remains, for the medium term, a tough environment for the UK consumer and overall the Board remains confident in the prospects of the MoneySavingExpert business.

## **8. Risk Factors**

The Acquisition may give rise to certain risks which, if they occur, may have a material adverse effect on the business, results of operations, financial condition or prospects of the Group, MoneySavingExpert and following Completion, the Enlarged Group. Accordingly, the factors set out in Part II (Risk Factors) of this document should be given careful consideration when deciding whether to approve the Acquisition. There may be other risks of which the Board is not aware, or which it believes to be immaterial, which may, in the future, be connected to the Acquisition and have an adverse effect on the Enlarged Group's business, results of operations, financial condition or prospects.

## **9. The Consideration Shares**

The Initial Consideration Shares will be issued and credited as fully paid up and will rank *pari passu* in all respects with the MoneySupermarket.com Shares then in issue, including the right to receive in full all dividends and other distributions (if any) declared, made or paid by reference to a record date after their issue.

Under the terms of the Acquisition Agreement, Martin Lewis has agreed that he will not seek to dispose of the Initial Consideration Shares for a three year period following Completion, subject to certain exceptions (further details are set out in Part V (Summary of the Principal Terms and Conditions of the Acquisition Agreement and Related Documentation) of this document).

An application will be made to the United Kingdom Listing Authority for the Initial Consideration Shares to be admitted to listing on the Official List. An application will also be made to the London Stock Exchange for the Initial Consideration Shares to be admitted to trading on the London Stock Exchange's Main Market.

It is anticipated that Completion will occur and that the Initial Consideration Shares will be admitted to the Official List and to trading on the London Stock Exchange following MoneySupermarket.com

obtaining the necessary competition authority approvals, and, assuming the Acquisition is not referred to the Competition Commission, it anticipates that Completion will occur in September or October 2012, however this timing is subject to change.

Under the terms of the Acquisition Agreement, MoneySupermarket.com may issue further Consideration Shares to Martin Lewis as deferred consideration for the Acquisition (up to 50 per cent. of the total deferred consideration payment payable) which would be issued following the third anniversary of Completion. Payment of up to £17,819,145 of the deferred consideration will be contingent upon MoneySavingExpert achieving certain non-financial performance criteria and may also become payable upon a breach of the Editorial Code. £7,337,295 of the deferred consideration will be payable at the discretion of MoneySupermarket.com. In the event that Consideration Shares are issued to Martin Lewis as deferred consideration, Martin Lewis will be subject to a lock-up and be permitted to dispose of up to one-third of those deferred Consideration Shares at the end of the first year following issue of those shares, up to two-thirds of those Consideration Shares at the end of the second year following issue of those shares and the full amount of those Consideration Shares at the end of the third year following issue of those Consideration Shares.

Further details are set out in Part V (Summary of the Principal Terms and Conditions of the Acquisition Agreement and Related Documentation) of this document.

#### **10. General Meeting**

The Acquisition is conditional on, amongst other things, Shareholders approving the Acquisition at the General Meeting. At the end of this document, you will find the notice convening the General Meeting of the Company which is to be held at 11 a.m. on 5 July 2012 at the Andaz, 40 Liverpool Street, London, EC2M 7QN at which the Resolution to approve the Acquisition will be proposed.

#### **11. Resolution to be passed at the General Meeting**

The full text of the Resolution to be proposed at the General Meeting is set out in the notice convening the General Meeting of the Company on page 72 of this document.

The Resolution is an ordinary resolution which approves the proposed acquisition of MoneySavingExpert pursuant to the Acquisition Agreement. The Company is seeking the approval of the Shareholders for the Acquisition Agreement because entry into the Acquisition Agreement will constitute a Class 1 transaction under the Listing Rules.

#### **12. Action to be taken**

If you are a Shareholder, you will find enclosed with this document a Form of Proxy for use at the General Meeting. **Whether you intend to be present at the General Meeting or not, you are asked to complete the Form of Proxy in accordance with the instructions printed thereon and to return it to the Company's registrar, Capita Registrars at PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible and, in any event, so as to arrive not later than 11 a.m. on 3 July 2012.** The completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person if you wish to do so.

#### **13. Further Information**

Your attention is drawn to the information set out in Part II (Risk Factors), Part V (Summary of the Principal Terms and Conditions of the Acquisition Agreement and Related Documentation) and Part VI (Additional Information) of this document and to the Notice of General Meeting set out at the end of this document. You are advised to read the whole document and not merely rely on the key or summarised information in this letter.

#### **14. Recommendation**

**The Board considers the Acquisition and the Resolution to be in the best interests of the Company and its Shareholders taken as a whole. Accordingly, the Board unanimously recommends that you vote in favour of the Resolution to be proposed at the General Meeting.**

**Simon Nixon has irrevocably agreed to vote in favour of the Resolution at the General Meeting in respect of his beneficial holding which amounts to 267,257,021 Shares or 52.48 per cent. of the existing issued ordinary share capital (excluding Treasury Shares) of the Company at the latest practicable date prior to publication of this document. In addition, the other Directors also intend to vote in favour of the**



**Resolution at the General Meeting in respect of their own beneficial holdings which amount, in aggregate, to an additional 2,091,560 Shares representing approximately an additional 0.41 per cent. of the existing issued share capital (excluding Treasury Shares) of the Company as at the latest practicable date prior to publication of this document.**

Yours sincerely

Gerald Corbett  
Chairman

## PART II

### RISK FACTORS

The following risk factors should be considered carefully when deciding whether or not to vote in favour of the Resolution to be proposed at the General Meeting. The risk factors should be read in conjunction with all other information relating to the Acquisition, the Group, MoneySavingExpert and the Enlarged Group contained in this document. The risks and uncertainties set out below are those which the Directors believe are the material risks relating to the Acquisition, the Group, MoneySavingExpert and to the Enlarged Group and their markets. If any or a combination of these risks actually materialises, the business, operations, financial conditions, results and prospects of the Group, MoneySavingExpert and, following Completion of the Acquisition, the Enlarged Group as appropriate could be materially and adversely affected. The following is not exhaustive and does not purport to be a complete explanation of all the risks involved. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently consider to be immaterial, may also have a material adverse effect on the Acquisition and on the Enlarged Group if they materialise. If any of the risks actually materialise, the market price of MoneySupermarket.com Shares could decline and you may lose all or part of your investment.

#### 1. RISKS RELATING TO THE ACQUISITION

*The Acquisition is subject to conditions which, if not satisfied, could result in the Acquisition not completing.*

The Acquisition is conditional upon:

- the Resolution being passed by Shareholders approving the Acquisition;
- the OFT issuing a decision in terms satisfactory to MoneySupermarket.com and MoneySupermarket.com Newco that it is not its intention to refer any of the transactions contemplated by the Acquisition Agreement or matters arising out of the Acquisition Agreement to the Competition Commission pursuant to the Enterprise Act 2002 and the time allowed for an application for review of such decision having expired without any such application for review having been made; and
- admission of the Initial Consideration Shares becoming effective.

MoneySupermarket.com may agree to waive the condition that a decision from the OFT is obtained confirming that the OFT does not intend to refer the Acquisition to the Competition Commission. In the event that MoneySupermarket.com waives this condition and the OFT refers the Acquisition to the Competition Commission, and provided that both parties agree, the Acquisition will become conditional upon the Competition Commission:

- making a report which contains a decision that the Acquisition is not a merger for the purposes of the Enterprise Act 2002;
- making a report that the Acquisition is not expected to result in a substantial lessening of competition within any market in the United Kingdom for goods and services; or
- deciding that the Acquisition may result in a substantial lessening of competition but nevertheless allowing the Acquisition to proceed on terms satisfactory to MoneySupermarket.com and MoneySupermarket.com Newco.

There is no guarantee that these Conditions will be satisfied (or waived, if applicable), in which case the Acquisition will not be completed.

In addition, a recent transaction involving a price comparison website has been the subject of scrutiny by the competition authorities. MoneySupermarket.com is seeking certain competition authority approvals for the Acquisition, and therefore the Acquisition may be subject to detailed scrutiny from the competition authorities. The Acquisition is conditional on certain competition authority approvals being obtained. The competition authority approval process may take longer than the parties anticipate to complete, which could delay completion or, in certain circumstances, result in the termination of the Acquisition Agreement.

***There are risks inherent to the Acquisition and the method of funding the Acquisition and the Acquisition could consume significant resources of the Group. The Enlarged Group may not realise, or it might take the Enlarged Group longer than expected to realise, the perceived benefits of the Acquisition.***

Acquisitions are inherently risky, and there is no assurance that the Acquisition will be successful. Failure to achieve the anticipated benefits which MoneySupermarket.com expects will arise as a result of the Acquisition and to manage MoneySavingExpert successfully could harm the Enlarged Group's business. The following difficulties, amongst others, may also arise in connection with the Acquisition:

- difficulties consolidating corporate and administrative infrastructures;
- difficulties arising in connection with MoneySavingExpert consuming the attention and resources of MoneySupermarket.com employees;
- insufficient revenues derived from MoneySavingExpert to offset increased expenses associated with the Acquisition;
- difficulties in accelerating MoneySavingExpert's cash collection processes and formalising payment terms with providers in line with those of the Group; and
- difficulties co-ordinating geographically separate organisations.

Any difficulties which arise in connection with the Acquisition could consume significant Group resources and may adversely affect the business, financial condition and results of operations of the Group and, following Completion, the Enlarged Group. The management teams of both MoneySupermarket.com and MoneySavingExpert will be required to devote attention and resources to the execution and Completion of the Acquisition and management of the business practices and operations of the Enlarged Group. There is a risk that the challenges associated with managing the Acquisition will result in management distraction and that consequently, the businesses will not perform in line with expectations.

In addition, the Acquisition will be partly financed by issuing equity securities and MoneySupermarket.com's existing shareholders will be diluted as a result.

There can be no assurance that the Acquisition will realise the full benefits anticipated to result from the Acquisition. This could have an adverse effect on the business, results of operations, financial condition or prospects of the Enlarged Group.

***The retention of Martin Lewis following Completion will impact on the success of MoneySavingExpert following Completion.***

Following Completion, the retention of Martin Lewis within the Enlarged Group will be important for the continuing success of MoneySavingExpert. MoneySavingExpert currently utilises the brands of both MoneySavingExpert and Martin Lewis. The image of Martin Lewis has been associated with the establishment of the MoneySavingExpert brand and following Completion, it is intended that Martin Lewis' image and name will continue to be used in connection with MoneySavingExpert in accordance with the terms of the Personal Licence Agreement. In the event that MoneySupermarket.com commits a serious breach of the terms of the Editorial Code, Martin Lewis may elect not to continue to remain employed by the Enlarged Group. Further details of the Personal Licence Agreement and Editorial Code are set out in Part V (Summary of the Principal Terms and Conditions of the Acquisition Agreement and Related Documentation) of this document.

Any inability to successfully retain Martin Lewis may have a material adverse effect on the business, results of operations, financial condition or prospects of MoneySavingExpert.

***Following Completion, any significant decline in revenue-generating arrangements with key providers could have a material adverse effect on MoneySavingExpert and, following Completion, the Enlarged Group.***

The content of the MoneySavingExpert Website is independently researched and compiled and, save where ongoing relationships exist, this is done prior to MoneySavingExpert.com entering into revenue-generating arrangements with providers. The MoneySavingExpert Website includes links to provider websites that generate revenue payable to MoneySavingExpert. The MoneySavingExpert Website also includes, where possible, links to the same sites which do not generate revenue. As a result, users of the MoneySavingExpert Website may elect to access provider websites from the MoneySavingExpert Website without generating revenue for

MoneySavingExpert. If providers or potential providers of MoneySavingExpert withdraw from or decide not to enter into revenue-generating arrangements or negotiate decreases in the amounts payable pursuant to current arrangements with MoneySavingExpert, under MoneySavingExpert's current business model MoneySavingExpert.com will not amend the content published, or to be published, on its website. MoneySavingExpert is therefore reliant on providers agreeing revenue-generating arrangements regardless of the commentary, position or ranking which MoneySavingExpert may give such providers on the MoneySavingExpert Website. MoneySavingExpert is also reliant upon providers continuing to enter into, and not terminating, revenue-generating arrangements with MoneySavingExpert following Completion. If MoneySavingExpert loses a significant proportion, in terms of revenue generation, of its provider network, suffers a significant decline in revenue-generating arrangements or becomes unable to maintain an adequate provider network for any reason, MoneySavingExpert and, following Completion, the Enlarged Group would need to find alternative means of funding the MoneySavingExpert Website and failure to do so may have a material adverse effect on the business, results of operations, financial conditions or prospects of MoneySavingExpert and, following Completion, the Enlarged Group.

In particular, a decision by any of MoneySupermarket.com's competitors who operate price comparison websites which are accessible from the MoneySavingExpert Website to withdraw their revenue-generating arrangements with MoneySavingExpert as a result of the Acquisition and any such withdrawals may have a material adverse effect on the business, results of operations, financial conditions or prospects of MoneySavingExpert and, following Completion, the Enlarged Group.

***Third parties may terminate or alter existing contracts with MoneySavingExpert.***

MoneySavingExpert has contracts with suppliers, lessors and providers which are not fully documented or otherwise contain "no assignment" or similar clauses allowing the counterparty to refuse to agree to the assignment or novation, or terminate or change the terms, of their contract upon Completion. MoneySavingExpert and MoneySupermarket.com intend to seek to obtain consent from certain of these counterparties. However, if these third party consents cannot be obtained, or are obtained on unfavourable terms or such terms have commercial implications, it may have a material adverse effect on the business, results of operations, financial conditions or prospects of MoneySavingExpert and, following Completion, the Enlarged Group.

***The Enlarged Group may be required to record a significant charge to earnings if, following Completion, MoneySavingExpert's goodwill or amortisable intangible assets become impaired.***

A significant proportion of the consideration for the Acquisition is attributable to intangible assets under IFRS and goodwill under UK GAAP. The Enlarged Group is required under IFRS to review its goodwill and intangible assets for impairment at least annually and more frequently when events or changes in circumstances indicate the carrying value may not be recoverable. The Enlarged Group is also required under UK GAAP to review its goodwill at the end of the first full year after the Acquisition and then subsequently when events or changes in circumstances indicate the carrying value may not be recoverable. Factors that may be considered a change in circumstances indicating that the carrying value of amortisable intangible assets may not be recoverable include, amongst others, unanticipated competition, loss of key personnel, or a significant adverse change in the business environment, including a loss in the market value of MoneySavingExpert. In the event that, following Completion, the value of the intangible assets or goodwill of MoneySavingExpert is not recoverable, MoneySupermarket.com would have to record such impairment in the accounts of the Enlarged Group. This may adversely affect the financial condition and results of operations of the Enlarged Group.

***The deferred consideration is not based on financial metrics and as a result the deferred consideration could become payable despite a decline in MoneySavingExpert's financial performance.***

The deferred consideration element of the consideration payable under the Acquisition has been designed to ensure that MoneySavingExpert is a success following Completion. Following Completion, MoneySupermarket.com intends to preserve the editorial impartiality of the MoneySavingExpert Website in a manner that is consistent with the operation of MoneySavingExpert prior to Completion. It has therefore been agreed that the deferred consideration be contingent upon metrics which are linked to consumer brand awareness of the

MoneySavingExpert brand and volumes of user clicks from the MoneySavingExpert Website and MoneySavingExpert's newsletter emails to third party websites including the websites of providers. The payment of the deferred consideration is not therefore linked directly to the financial performance of MoneySavingExpert. In the event that the financial performance of MoneySavingExpert declines following Completion, the deferred consideration may still become payable. This may adversely affect the financial condition and results of operations of the Enlarged Group.

***The success of MoneySavingExpert following Completion will depend, amongst other things, upon the strength of its brand.***

Both MoneySavingExpert.com and Martin Lewis have made significant investment in establishing the MoneySavingExpert brand and positioning themselves as being independent consumer champions. The Group provides consumers with consumer-driven comparison products, however the Group is a larger and more commercial business than that operated by MoneySavingExpert. Notwithstanding the entry into the Editorial Code by MoneySupermarket.com and Martin Lewis, which is designed to maintain the editorial independence of MoneySavingExpert following Completion in a manner that is consistent with the operation of MoneySavingExpert prior to Completion, the Acquisition may result in a public perception that MoneySavingExpert and Martin Lewis are no longer impartial and independent providers of information regarding saving money. In the event that there is any reputational damage to MoneySavingExpert.com and Martin Lewis and, following Completion, the Enlarged Group resulting from the Acquisition, users, providers and advertisers could lose confidence in the brands of MoneySavingExpert, Martin Lewis and, following Completion, the Enlarged Group. Any such reputational damage may also result in a decline in consumer traffic to the websites of MoneySavingExpert and the Enlarged Group. Any such decline or any decline in the provider network of MoneySavingExpert could then have a material adverse effect on the business, results of operations, financial condition or prospects of MoneySavingExpert and, following Completion, the Enlarged Group.

***The Acquisition may complete even if there is an adverse change or development in respect of MoneySavingExpert.***

MoneySupermarket.com does not have the right to terminate the Acquisition Agreement in the event that MoneySavingExpert suffers a material adverse change in trading. Accordingly, the Acquisition may complete even if there is an adverse change affecting MoneySavingExpert. If an adverse change in trading occurs and the Acquisition completes, the consideration paid by MoneySupermarket.com for MoneySavingExpert may be in excess of the market value of MoneySavingExpert and this may have a material adverse effect on the business, results of operations, financial condition or prospects of the Enlarged Group.

## **2. RISKS RELATING TO MONEYSUPERMARKET.COM, MONEYSAVINGEXPERT AND, FOLLOWING COMPLETION, THE ENLARGED GROUP**

***If the Group and, following Completion, the Enlarged Group are unable to attract, retain or otherwise direct a sufficient level of traffic to their websites at a commercially reasonable cost, the business, financial condition and results of operations of the Group and, following Completion, the Enlarged Group may be materially adversely affected.***

The attractiveness of the Group's and, following Completion, the Enlarged Group's services to providers and advertisers is determined by their ability to attract consumers to their websites who access and purchase such providers' and advertisers' products and services and to do so in a cost effective manner. A number of factors could negatively affect the volume of traffic to the Group's and, following Completion, the Enlarged Group's websites, including:

- the failure or ineffectiveness of advertising, search engine optimisation or search engine marketing initiatives or relationships with Portal Partners;
- superior search and comparison capabilities, functionalities or more relevant, useful or reliable products or services offered by competitors;
- the Group's inability to provide broad coverage of providers in each of the channels in which it operates;
- an actual or perceived lack of objectivity in presenting search results to consumers;



- an actual or perceived lack of objectivity in the content of the websites of MoneySavingExpert or MoneySupermarket.com;
- security breaches or negative publicity that affect consumer confidence in the MoneySupermarket.com and/or MoneySavingExpert brands or online commerce generally;
- the inability to create new products that are relevant, functional and engaging for consumers;
- new technologies that block or obscure the display of any content on the websites of the Group, MoneySavingExpert and, following Completion, the Enlarged Group; and
- systems failures that cause the Group's and, following Completion, the Enlarged Group's websites to be unavailable.

If one or more of these factors were to occur, the resulting decline in traffic and brand awareness could have a material adverse effect on revenues, margins, profitability and relationships of the Group and, following Completion, the Enlarged Group with providers and advertisers.

Search engine marketing (“SEM”) campaigns that aim to increase website traffic also impose significant costs, which may offset revenues resulting from the conversion of such traffic and may affect the Group's and, following Completion, the Enlarged Group's margins. The Group purchases listings on search engines' results pages through media agencies. In order to place its purchased listings with a search engine, the Group bids on key words at a certain CPC that will be paid to the search engine. If the Group's reputation were to suffer negative publicity, if its market share were to decline materially or if any other factor were to impact on its brand, the cost of the Group's SEM could increase and returns on investment in SEM could decline. The Group has made significant investment in advertising. If the Group and, following Completion, the Enlarged Group are unable to manage the costs of acquiring traffic, their margins could be negatively affected.

A significant number of consumers access the websites of the Group, MoneySavingExpert and, following Completion, the Enlarged Group by clicking on a link contained in search engines' “natural” listings (i.e. listings not dependent on advertising or other payments). Transactions effected by these consumers result in higher gross margins to the Group, MoneySavingExpert and, following Completion, the Enlarged Group as there are minimal associated direct costs (though the Group does incur indirect costs in the form of advertising expenses). Search engines typically do not accept payments to rank websites in their natural listings and instead rely on algorithms to determine which websites are included in the results of a search query. The Group endeavours to enhance the relevance of its websites to common consumer search queries and thereby improve the rankings of its websites in natural listings (a process known as “search engine optimisation” or “SEO”). Search engines frequently modify their algorithms and ranking criteria to prevent their natural listings from being manipulated, which could impair search engine optimisation activities of the Group, MoneySavingExpert and, following Completion, the Enlarged Group. These algorithms and ranking criteria are confidential and proprietary information, and the Group, MoneySavingExpert and, following Completion, the Enlarged Group will not have complete information on the methods used to rank their websites and thereby the Enlarged Group may be subject to fluctuations in ranking positions. Search engines may also modify their terms of service. In the event that a search engine modifies its terms of service to the extent that any practices used to enhance rankings violate that search engine's modified terms of service, the Group's, MoneySavingExpert's and, following Completion, the Enlarged Group's websites could be excluded by the relevant search engine from the search engine's natural listings. If the Group, MoneySavingExpert and, following Completion, the Enlarged Group are unable to quickly recognise and adapt their techniques to such modifications in search engine algorithms or if the Group's, MoneySavingExpert's or, following Completion, the Enlarged Group's websites are excluded from a search engine's natural listings or if the effectiveness of the Group's, MoneySavingExpert's and, following Completion, the Enlarged Group's SEO activities is affected for any other reason, they could suffer a significant decrease in traffic to their websites and, in turn, conversion rates and revenues.

***If consumers who visit the websites of the Group and MoneySavingExpert do not complete revenue-generating transactions, the business, financial condition and results of operations of the Group, MoneySavingExpert and, following Completion, the Enlarged Group may be materially adversely affected.***

The websites of both the Group and MoneySavingExpert offer online services that are free at the point of use to their users. To generate revenue, the Group relies predominantly on fees paid by providers of products and services based on a CPA pricing model. Under the CPA pricing model, a provider pays a fee to the Group each time a product, such as a credit card, is issued to a consumer who has clicked through to the provider's website and completed an application for, or other action in respect of, such product. The Group also earns fees from advertisements displayed on its websites.

MoneySavingExpert primarily derives revenue through revenue-sharing arrangements with intermediary providers and, to a lesser extent, on the basis of CPA and CPC pricing models agreed with direct providers. MoneySavingExpert generates revenue by including on its website revenue-sharing links to the websites of third party providers, including intermediary providers such as price comparison websites.

To maintain and grow their businesses, the Group, MoneySavingExpert and, following Completion, the Enlarged Group must generate a large volume of consumer traffic to their websites, and a significant proportion of consumers must complete revenue-generating transactions. A significant decline in the number of consumers completing revenue-generating transactions could materially adversely affect the business, financial condition and results of operations of the Group, MoneySavingExpert and, following Completion, the Enlarged Group.

***Relationships with a large number of key providers are an important component of the success of the Group, MoneySavingExpert and, following Completion, the Enlarged Group. Any significant decline in the number or quality of providers of the Group, MoneySavingExpert and, following Completion, the Enlarged Group could have a material adverse effect on the business, results of operations, financial condition or prospects of MoneySavingExpert, the Group and, following Completion, the Enlarged Group.***

The value of consumer-focused websites, such as those operated by the Group and MoneySavingExpert, depends on the quality and breadth of the products and services included on those websites. The relationships of the Group, MoneySavingExpert and, following Completion, the Enlarged Group with their providers could be adversely affected for many reasons.

In the event that the Group's, MoneySavingExpert's and/or, following Completion, the Enlarged Group's relationships with their providers are adversely affected for any reason, the Group, MoneySavingExpert and, following Completion, the Enlarged Group could lose some of their providers. If the Group and, following Completion, the Enlarged Group were to lose a significant proportion of their provider networks, the Group, MoneySavingExpert and, following Completion, the Enlarged Group would need to find alternative sources of products or services compelling enough to convert website traffic into revenue-generating transactions and a failure to do so could have a material adverse effect on the business, results of operations, financial condition or prospects of MoneySavingExpert, the Group and, following Completion, the Enlarged Group.

***MoneySavingExpert's success depends, amongst other things, upon the ability to provide consumers with recommendations of attractive products in relation to which revenue-earning arrangements have been agreed.***

MoneySavingExpert's revenue is inherently correlated to its proprietary research and related recommendations, specifically articles published in its weekly newsletter emails. MoneySavingExpert's financial performance is therefore influenced by a number of factors which are largely outside its control, including:

- if limited numbers of products are launched by providers which the MoneySavingExpert editorial team believes are appropriate for inclusion in editorial content ("best buy products"), users tend to be less engaged which affects their activity on the MoneySavingExpert Website and can impact revenue;
- if new best buy products do not have revenue generating links, MoneySavingExpert will include them on the MoneySavingExpert Website but will not generate revenue from them;

- the ability of MoneySavingExpert to source deals and negotiate commercially attractive revenue-earning terms with providers, particularly intermediary providers such as price comparison websites (and in turn for such intermediary providers to source deals and negotiate commercially attractive revenue-earning terms with direct providers); and
- changes in the consumer finance marketplace caused either by competition amongst financial institutions for customers or general macro-economic conditions both of which may lead to changes to the pricing or other terms of existing products or the introduction of new products to the consumer finance market which the MoneySavingExpert editorial team believes are appropriate for users.

In the event that MoneySavingExpert's research and recommendations, including the weekly newsletter emails, fail to drive traffic to the MoneySavingExpert Website or traffic to the MoneySavingExpert Website fails to generate revenue, including a lack of availability of products which the MoneySavingExpert editorial team believes are appropriate for users and in relation to which the MoneySavingExpert commercial team has been able to source commercially attractive revenue-earning terms, the business, results of operations, financial condition and prospects of MoneySavingExpert and, following Completion, the Enlarged Group may be materially adversely affected.

***The businesses of the Group, MoneySavingExpert and, following Completion, the Enlarged Group depend on the strength and visibility of their brands.***

To increase traffic to their websites and expand their visibility to consumers, providers and advertisers, the Group, MoneySavingExpert and, following Completion, the Enlarged Group intend to pursue a strategy of promoting their brands. The Group, MoneySavingExpert and, following Completion, the Enlarged Group may not be able to successfully increase consumer awareness of their brands and/or such advertising may not prove to be cost-effective. There can be no assurance that consumer awareness levels will lead to a measurable increase in traffic, conversion rates or overall revenue, margins and/or profitability.

Negative publicity could also damage the value of the brands. The Group, MoneySavingExpert and, following Completion, the Enlarged Group could be the target of negative publicity as a result of various factors, including the poor performance of the Group's and, following Completion, the Enlarged Group's comparison services, the termination of relationships or agreements with high-profile or key revenue-generating providers, disruptions to the operation of the websites of the Group, MoneySavingExpert and, following Completion, the Enlarged Group, security breaches or misuse of personal and financial data provided by consumers or poor quality or inaccuracy of any content. In addition, any actual or perceived lack of independence or objectivity in search results, including due to the failure of the Group, MoneySavingExpert and, following Completion, the Enlarged Group to include key providers in the Group's listings or on the websites of MoneySavingExpert, or perceptions that a provider's product was being promoted over a more competitively priced product offered by a non-revenue-generating provider, could undermine efforts to cultivate consumer trust in the Group, MoneySavingExpert and, following Completion, the Enlarged Group. If any of these events were to occur, consumers, providers and advertisers could lose confidence in the brands of the Group, MoneySavingExpert and the Enlarged Group, traffic to the websites of the Group, MoneySavingExpert and the Enlarged Group could decline and the network of providers of the Group, MoneySavingExpert and following completion the Enlarged Group could decrease. Any such decrease in traffic could have a material adverse effect on the revenue generated by the Group, MoneySavingExpert and, following Completion, the Enlarged Group and on their gross margins.

***Interruption or failure of the information technology and communications systems of the Group, MoneySavingExpert and, following Completion, the Enlarged Group could impair their ability to effectively provide services, which could damage the reputation and business of the Group, MoneySavingExpert and, following Completion, the Enlarged Group.***

The availability of the products and services of the Group, MoneySavingExpert and, following Completion, the Enlarged Group depends on the performance, reliability and availability of their information technology and communications systems. Any damage to or failure of their systems could result in disruptions to the websites of the Group, MoneySavingExpert and, following Completion, the Enlarged Group, which could reduce their revenues and profits, and damage their brands. The systems of the Group, MoneySavingExpert and, following Completion, the

Enlarged Group are vulnerable to damage or interruption from power loss, telecommunications failures, unauthorised entry and malicious code, computer viruses, computer denial of service attacks or other attempts to harm their systems, natural disasters, including floods and fires, and vandalism, terrorist attacks or other acts. The disaster recovery plans of the Group, MoneySavingExpert and, following Completion, the Enlarged Group may not adequately address every potential event and there can be no assurance that these plans would be successful in preventing interruption. The insurance policies of the Group, MoneySavingExpert and, following Completion, the Enlarged Group may not cover any loss (including losses resulting from business interruption) or damage suffered fully or at all.

The Group and MoneySavingExpert rely, and following Completion, the Enlarged Group will rely, on third parties, including data centres and bandwidth providers, to host and operate the websites of the Group, MoneySavingExpert and, following Completion, the Enlarged Group. Any failure, interruption or discontinuation in the services provided by these third parties could harm the operations and reputation of the Group, MoneySavingExpert and, following Completion, the Enlarged Group which could have a material adverse effect on the business, results of operations, financial condition or prospects of the Group, MoneySavingExpert and, following Completion, the Enlarged Group.

***If the Group, MoneySavingExpert and, following Completion, the Enlarged Group fail to protect confidential information against security breaches, or if consumers are reluctant to use their services because of privacy concerns, website traffic and conversion rates could decline.***

Companies engaged in online commerce and communications must provide for the secure transmission of confidential and personal information over public networks. Currently, a significant number of users provide personal data to the servers of the Group and MoneySavingExpert. The Group, MoneySavingExpert and, following Completion, the Enlarged Group may be subject to attack from computer programs which attempt to penetrate their network security and misappropriate consumer information; or they may be subject to attack from third party applications, viruses and other software programmes that interfere with the use of the websites operated by the Group, MoneySavingExpert and, following Completion, the Enlarged Group. Each of the Group and MoneySavingExpert has devoted resources to strengthening its network security, but there is no guarantee that these security measures will be sufficient to detect or prevent breaches. Any compromise of security could harm the reputation of the Group, MoneySavingExpert and, following Completion, the Enlarged Group among consumers. As a result, website traffic and conversion rates could decline. Providers' and advertisers' demand for the services of the Group, MoneySavingExpert and, following Completion, the Enlarged Group could decline, which could have a material adverse effect on the business, results of operations, financial condition or prospects of the Group, MoneySavingExpert and, following Completion, the Enlarged Group.

The businesses of the Group, MoneySavingExpert and, following Completion, the Enlarged Group may be adversely affected by unauthorised third party applications which make changes to consumers' computers without their knowledge or consent and interfere with the use of the websites of the Group or MoneySavingExpert and, following Completion, the Enlarged Group by hijacking queries or phishing, altering or replacing search results, or otherwise interfering with the ability of the Group, MoneySavingExpert and, following Completion the Enlarged Group to provide services. These applications may be difficult or impossible to remove or disable, may contain codes that allow them to reinstall themselves and may circumvent the efforts of other applications to block them. The ability to combat such unauthorised third party applications may also depend in part on the level of computer security installed by consumers on their own computers, which is outside the control of the Group, MoneySavingExpert and, following completion, the Enlarged Group.

The Group and MoneySavingExpert also offer and, following Completion, the Enlarged Group will offer products and services that users rely on to store and transmit information to others over the internet. These products and services are subject to attack by viruses, worms and other software programs, which could attack the security of information stored on a user's computer or in the computer systems and networks of the Group or MoneySavingExpert. The ability to reach users and provide them with efficient and secure services is critical to the success of the Group, MoneySavingExpert and, following Completion, the Enlarged Group. If efforts to combat and defend against these third party applications are unsuccessful, or if any such downloaded products and services have actual or perceived vulnerabilities, the reputation of the



Group or MoneySavingExpert and/or, following Completion, the Enlarged Group may be harmed and website traffic could decline. Any such decline could have a material adverse effect on the business, results of operations, financial condition or prospects of the Group, MoneySavingExpert and, following Completion, the Enlarged Group.

***The intellectual property rights of the Group, MoneySavingExpert and, following Completion, the Enlarged Group are valuable and any inability to protect them could reduce the value of their products, services and brands and could have a material adverse effect on the businesses of the Group, MoneySavingExpert and, following Completion, the Enlarged Group.***

The intellectual property rights of the Group, MoneySavingExpert and, following Completion, the Enlarged Group are important assets. The Group and MoneySavingExpert rely on a combination of copyright, registered and unregistered trade marks, registered domain names, database rights and the law protecting confidential information to define and protect their rights to brands, technologies and databases which are critical to the Group's ability to compete in the online comparison market and the ability of MoneySavingExpert to compete in the online personal finance and personal finance journalism and services market.

There can be no assurance that third parties, including parties to whom the Group and MoneySavingExpert disclose proprietary knowledge, information and technology under licensing or other arrangements, will not attempt to misappropriate or challenge the right of the Group and/or MoneySavingExpert to such knowledge, information and technology. Even if the Group and/or MoneySavingExpert discover evidence of infringement, misappropriation or intellectual property piracy, their recourse may be limited or could require the Group and/or MoneySavingExpert to pursue litigation, which could involve substantial legal fees, costs and expenses and the diversion of management's attention from the operation of the relevant business.

To the extent that the brands, technologies and databases of the Group and/or MoneySavingExpert are not protected by intellectual property rights, third parties, including competitors, may be able to commercialise or otherwise use the brands, technologies and/or databases of the Group and/or MoneySavingExpert without compensating the Group and, following Completion, the Enlarged Group. The Group and MoneySavingExpert also face the risk that existing or new competitors may independently develop similar or alternative technologies that are equal or superior to the technology of the Group and/or MoneySavingExpert without infringing intellectual property rights of the Group and/or MoneySavingExpert, or may design around the proprietary technologies of the Group and/or MoneySavingExpert.

The Group also seeks and, following Completion the Enlarged Group will seek to maintain certain intellectual property as trade secrets. The security of trade secrets could be compromised by contractors or outside parties, or intentionally or accidentally by the employees of the Group, MoneySavingExpert or, following Completion, the Enlarged Group, which would cause the Group, MoneySavingExpert and/or, following Completion, the Enlarged Group to lose part of their competitive advantage.

Current United Kingdom and European Union laws, including the Database Directive 96/9/EC, may not adequately protect the intellectual property, databases and the data of the Group, MoneySavingExpert and, following Completion, the Enlarged Group. In addition, legal standards relating to the validity, enforceability and scope of protection of proprietary rights in internet-related businesses are uncertain and evolving, and the future viability or value of any of the intellectual property rights of the Group, MoneySavingExpert and, following Completion, the Enlarged Group is uncertain.



***The Group, MoneySavingExpert and, following Completion, the Enlarged Group may be subject to intellectual property rights claims, which are costly to defend, could require the payment of damages and limit the ability to use certain technologies in the future. The Group, MoneySavingExpert and, following Completion, the Enlarged Group also may need to bring intellectual property rights claims against third parties which could be costly to instigate and pursue.***

Companies in the internet, technology and media sectors may enter into litigation based on allegations of infringement or other violations of intellectual property rights in order to enforce their patents, copyrights, databases or trade marks. As the Group, MoneySavingExpert and, following Completion, the Enlarged Group face increasing competition, the possibility of being subject to intellectual property rights claims grows.

The technologies of the Group, MoneySavingExpert and, following Completion, the Enlarged Group may not be able to withstand any third party claims or rights against their use. Any intellectual property claims, with or without merit could be time-consuming, expensive to litigate or settle and could divert management's attention. If the Group, MoneySavingExpert or, following Completion, the Enlarged Group were found to be in violation of a third party's intellectual property rights, they may be required to pay compensation, including damages, or be subject to injunctions that prevent them from using certain technologies. The Group, MoneySavingExpert or, following Completion, the Enlarged Group may have to seek a licence for the technology, which may not be available, or available on reasonable terms and may significantly increase operating expenses. As a result, the Group, MoneySavingExpert and, following Completion, the Enlarged Group may also be required to develop alternative, non-infringing technology, which could require significant effort and expense. If the Group, MoneySavingExpert or, following Completion, the Enlarged Group cannot license or develop technology for the aspects of their technologies that are found to infringe third parties' intellectual property rights, they may be forced to limit their product and service offerings and may be unable to compete effectively.

Third parties may also file trade mark or other intellectual property infringement claims against the Group, MoneySavingExpert and, following Completion, the Enlarged Group alleging the unauthorised use of their intellectual property. In the event that the Group and/or MoneySavingExpert failed to defend any intellectual property rights, the right to use such intellectual property in the future could be lost.

The Group, MoneySavingExpert and following Completion, the Enlarged Group could also be subject to potential claims from employees, consultants or third parties with whom they conduct business who allege ownership or co-ownership of certain intellectual property used by the Group, MoneySavingExpert and/or following Completion, the Enlarged Group. Although the Group and MoneySavingExpert have entered into non-disclosure agreements with employees, and the Group has also entered into such agreements with consultants and certain other third parties, there is no assurance that these contracts will be enforceable, or interpreted to cover the use or development of the disputed intellectual property of the Group, MoneySavingExpert and, following Completion, the Enlarged Group.

Any of these events could have a material adverse effect on the business, results of operations, financial condition or prospects of the Group, MoneySavingExpert and, following Completion, the Enlarged Group.

***The Group, MoneySavingExpert and, following Completion, the Enlarged Group could face liability for information on their websites.***

The law relating to the liability of online services companies for information carried on, or disseminated through, their services is currently unclear and there is a risk that the Group, MoneySavingExpert and, following Completion, the Enlarged Group could be liable for material posted on the websites of the Group or MoneySavingExpert.

Claims could be made under the laws of the United Kingdom or another jurisdiction for defamation, libel, negligence, misrepresentation, copyright or trade mark infringement, invasion of privacy or other claims based on the nature and content of the information disseminated. Both the Group and MoneySavingExpert publish information on their websites, including video "blogs" and written blogs, that encourage their users to interact on the websites of the Group and MoneySavingExpert (as the case may be). In addition, the Group and MoneySavingExpert provide discussion forums which allow their users to post messages.

Third parties who are the subject of the publications or user messages of the Group and/or MoneySavingExpert posted to the discussion forums may assert claims of defamation or other injury. These types of claims have been brought, sometimes successfully, against providers of online services as well as print publications. If litigation were successfully brought against the Group, MoneySavingExpert or, following Completion, the Enlarged Group then the insurance policies of the Group, MoneySavingExpert or the Enlarged Group may not cover any loss fully or at all.

The Group and MoneySavingExpert provide and, following Completion, the Enlarged Group will provide information on their websites, including listings of personal finance, insurance, travel and other services that have been sourced from, and hyperlinked to, websites maintained by third parties, including revenue-generating providers. The Group also allows third parties to advertise their products and services on the Group's websites.

The websites of both the Group and MoneySavingExpert include links to third party websites. Providers and, in the case of the Group, advertisers could assert that information concerning them on the websites of the Group and MoneySavingExpert contains errors or omissions and third parties could seek damages for losses incurred if consumers rely upon incorrect information published by the Group, MoneySavingExpert and/or, following Completion, the Enlarged Group. The Group, MoneySavingExpert and, following Completion, the Enlarged Group could also be subject to claims that persons posting information on their websites do not have the right to post such information or are infringing the rights of third parties. Among other things, the Group, MoneySavingExpert and, following Completion, the Enlarged Group might be subject to claims that by directly or indirectly providing links to websites operated by third parties they are liable for any wrongful actions by the third parties operating those websites. Even if these claims do not result in liability to the Group, MoneySavingExpert and/or, following Completion, the Enlarged Group significant costs could be incurred in investigating and defending such claims.

If the Group's and/or MoneySavingExpert's websites list a price or rate that the user is not able to obtain after clicking through to a provider's website due to any action of the Group and/or MoneySavingExpert, the Group, MoneySavingExpert and, following Completion, the Enlarged Group may be subject to regulatory investigation by the FSA, and/or the OFT and may be potentially liable under the Trade Descriptions Act 1968 or to the consumer.

Any of these events could have a material adverse effect on the business, results of operation, financial condition or prospects of the Group, MoneySavingExpert and, following Completion, the Enlarged Group.

***The success of the Group, MoneySavingExpert and, following Completion, the Enlarged Group depends upon retaining and attracting capable management.***

The success of the Group and MoneySavingExpert depends upon, and the success of the Enlarged Group will depend upon, the efforts, abilities, experience and expertise of their senior management teams and on recruiting, retaining, motivating, effectively communicating with and developing highly skilled and competent people at all levels of the Group, MoneySavingExpert and the Enlarged Group. The Group offers certain employee share schemes to attract, motivate and retain employees of the appropriate calibre and to align their interests with those of Shareholders.

Any inability to successfully retain key employees of the Group may have a material adverse effect on the business, results of operations, financial condition or prospects of the Group, MoneySavingExpert and, following Completion, the Enlarged Group.

***The Group relies heavily on key providers. If these key providers terminate their relationships with the Group, or the rates offered by these key providers are no longer competitive, the performance of the relevant business channels could be materially adversely affected.***

In certain business channels, a significant percentage of the Group's revenues may be attributable to products offered by a limited number of providers. The Group expects that the products offered by key providers will continue to account for a significant portion of revenues in their respective business channels in the immediate future. If any key provider were to terminate its relationship with the Group or offer a more attractively priced product to a competitor, the performance of the relevant business channel and the Group could be materially adversely affected.

***If the Group, MoneySavingExpert and, following Completion, the Enlarged Group fail to adapt to new operating systems and technologies there could be a reduction in demand for their products and services and a decrease in advertising revenues.***

The use of mobile devices and other new technologies to access online services and products has rapidly increased. As a result the Group, MoneySavingExpert and, following Completion, the Enlarged Group will need to continue to develop new and upgraded products which consumers find engaging and which have been customised to operate with a variety of popular mobile device operating systems and networks and new technologies. Additionally the Group and, following Completion, the Enlarged Group will need to continue to develop relationships with participants in the mobile industry and develop products of a high quality which work effectively with new technologies, systems and networks in the mobile device industry. In the event that any new products developed fail to engage consumers, consumers choose not to access products of the Group, MoneySavingExpert and, following Completion, the Enlarged Group through their mobile devices or other new technologies or consumers cannot access such products through their mobile devices or other new technologies, the business, financial condition and results of operations of the Group, MoneySavingExpert and, following Completion, the Enlarged Group could be materially adversely affected.

There is no guarantee that products developed for new operating systems and networks will be able to generate meaningful revenue. If consumers continue to increasingly access online services and products through mobile devices or other new technologies, and the Group, MoneySavingExpert and, following Completion, the Enlarged Group are unable to successfully generate revenue from such users then the business, financial condition and results of operations of the Group, MoneySavingExpert and, following Completion, the Enlarged Group could be materially adversely affected.

***The Group may have exposure to greater than anticipated tax liabilities.***

Determining the Group's and, following Completion, the Enlarged Group's provision for corporation and other tax liabilities, requires significant judgement. Although the Group believes its estimates are reasonable, the ultimate tax position may differ from the amounts recorded in its financial results in the period or periods for which such determination is made.

In addition, the EU consistently reviews and changes the status of those entities considered to provide financial services. The Group has significant financial income streams which could be subject to different tax treatment should the EU change its current definition of a financial service provider.

### **3. RISKS RELATING TO THE INDUSTRY**

***A further downturn in economic conditions may adversely affect the business, results of operations and financial condition of the Group, MoneySavingExpert and, following Completion, the Enlarged Group.***

Changes in economic conditions and a downturn in any of the markets in which the Group and/or MoneySavingExpert operate, and, following Completion, the Enlarged Group will operate, have had, and may continue to have, an adverse effect on the demand for the Group's and/or MoneySavingExpert's products and services and, therefore, the overall business, results of operations, financial condition and prospects of the Group, MoneySavingExpert and, following Completion, the Enlarged Group. Economic downturn or an uncertain economic outlook in the United Kingdom, where the Group and MoneySavingExpert operate, or on a global scale, could adversely affect the demand for products and services, which could have a material adverse effect on the business, results of operations, financial condition or prospects of the Group, MoneySavingExpert and, following Completion, the Enlarged Group.

Moreover periods of recession or deflation have had, and may continue to have, an adverse impact on prices, and the demand for products and services, particularly if there is a decline in the volume of consumers who apply for and/or acquire products and services through the websites of the Group and MoneySavingExpert.

***Availability of credit and fluctuations in interest rates may impact upon the business of the Group, MoneySavingExpert and, following Completion, the Enlarged Group.***

A significant proportion of the revenue of the Group and, following Completion, the Enlarged Group is derived from the provision of consumer-finance products including credit comparison services and information in connection with the supply of consumer credit. A reduction in the

quantum of lending by financial institutions and any tightening of their acceptance criteria for consumers to obtain credit may result in a reduction in the volume of transactions being conducted through the Group and/or MoneySavingExpert. Consumer demand for credit also tends to grow more slowly or decline during periods of economic contraction or slow economic growth. Additionally, rising rates of interest may reduce consumer demand for credit which in turn could reduce consumers' demand for credit information.

A general economic downturn could result in reduced availability and/or demand for the products and services of the Group, MoneySavingExpert and, following Completion, the Enlarged Group. Revenues are dependent to a certain extent upon general economic conditions and conditions in the industries served by the Group, MoneySavingExpert and, following Completion, the Enlarged Group. A downturn in the consumer credit, financial services or insurance industry, including a downturn caused by a tightening of credit or increases in interest rates, amongst other factors, could have a material adverse effect on the business, results of operations, financial condition or prospects of the Group, MoneySavingExpert and, following Completion, the Enlarged Group.

***The Group, MoneySavingExpert and, following Completion, the Enlarged Group face significant competition from content, product and service aggregators, search engines, from direct providers and potential new entrants to the industry.***

The provision of personal finance products and services is highly competitive. The Group competes with other online comparison websites, search engines, as well as intermediaries, brokers and providers who market to consumers directly, through traditional media or other online comparison websites. MoneySavingExpert predominantly competes with the personal finance sections of general interest websites, personal finance destination websites and the personal finance sections of traditional media such as newspapers. MoneySupermarket.com, and following Completion, the Enlarged Group, may receive reduced revenue from providers and advertisers, for instance if the CPA or CPC rates charged were to become uncompetitive or if MoneySupermarket.com and/or the Enlarged Group were to lose the ability to attract consumers who purchase providers' and advertisers' products and services (for instance as a result of a deterioration in the convenience and functionality of their technologies). MoneySavingExpert may also incur loss of revenue from providers who cease their revenue-generating arrangements with MoneySavingExpert and from any loss of consumer traffic. Additionally, the Group competes for Portal Partners on the basis of its ability to provide revenues from website traffic and enhance the visibility of partners' websites.

Existing competitors and new entrants may develop or deploy greater financial, marketing, technical or other resources and therefore may be in a better position to respond to pricing pressures than the Group, MoneySavingExpert and, following Completion, the Enlarged Group. In addition, existing competitors and new entrants may expand into all or any of the channels in which the Group and MoneySavingExpert operate, have longer operating histories, have greater brand recognition and/or have larger customer bases than the Group and/or MoneySavingExpert.

In 2011, Google combined its comparison services under the "Google Advisor" brand in the United States. Google Advisor's services are predominantly based in the consumer finance sector. In the United Kingdom Google has recently begun to offer similar comparison services to those provided by the Group. Google has a strong competitive position and will have the ability to allocate significant resources to advertising and promoting the Google Advisor product and to directing traffic to the Google Advisor website.

Increased competition could result in a reduction in revenues, the rate of acquisition of new customers, or loss of existing customers or market share of the Group, MoneySavingExpert and, following Completion, the Enlarged Group, any of which would harm the business, financial condition and results of operations of the Group, MoneySavingExpert and, following Completion, the Enlarged Group.



*Privacy-related regulation imposes limits on the ways the Group and MoneySavingExpert currently collect and use consumer information and, following Completion, on the ways the Enlarged Group may collect and use consumer information. Changes to such regulation, including current European Commission proposals, could result in decreased advertising revenues and/or increased costs.*

Both the Group and MoneySavingExpert publish their information collection and dissemination practices in privacy policies published on their websites.

In accordance with the terms set out in its privacy policy, the Group collects, uses and discloses personally identifiable information from consumers who provide details in order to search for and compare products or services on the Group's websites more efficiently. The Group also records and analyses users' online activities in order to determine the effectiveness of its services and marketing, as well as the popularity of providers' products and services. The Group uses consumer information to increase the relevancy of comparison search results, and also sells this information as part of its lead generation business.

The collection of information relating to living identifiable individuals ("**personal data**") by MoneySavingExpert, and the collection and dissemination of consumer information by the Group, subject the Group and MoneySavingExpert to data protection laws, including the Data Protection Act 1998. This legislation regulates the "processing" (which includes collection and use) of personal data. Any laws which seek to protect the privacy of internet users may affect the way in which the Group is permitted to collect and use personal information. The Group, MoneySavingExpert and, following Completion, the Enlarged Group could incur significant expenses if new laws or court judgments regulating the use of personal data are introduced. This could also occur (as well as possibly damage to reputation) if any regulatory authority were to investigate the data protection practices of the Group, MoneySavingExpert and, following Completion, the Enlarged Group and find that they did not meet applicable standards.

Each of the Group, MoneySavingExpert and, following Completion, the Enlarged Group may be subject to legal claims, regulatory or government action or harm to its reputation if it fails to comply, or is perceived to have failed to comply, with laws, regulations or its own published privacy policies concerning its processing of users' personal data.

Websites operated by the Group and MoneySavingExpert place information, known as "cookies", on website visitors' PCs or other devices used to access the websites. This technology enables the websites of the Group and MoneySavingExpert to operate more effectively and allows for the collection of aggregated, anonymised data. In the case of the Group, this technology also enables offers and advertisements to be tailored to be more relevant to particular users, to limit the number of times a user is shown a particular advertisement and to track users' activities, as well as personalising the user's website experience on repeat visits, and supporting account log-in functionality. If the Group, or, after Completion, the Enlarged Group, is prevented from enhancing the relevance of its product offerings and advertisements, the Group's revenues could be adversely affected as a result of lower conversion rates or poorer user experience leading to fewer website visitors.

Since 26 May 2011 (following amendments to the Privacy and Electronic Communications Regulations (EC Directive) 2003) (the "**Regulations**"), the use of cookies and similar technologies is only allowed if the user in question has indicated their freely given, specific and informed consent (i.e. an "opt-in"). Costs will be incurred in amending the websites in order to comply with the Regulations and it is possible that amendments required to the operation of the websites to achieve compliance could result in a poorer user experience, which could lead to reduced visitor numbers and revenue generated.

Higher levels of awareness and concern among consumers regarding the use of personal information collected on the websites of the Group and of MoneySavingExpert, including financial details, email and IP addresses, telephone numbers, age, identification numbers and other personal information, could make consumers less willing to use the Group's and MoneySavingExpert's websites and could materially adversely affect the business of the Group, MoneySavingExpert and, following Completion, the Enlarged Group.

Far reaching reforms have been proposed to the European Data Protection legislative framework and a draft Regulation and Directive were published by the European Commission for consultation in January 2012. Some of the currently proposed revisions could make it more



difficult for the Enlarged Group to use consumer personal data in future and share it with third parties, and/or may require adjustments to be made to the ways in which consumer personal data is collected.

***The Group, MoneySavingExpert and, following Completion, the Enlarged Group may be subject to regulation of their advertising and customer solicitation or other newly-adopted laws and regulations.***

The Group, MoneySavingExpert and, following Completion, the Enlarged Group and their authorised subsidiaries (as well as their appointed representatives) offer consumers the opportunity to receive emails and other communications (including potentially from the websites of MoneySupermarket.com and MoneySavingExpert) regarding personal finance, insurance, travel, home service and other markets, and products and services offered by providers and advertisers.

In the United Kingdom, such communications could amount to “financial promotions” (an invitation or inducement to engage in investment activity, such as, broadly defined, regulated mortgage or insurance mediation). Where this is the case, the issuing of such communications is subject to a number of restrictions and requirements which vary depending upon the type of communication (for example as compared to written communications), its contents and the intended recipients. A breach of these requirements could amount to a criminal offence or could result in disciplinary action being taken by the FSA against a relevant firm (with sanctions potentially including private or public censure and/or a fine and/or a requirement to modify the operations of the firm). In addition, contracts entered into as a result of an unlawful communication are potentially unenforceable. If the Group, MoneySavingExpert and, following Completion, the Enlarged Group fail to comply with any relevant requirements or if any of the commercial contracts of the Group, MoneySavingExpert or, following Completion, the Enlarged Group are found to be unenforceable, this could have a material adverse effect on the business, financial condition and results of operations of the Group, MoneySavingExpert and, following Completion, the Enlarged Group.

#### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

The statements contained in this document that are not historical facts are “forward-looking” statements. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond MoneySupermarket.com’s control and all of which are based on the Directors’ current beliefs and expectations about future events. Forward-looking statements are typically identified by the use of forward-looking terminology such as “believes”, “expects”, “may”, “will”, “could”, “should”, “intends”, “estimates”, “plans”, “assumes” or “anticipates” or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. In addition, from time to time MoneySupermarket.com or its representatives have made or may make forward-looking statements orally or in writing. Such forward-looking statements may be included in, but are not limited to, press releases or oral statements made by or with the approval of one of MoneySupermarket.com’s authorised executive officers. These forward-looking statements and other statements contained in this document regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved. Actual events or results may differ materially as a result of risks and uncertainties facing MoneySupermarket.com and its subsidiaries. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. See Part II (Risk Factors) of this document for further information in this regard. The forward-looking statements contained in this document speak only as at the date of this document. Except to the extent required by applicable law, the Listing Rules or the Disclosure and Transparency Rules of the Financial Services Authority, MoneySupermarket.com will not necessarily update any of the forward-looking statements in light of new information or future events and undertakes no duty to do so. Shareholders should note that this paragraph is not intended to qualify the statements made as to sufficiency of working capital in Part IV (Unaudited Pro Forma Statement of Net Assets of the Enlarged Group) of this document.

**PART III**  
**FINANCIAL INFORMATION**  
**HISTORICAL FINANCIAL INFORMATION RELATING TO**  
**MONEYSAVINGEXPERT**

**Combined Statement of Comprehensive Income**  
for the years ended 31 October 2009, 2010, 2011

	Note	Year ended 31 October 2009 £000	Year ended 31 October 2010 £000	Year ended 31 October 2011 £000
Revenue	2	9,736	11,361	15,773
Cost of sales		(626)	(534)	(728)
<b>Gross profit</b>		<b>9,110</b>	<b>10,827</b>	<b>15,045</b>
Administrative expenses		(2,234)	(2,493)	(2,447)
<b>Results from operating activities</b>	4	<b>6,876</b>	<b>8,334</b>	<b>12,598</b>
Finance income	6	90	49	46
<b>Profit before corporation tax</b>		<b>6,966</b>	<b>8,383</b>	<b>12,644</b>
Tax charge <sup>1</sup>	7	(39)	(299)	(849)
<b>Profit for the year and total comprehensive income for the year</b>		<b>6,927</b>	<b>8,084</b>	<b>11,795</b>

<sup>1</sup> Martin Lewis is subject to tax on his income as a sole trader. However, the sole trader accounts do not, and are not required to, disclose any tax charge. Therefore in order to comply with SIR 2000, the tax charge shown above does not include any tax charge of the sole trader.

## Combined Statement of Financial Position

As at 31 October 2009, 2010, 2011

	Note	31 October 2009 £000	31 October 2010 £000	31 October 2011 £000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	8	86	56	23
Intangible assets	9	13	20	18
Deferred tax asset	14	—	—	2
<b>Total non-current assets</b>		<b>99</b>	<b>76</b>	<b>43</b>
<b>Current assets</b>				
Trade and other receivables	10	3,025	5,361	7,202
Prepayments		8	87	78
Cash and cash equivalents	11	6,851	5,296	9,377
<b>Total current assets</b>		<b>9,884</b>	<b>10,744</b>	<b>16,657</b>
<b>Total assets</b>		<b>9,983</b>	<b>10,820</b>	<b>16,700</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Deferred tax liability	14	8	5	—
<b>Current liabilities</b>				
Trade and other payables	12	573	665	883
Director's current account	13	3,693	3,897	3,634
Current tax liabilities	7	33	303	856
<b>Total current liabilities</b>		<b>4,299</b>	<b>4,865</b>	<b>5,373</b>
<b>Total liabilities</b>		<b>4,307</b>	<b>4,870</b>	<b>5,373</b>
<b>Total net assets</b>		<b>5,676</b>	<b>5,950</b>	<b>11,327</b>
<b>Invested Capital</b>				
<b>Total invested capital</b>	15	<b>5,676</b>	<b>5,950</b>	<b>11,327</b>

**Combined Statement of Cash Flows**  
for the years ended 31 October 2009, 2010, 2011

	Note	Year ended 31 October 2009 £000	Year ended 31 October 2010 £000	Year ended 31 October 2011 £000
<b>Operating activities</b>				
Profit for the year		6,927	8,084	11,795
Adjustments:				
Depreciation	8	38	43	42
Amortisation of intangible assets	9	1	2	2
Finance income	6	(90)	(49)	(46)
Income tax charge	7	39	299	849
Change in trade and other receivables		1,094	(2,415)	(1,832)
Change in trade and other payables		(170)	92	218
Income tax paid		(67)	(32)	(303)
<b>Net cash flow from operating activities</b>		<b>7,772</b>	<b>6,024</b>	<b>10,725</b>
<b>Investing activities</b>				
Acquisition of property, plant and equipment		(94)	(13)	(9)
Acquisition of intangible assets		(4)	(9)	—
Finance income		90	49	46
<b>Net cash flow from investing activities</b>		<b>(8)</b>	<b>27</b>	<b>37</b>
<b>Financing activities</b>				
Investment in/(repayment of) director's current account		2,354	204	(263)
Drawings of sole trader		(8,062)	(7,810)	(6,418)
<b>Net cash flow from financing activities</b>		<b>(5,708)</b>	<b>(7,606)</b>	<b>(6,681)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2,056</b>	<b>(1,555)</b>	<b>4,081</b>
Cash and cash equivalents at start of year		4,795	6,851	5,296
<b>Cash and cash equivalents at end of year</b>	11	<b>6,851</b>	<b>5,296</b>	<b>9,377</b>

## Notes to the Combined Historical Financial Information

### 1. Basis of preparation

For the purposes of this historical financial information, MoneySavingExpert involves the combination of the trade and assets of an unlimited company, MoneySavingExpert.com, with specified trade and assets of a sole trader business of Martin Lewis. MoneySavingExpert.com is registered in the United Kingdom and the entire business of MoneySavingExpert is domiciled in the United Kingdom. The nature of MoneySavingExpert's operations and its principal activities are set out in Part I (Letter from the Chairman) of this document. The combined historical financial information shows the combined results, financial position and cash flows of MoneySavingExpert for the three years ended 31 October 2009, 31 October 2010 and 31 October 2011, prepared for the purposes of ensuring compliance with the Listing Rules in connection with the Acquisition.

The combined historical financial information has been prepared in accordance with the requirements of the Listing Rules and in accordance with this basis of preparation.

The basis of preparation describes how the financial information has been prepared in accordance with International Financial Reporting Standards adopted for use in the European Union ("IFRSs as adopted by the EU") except as described below. IFRSs as adopted by the EU do not provide for the preparation of the combined historical financial information or for the specific accounting treatments set out below, and accordingly, in preparing the combined historical financial information, certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 (the Investment Reporting Standard applicable to public reporting engagements on historical financial information) issued by the UK Auditing Practices Board have been applied. The application of these conventions results in the material departures from IFRSs as adopted by the EU set out below. In other respects, IFRSs as adopted by the EU have been applied.

In particular, the combined historical financial information does not constitute a consolidation in accordance with IFRSs as adopted by the EU. As a result of these matters, no statement of compliance with the IFRSs as adopted by the EU is included. As the combined historical financial information is the first financial information for MoneySavingExpert, it is not possible to present a reconciliation between UK GAAP and IFRS.

The specified elements of the sole trader business included in MoneySavingExpert have been extracted from the sole trader business and combined with the total trade and assets of the unlimited company to present the historical financial information of MoneySavingExpert as a stand-alone operation. In order to present the results of MoneySavingExpert in this historical financial information, the Directors have adopted certain methodologies in presenting the results of MoneySavingExpert as a stand-alone operation.

The methodology of the combination of the trade and assets of MoneySavingExpert.com and the specified trade and assets of the sole trader is as follows:

- The entire financial information of the trade and assets of MoneySavingExpert.com is aggregated with the financial information relating to the specified trade and assets of Martin Lewis described below.
- Certain elimination adjustments are performed on combination to eliminate trade and working capital balances between MoneySavingExpert.com and Martin Lewis to arrive at the combined historic financial information of MoneySavingExpert as a stand-alone operation. Such adjustments include the elimination of the licence fee income in Martin Lewis with the licence fee cost in MoneySavingExpert.com. However the tax effect of these eliminations has not been adjusted.

The trade and assets of the sole trader, Martin Lewis, that are included within the combined historical financial information are set out below. As Martin Lewis has two trades, being website income and journalism income, the adjustments separate out the website related amounts for inclusion in the combined historical financial information. The journalism trade and associated assets and liabilities are not being purchased.

- *Website revenue*: being all revenue that is derived through internet lead generation (click based revenue) with affiliates generated via the MoneySavingExpert Website. The revenue accounting policy is described further in Note 2 to this historical financial information.
- *Website hosting costs*: being all costs associated with the operation of the MoneySavingExpert Website.



- *Deposit account interest*: being interest amounts received in relation to balances held in deposit accounts.
- *Expenditure*: being all other expenses that are attributable to the generation of website income and excluding all other expenses that are attributable to the generation of journalism income.
- *Intellectual property rights*: being certain of the trade marks and domain names included under “intangible assets” in the sole trader accounts. The principal domain name included in this historical financial information is moneysavingexpert.com and the principal trade marks included are MONEYSAVINGEXPERT.COM, MONEYSAVINGEXPERT, MSE, MONEY SAVING EXPERT and MARTIN’S MONEY TIPS.
- *Computer equipment*: being the computer equipment capitalised as “tangible assets” by the sole trader business.
- *Current receivables*: being all trade debtors, other debtors, prepayments and accrued income that are attributable to the generation of website income.
- *Cash/tax deposits*: being all cash balances and tax deposit balances that meet the definition of cash and cash equivalents under IAS 7.
- *VAT liability*: being all VAT liabilities generated from the income and expenditure in relation to the website business.
- *Current payables*: being all trade creditors, other creditors and accrued expenses that are attributable to the generation of website income.
- *Reserves*: being all profits attributable to the website business, less drawings taken by the proprietor of the sole trader.

#### ***Departures from IFRSs as adopted in the EU***

The combination presented in this historical financial information does not represent a consolidation in accordance with IFRSs as adopted by the EU, for the reasons described above.

#### ***First time adoption of IFRS***

Due to the nature of the combination of the business of MoneySavingExpert as described above, this historical financial information represents the first financial information presented for this business as a stand-alone entity. As a result, it is not possible to present a reconciliation between UK GAAP and IFRSs as adopted by the EU for MoneySavingExpert.

#### ***Invested capital***

As explained above, MoneySavingExpert is not a separate statutory entity and, in particular, this combined historical financial information includes certain trade and assets of a sole trader business and the trade and assets of an unlimited company. As a result, it is not possible to identify or present capital or reserves for either business being combined in accordance with either company law or IFRSs as adopted by the EU and so it would be inappropriate to present capital and reserves, or an analysis of the movement in reserves, for the entire business of MoneySavingExpert. For this reason, the equity section of the statement of financial position includes the “invested capital” representing the entire reserves of MoneySavingExpert.com and the entire sole trader capital included in the historic financial information. Also for this reason, this combined historic financial information does not present a Statement of Changes in Equity. However Note 15 to this combined historical financial information includes a breakdown of the reserves of MoneySavingExpert including drawings made by the proprietor of the sole trader.

#### ***Operating segments***

This combined historical financial information discloses information about operating segments as required by IFRS 8. IFRS 8 requires the operating segments of MoneySavingExpert to be defined in accordance with how the Chief Operating Decision Maker (CODM) of MoneySavingExpert reviews financial information about MoneySavingExpert in order to make strategic decisions and allocate resources.

As explained above, MoneySavingExpert is not a separate statutory entity and, in particular, this combined historical financial information includes certain trade and assets of a sole trader business. As a result, no information regarding the operating segments of MoneySavingExpert has previously been presented. Accordingly, this combined historical financial information has opted to disclose information about segments based upon the information that is anticipated to be provided to the

CODM of MoneySupermarket.com in the future. This results in operating segments defined in accordance with those presented in the financial statements of MoneySupermarket.com.

### ***Earnings per share***

As explained above, a significant element of MoneySavingExpert's business does not have share capital, accordingly no disclosure in relation to earnings per share has been provided in this combined historical financial information.

### ***Tax***

The tax charge in the combined historical financial information is prepared on the following basis:

- The corporation tax charge in the accounts of MoneySavingExpert.com is included in its entirety.
- No tax has been applied to the elements of the sole trader business included in this combined historical financial information. The proprietor has a personal tax liability on the net profit that will not be applicable to MoneySavingExpert going forward. As a result, no rate of taxation has been attributed to the net profit of the sole trader business in this historical financial information.

Accordingly, the effective rate of tax presented in this combined historical financial information represents a blended rate of corporation tax for MoneySavingExpert.com and the zero tax rate for the applicable trade of Martin Lewis. Future tax on the net profits of MoneySavingExpert will be charged at the applicable corporation tax rate.

### ***Adoption of new and revised accounting standards***

A number of new standards, amendments to standards and interpretations have been issued during the year ended 31 October 2011 but are not yet effective, and therefore have not been applied in preparing these financial statements. They are not expected to have an impact on the financial statements except where noted below:

- Amended IAS 1 "*Presentation of financial statements on the statement of other comprehensive income (2010)*";
- Amended IAS 12 "*Income taxes: Deferred Tax – Recovery of underlying assets (2010)*";
- Revised IAS 19 "*Employee Benefits (2011)*";
- Amended IAS 27 "*Consolidated and Separate Financial Statements (2011)*";
- Amended IAS 28 "*Investments in associates and joint ventures (2011)*";
- IFRS 9 "*Financial Instruments: Classification and Measurement (2010)*" – the objective of this standard is to gradually phase out IAS 39 *Financial Instruments: Recognition and Measurement*. Phase One of this process specifically requires financial assets to be classified at amortised cost or at fair value. Further development phases for IFRS 9 are scheduled to cover key areas such as impairment, hedge accounting and the offsetting of assets and liabilities. It is effective for accounting periods beginning on or after 1 January 2015; early adoption is permitted, once the standard is endorsed by the EU. The adoption of IFRS 9 is not expected to have a significant impact upon the entity's net results or net assets;
- IFRS 10 "*Consolidated Financial Statements (2011)*";
- IFRS 11 "*Joint Arrangements (2011)*";
- IFRS 12 "*Disclosure of Interests in Other Entities (2011)*";
- IFRS 13 "*Fair value measurement (2011)*" – the objective of this standard is to give clearer guidance on how to measure fair value assets, liabilities and equity instruments held by a company by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs as adopted by the EU. This amendment is not expected to have a significant impact upon the entity accounts when adopted; and
- New Amendment to IAS 32 "*Financial Instruments: Presentation*" focusing on the offsetting of financial assets and financial liabilities – this amendment clarifies the offsetting criteria in IAS 32 and addresses inconsistencies in application. Similar amendments to IFRS 7 "*Financial*

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\*Not yet endorsed by the European Union

*Instruments: Disclosure*”, include minimum disclosure requirements related to financial assets and liabilities, including a tabular reconciliation of gross and net amounts of financial assets and financial liabilities, separately showing amounts offset and not offset in the statements of financial position. These amendments are effective for annual periods beginning on or after 1 January 2012. They are not expected to have a significant impact upon the entity accounts when adopted.

## **2. Summary of significant accounting policies**

### ***Overall considerations***

The accounting standards applied in the preparation of the financial information are those which will be applied to the MoneySupermarket.com Group’s next set of financial statements which are expected to be prepared as at and for the year ending 31 December 2012.

These accounting policies have been used throughout all periods presented in this combined historical financial information. The departures from IFRS applied by MoneySavingExpert and the effects of adoption of IFRS are outlined in Note 1 above.

The Financial Statements of MoneySavingExpert are prepared on the historical cost basis. The historical financial information is presented in UK £ Sterling. This currency is the functional and presentational currency of MoneySavingExpert.

The combined historical financial information of MoneySavingExpert is prepared on a going concern basis, which the Directors deem appropriate, given the positive cash position and trading position of MoneySavingExpert.

### ***Presentation of financial statements in accordance with IAS 1 (Revised 2007)***

The combined historical financial information is presented in accordance with IAS 1 Presentation of Financial Statements (Revised 2007), subject to certain adjustments which are required to reflect the fact that MoneySavingExpert is not a statutory entity. These adjustments are explained in more detail in Note 1. MoneySavingExpert has elected to present the Statement of Comprehensive Income in one statement.

### ***Use of estimates and judgements***

In the process of preparing this combined historical financial information, the Directors have been required to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The most significant areas of estimation uncertainty, and areas where critical judgements are made in applying accounting policies that have a material effect on the historical financial information, are listed below. The uncertainties encountered, and judgements made, are described in more detail in the relevant accounting policies and accompanying notes:

- Note 1 The basis of preparation to comply with the requirements of the United Kingdom Listing Authority and to enable the combined historical financial information to show a true and fair view for the purposes of this document.
- Note 1 Judgements applied in the combination and elimination adjustments to present the combined historical financial information as a stand-alone business.
- Note 10 Accrued revenue, which is an estimate that requires judgement and is based on the knowledge and experience of management personnel. For further details of how this estimate is prepared, see the Revenue accounting policy below.

### ***Revenue***

MoneySavingExpert generates fees from internet lead generation (click based revenue), through the operation of the MoneySavingExpert Website. The MoneySavingExpert Website contains numerous hyperlinks to third party websites, of which a number are revenue-generating. For those which are revenue-generating, there are a variety of contractual and non-contractual arrangements in place.

MoneySavingExpert recognises click based revenues and associated costs in the period that the lead is generated. Revenue is recognised net of VAT.

***Property, plant and equipment***

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful economic lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful economic life of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Plant and equipment (including IT equipment)	3 years
Fixtures and fittings	5 years
Motor vehicles	4 years

The useful economic lives and depreciation rates are reassessed at each reporting date.

***Intangible assets***

Intangible assets that are acquired by MoneySavingExpert and have finite useful economic lives are measured at initial cost less accumulated amortisation and accumulated impairment losses. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Comprehensive Income in the expense category consistent with the function of the intangible asset.

The estimated useful life for the intangible assets is as follows:

Market-related	10 years on a straight-line basis
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Market-related intangible assets are defined as those that are primarily used in the marketing or promotion of products and services, for example trade marks, trade names and internet domain names. Domain names, although only registered for two years, are re-registered on expiry. As the registration of the domain names is within the control of MoneySavingExpert, an amortisation period of 10 years is considered appropriate.

***Impairment***

The carrying amounts of MoneySavingExpert’s tangible and intangible assets are reviewed annually to determine whether there is any indication of impairment. If such indication exists, the asset’s recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

For the purposes of impairment reviews, the recoverable amount of MoneySavingExpert’s assets is taken to be the higher of their fair value less costs to sell and their value in use.

***Research and development***

Expenditure on research activities, undertaken with the prospect of gaining technical knowledge and understanding, is charged to the Statement of Comprehensive Income when incurred. Development expenditure is capitalised when it meets the criteria outlined in SIC 32 “Intangible Assets-Website costs”. Expenditure that does not meet the criteria is expensed directly to the Statement of Comprehensive Income.

***Cash and cash equivalents***

Cash and cash equivalents comprise cash balances and short-term deposits. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents for the purpose only of the Statement of Cash Flows.

***Provisions***

A provision is recognised if, as a result of a past event, MoneySavingExpert has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the

expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

### ***Employee benefits***

#### ***Defined contribution plans***

MoneySavingExpert operates a voluntary defined contribution pension scheme in respect of its staff and the director. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income as incurred. The assets of the scheme are held separately from those of MoneySavingExpert in an independently administered fund.

#### ***Short term employee benefits***

Short term employee benefit obligations are measured on an undiscounted basis and are recognised in the Statement of Comprehensive Income as the related service is provided.

A provision is recognised for the amount expected to be paid under short term cash bonus plans if MoneySavingExpert has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### ***Leases***

Leases in terms of which MoneySavingExpert assumes substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in MoneySavingExpert's statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

### ***Taxation***

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Due to the reasons explained in Note 1, no rate of taxation has been attributed to the net profit of the sole trader business in this combined historical financial information. Accordingly, the effective tax rate represents a blended rate of corporation tax for MoneySavingExpert.com and the zero tax rate for the applicable trade of Martin Lewis.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

The deferred tax (charge)/credit is recognised in the Statement of Comprehensive Income in accordance with IAS 12.

### ***Non-derivative financial instruments***

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.



#### *Trade and other receivables*

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method less any impairment losses.

#### *Trade and other payables*

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

#### *Loans and borrowings*

Loans comprise loans made by the director to MoneySavingExpert, which is measured initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

#### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of MoneySavingExpert's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

#### *Management of capital*

MoneySavingExpert's objective when managing capital is to safeguard MoneySavingExpert's ability to continue as a going concern. In assessing the level of capital, all components of equity and debt are taken into account i.e. invested capital and the director's loan.

MoneySavingExpert has no external debt as at 31 October 2009, 31 October 2010 or 31 October 2011 and is not subject to externally imposed capital requirements; management of capital therefore focuses around its ability to generate cash from its operations.

MoneySavingExpert believes it is meeting its objectives for managing capital as funds are available for reinvestment where necessary as well as being in a position to make returns to stakeholders where this is felt appropriate.

### **3. Segmental information**

#### ***Business segments***

As explained in Note 1, this combined historical financial information discloses information about segments based upon the information that is anticipated to be provided to the Chief Operating Decision Maker, the Company Board, of MoneySupermarket.com in the future. This results in operating segments defined in accordance with those presented in the financial statements of MoneySupermarket.com. MoneySavingExpert has disclosed four reportable segments, being Money, Insurance, Travel and Home. All four reportable segments operate under the brand name MoneySavingExpert.com. This disclosure correlates with the information which is presented to the MoneySupermarket.com Company Board, which reviews revenue by segment.

MoneySavingExpert's costs, finance income, tax charges and net assets are only expected to be reviewed by the Chief Operating Decision Maker at a consolidated level, and therefore have not been allocated between segments in the analysis below.

All the revenue of MoneySavingExpert was generated in the United Kingdom.

	<b>Money £000</b>	<b>Insurance £000</b>	<b>Travel £000</b>	<b>Home £000</b>	<b>Total £000</b>
<b>Year ended 31 October 2009</b>					
<b>Revenue</b>					
Segment revenue	3,664	4,202	304	1,566	9,736
<b>Results</b>					
Operating expenses					(2,860)
Profit from operating activities					6,876
Finance income					90
Profit before tax					6,966
Income tax charge					(39)
<b>Profit for the year</b>					<b>6,927</b>
<b>At 31 October 2009</b>					
<b>Assets and liabilities</b>					
Intangible assets					13
Other unallocated assets					9,970
<b>Total assets</b>					<b>9,983</b>
Deferred tax liability					8
Other unallocated liabilities					4,299
<b>Total liabilities</b>					<b>4,307</b>
<b>Other segment information</b>					
<b>Capital expenditure</b>					
Property, plant and equipment					94
Intangible fixed assets					4
<b>Total capital expenditure</b>					<b>98</b>
Depreciation					38
Amortisation					1

	<b>Money £000</b>	<b>Insurance £000</b>	<b>Travel £000</b>	<b>Home £000</b>	<b>Total £000</b>
<b>Year ended 31 October 2010</b>					
<b>Revenue</b>					
Segment revenue	5,268	3,862	269	1,962	11,361
<b>Results</b>					
Operating expenses					(3,027)
Profit from operating activities					8,334
Finance income					49
Profit before tax					8,383
Income tax charge					(299)
<b>Profit for the year</b>					<b>8,084</b>
<b>At 31 October 2010</b>					
<b>Assets and liabilities</b>					
Intangible assets					20
Other unallocated assets					10,800
<b>Total assets</b>					<b>10,820</b>
Deferred tax liability					5
Other unallocated liabilities					4,865
<b>Total liabilities</b>					<b>4,870</b>
<b>Other segment information</b>					
<b>Capital expenditure</b>					
Property, plant and equipment					13
Intangible fixed assets					9
<b>Total capital expenditure</b>					<b>22</b>
Depreciation					43
Amortisation					2

	Money £000	Insurance £000	Travel £000	Home £000	Total £000
<b>Year ended 31 October 2011</b>					
<b>Revenue</b>					
Segment revenue	7,858	4,135	205	3,575	15,773
<b>Results</b>					
Operating expenses					(3,175)
Profit from operating activities					12,598
Finance income					46
Profit before tax					12,644
Income tax charge					(849)
<b>Profit for the year</b>					<b>11,795</b>
<b>At 31 October 2011</b>					
<b>Assets and liabilities</b>					
Intangible assets					18
Deferred tax asset					2
Other unallocated assets					16,680
<b>Total assets</b>					<b>16,700</b>
Other unallocated liabilities					5,373
<b>Total liabilities</b>					<b>5,373</b>
<b>Other segment information</b>					
<b>Capital expenditure</b>					
Property, plant and equipment					9
Intangible fixed assets					—
<b>Total capital expenditure</b>					<b>9</b>
Depreciation					42
Amortisation					2

#### **Major customers**

Revenues from MoneySupermarket.com represent approximately £9,300,000 (2010: £6,100,000, 2009: £4,600,000) of MoneySavingExpert's revenues, across all segments.

Revenues from a further single customer in 2010 represent approximately £1,200,000, in total of MoneySavingExpert's revenues, across all segments. Revenues from this customer did not exceed 10 per cent. of revenue in 2009 or 2011.

No other customer represented more than 10 per cent. of revenue in 2009, 2010 or 2011.

#### **4. Results from operating activities**

	31 October 2009 £000	31 October 2010 £000	31 October 2011 £000
<b>Profit before taxation is stated after charging</b>			
Depreciation	38	43	42
Amortisation of intangible assets	1	2	2
Operating lease rentals	—	57	59
Auditor's remuneration	5	4	15

Auditor's remuneration relates to the statutory audits for MoneySavingExpert.com only. No statutory audits were conducted for the elements of MoneySavingExpert relating to Martin Lewis as this does not require a statutory audit as a sole trader.

## 5. Staff numbers and cost

The average number of persons employed by MoneySavingExpert (including the director) during the year, analysed by category, was as follows:

	Number of employees 31 October 2009	Number of employees 31 October 2010	Number of employees 31 October 2011
IT operations	11	13	12
Administration	5	6	7
Editorial	10	14	16
	<u>26</u>	<u>33</u>	<u>35</u>

The aggregate payroll costs of these persons were as follows:

	31 October 2009 £000	31 October 2010 £000	31 October 2011 £000
Wages and salaries	1,264	1,506	1,411
Compulsory social security contributions	131	171	152
Contributions to defined contribution plans	278	314	76
	<u>1,673</u>	<u>1,991</u>	<u>1,639</u>

Information regarding key management remuneration is disclosed in more detail in Note 19.

## 6. Finance income

	31 October 2009 £000	31 October 2010 £000	31 October 2011 £000
<b>Finance income</b>			
Interest received on bank deposits	90	49	46

## 7. Income tax

Income tax charged in the Statement of Comprehensive Income

	31 October 2009 £000	31 October 2010 £000	31 October 2011 £000
<b>Current tax</b>			
Current tax on income for the year	33	303	856
<b>Deferred tax</b>			
Origination and reversal of temporary differences	6	(4)	(7)
<b>Tax on profit on ordinary activities</b>	<u>39</u>	<u>299</u>	<u>849</u>

### *Reconciliation of the effective tax rate*

The tax charge for the year is lower (2010: lower, 2009: lower) than the standard rate of corporation tax in the UK in 2011 of 26.8 per cent. (2010: 28 per cent., 2009: 28 per cent.). The differences are explained below. In particular, due to the reasons explained in Note 1, no rate of taxation has been attributed to the net profit of the sole trader business in this combined historical financial information.



	<b>31 October 2009 £000</b>	<b>31 October 2010 £000</b>	<b>31 October 2011 £000</b>
Profit for the year	6,966	8,383	12,644
Standard rate of tax at 26.8% (2010 & 2009: 28%)	1,950	2,347	3,389
<b>Effects of:</b>			
Net profit attributable to sole trader (0%)	(1,905)	(2,051)	(2,540)
Expenses not deductible for tax purposes	—	3	—
Marginal relief	(6)	—	—
<b>Tax on profit on ordinary activities (see above)</b>	<b>39</b>	<b>299</b>	<b>849</b>

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22 per cent. by 2014. A reduction in the rate from 26 per cent. to 25 per cent. (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24 per cent. (effective from 1 April 2012) was substantively enacted on 26 March 2012. This will reduce the future current tax charge and the deferred tax asset accordingly. The deferred tax asset at 31 October 2011 has been calculated based on the rate of 25 per cent. substantively enacted at the balance sheet date. It has not yet been possible to quantify the full anticipated effect of the announced further 2 per cent. rate reduction on this historical financial information, although this will further reduce the future current tax charge and reduce the deferred tax asset accordingly.

## 8. Property, plant and equipment

	<b>Motor vehicles £000</b>	<b>Plant and equipment £000</b>	<b>Fixtures and fittings £000</b>	<b>Total £000</b>
<b>Cost:</b>				
At 1 November 2008	15	43	7	65
Additions	—	92	2	94
Disposals	—	—	—	—
At 31 October 2009	15	135	9	159
Additions	—	12	1	13
Disposals	—	(1)	—	(1)
At 31 October 2010	15	146	10	171
Additions	—	8	1	9
Disposals	—	(33)	(3)	(36)
At 31 October 2011	15	121	8	144
<b>Depreciation:</b>				
At 1 November 2008	8	25	2	35
Depreciation for the year	2	34	2	38
Disposals	—	—	—	—
At 31 October 2009	10	59	4	73
Depreciation for the year	2	39	2	43
Disposals	—	(1)	—	(1)
At 31 October 2010	12	97	6	115
Depreciation for the year	2	38	2	42
Disposals	—	(33)	(3)	(36)
At 31 October 2011	14	102	5	121
<b>Carrying amounts:</b>				
At 31 October 2009	5	76	5	86
At 31 October 2010	3	49	4	56
At 31 October 2011	1	19	3	23

## 9. Intangible assets

	<b>Market related £000</b>
<b>Cost:</b>	
At 1 November 2008	11
Additions	4
At 31 October 2009	15
Additions	9
At 31 October 2010	24
Additions	—
At 31 October 2011	24
<b>Amortisation:</b>	
At 1 November 2008	1
Charged during the year	1
At 31 October 2009	2
Charged during the year	2
At 31 October 2010	4
Charged during the year	2
At 31 October 2011	6
<b>Carrying amounts:</b>	
At 31 October 2009	13
At 31 October 2010	20
At 31 October 2011	18

On an annual basis, MoneySavingExpert is required to assess its intangible assets which have finite lives for indications of impairments. Management have considered the assumptions relating to the intangible assets and believe that they remain applicable, and that no indication of impairment exists and so no adjustment is required to their carrying value, nor their useful economic lives. This is based on MoneySavingExpert being profitable and cash generative and there being no other indicators of impairment.

## 10. Trade and other receivables

	<b>31 October 2009 £000</b>	<b>31 October 2010 £000</b>	<b>31 October 2011 £000</b>
Trade receivables	3,025	5,361	7,202

All receivables fall due within one year.

As a result of click based revenue being recognised in the period that the lead is generated, a revenue accrual is recognised at the year end date. All accrued revenue is current, as it has not been billed to the customer. At the point that the customer confirms the revenue share due to MoneySavingExpert, an invoice is raised against the accrued amount.

Management makes estimates for the un-collectability of trade debtors. Management analyse historical bad debts, consumer credit history, current economic trends and changes in customer payment terms when evaluating the adequacy of the bad debt provision.

At 31 October 2011, trade receivables are shown net of a provision for doubtful debts of £92,302 (2010: £40,325, 2009: £41,399), which represents a judgement made by management of which receivable balances are unlikely to be recovered taking into consideration the ageing of the debt, evidence of poor payment history or financial position of a particular debtor.

Movements in the provision for doubtful debts were as follows:

	<b>2009</b>	<b>2010</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 November	5	41	40
Charge for the year	87	20	3
Amounts written off	(51)	(21)	49
<b>At 31 October</b>	<b>41</b>	<b>40</b>	<b>92</b>

As at 31 December, the analysis of trade receivables that were past due but not impaired was as follows:

	<b>Total</b>	<b>Neither</b>	<b>Past due not impaired</b>				<b>&gt; 120</b>
			<b>past due</b>	<b>0-30 days</b>	<b>30-60</b>	<b>60-90</b>	
	<b>£000</b>	<b>nor</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 31 October 2009	3,025	1,733	1,009	266	11	11	(5)
At 31 October 2010	5,361	3,570	1,517	168	103	3	—
At 31 October 2011	7,202	3,590	1,360	1,091	1,014	147	—

MoneySavingExpert's standard payment terms are that invoices are payable on presentation. Accrued revenue that has not been billed is classified as current debt.

## 11. Cash and cash equivalents

	<b>31 October</b>	<b>31 October</b>	<b>31 October</b>
	<b>2009</b>	<b>2010</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Bank balances	6,751	4,479	7,641
Call deposits	100	817	1,736
Cash and cash equivalents	6,851	5,296	9,377

Call deposits meet the definition of cash equivalents as they are considered short-term (readily convertible to cash within 3 months) and are not subject to significant risk of change in value.

## 12. Trade and other payables

	<b>31 October</b>	<b>31 October</b>	<b>31 October</b>
	<b>2009</b>	<b>2010</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade payables	52	34	40
Non-trade payables and accrued expenses	521	631	843
	573	665	883

### 13. Director's current account

	31 October 2009 £000	31 October 2010 £000	31 October 2011 £000
Director's current account	3,693	3,897	3,634

All amounts are repayable on demand and do not bear interest.

As at 31 October, the maturity analysis of financial liabilities within trade payables, non-trade payables and accrued expenses, and the director's loan is as follows:

	Total £000	2 months or less £000
At 31 October 2009	4,266	4,266
At 31 October 2010	4,562	4,562
At 31 October 2011	4,517	4,517

As at 31 October 2009, 2010 and 2011, MoneySavingExpert did not hold any other financial liabilities requiring disclosure under IAS 32.

### 14. Deferred tax (assets)/liabilities

	2009 £000	2010 £000	2011 £000
At 1 November	3	8	5
Temporary differences	5	(3)	(7)
<b>At 31 October</b>	<b>8</b>	<b>5</b>	<b>(2)</b>

Deferred tax (assets)/liabilities are attributable to the following:

	2009		2010		2011	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Property, plant & equipment	—	8	—	5	(2)	—
Tax (assets)/liabilities	—	8	—	5	(2)	—

### 15. Invested capital

#### Retained earnings

	2009 £000	2010 £000	2011 £000
At 1 November	6,811	5,676	5,950
Profit	6,927	8,084	11,795
Drawings of the sole trader	(8,062)	(7,810)	(6,418)
<b>At 31 October</b>	<b>5,676</b>	<b>5,950</b>	<b>11,327</b>

Due to the nature of the entities within MoneySavingExpert there are no separate Capital amounts.

## 16. Financial instruments

### *Interest rate risk*

MoneySavingExpert invests its cash in a range of cash deposit accounts with UK banks. Interest earned therefore closely follows movements in market interest rates. A movement of 1 per cent. in the interest rate earned would result in a difference in annual pre-tax profit of £93,770 (2010: £52,960, 2009: £68,510) based on cash, cash equivalents and financial instruments at 31 October 2011. At the balance sheet date, £3,551,089 (2010: £2,388,960, 2009: £4,496,645) was invested with Santander, this being the most invested with any one bank.

### *Effective interest rates*

In respect of interest-earning financial assets, the following table indicates their effective interest rates at the year end date.

	31 October 2009		31 October 2010		31 October 2011	
	Effective interest rate	£000	Effective interest rate	£000	Effective interest rate	£000
Cash and cash equivalents	1.79%	6,851	1.10%	5,296	0.65%	9,377

### *Liquidity risk*

MoneySavingExpert at all times maintains adequate cash reserves in order to meet all of its commitments as and when they fall due. All financial liabilities are payable within 6 months or less from the year end. At year end, MoneySavingExpert was in a net current assets position of £11,284,000 (2010: £5,879,000, 2009: £5,585,000).

### *Credit risk*

Credit risk with respect to trade receivables is monitored on an ongoing basis by the credit control team and finance management. By value, over 68 per cent. (2010: 67 per cent., 2009: 64 per cent.) of MoneySavingExpert's revenue comes from blue chip companies. Invoices are payable upon presentation, and all debts over 120 days overdue are fully provided against. At the balance sheet date, the five largest trade receivables, by provider, accounted for 82 per cent. (2010: 86 per cent., 2009: 78 per cent.) of the total trade receivables balance of £7,202,000 (2010: £5,361,000, 2009: £3,025,000) and the largest individual balance was £5,054,000 (2010: £4,014,000, 2009: £1,647,000).

Amounts shown in the statement of financial position best represent the maximum credit risk exposure in the event that other parties fail to perform their obligations under financial instruments. The maximum credit exposure at the reporting date was:

	31 October 2009 £000	31 October 2010 £000	31 October 2011 £000
Trade & other receivables	3,025	5,361	7,202
Cash & cash equivalents	6,851	5,296	9,377
	9,876	10,657	16,579

### *Fair values*

MoneySavingExpert's financial assets and liabilities are principally short-term in nature, and therefore their fair value is not materially different from their carrying value. All financial assets and liabilities are carried at amortised cost.



## 17. Operating lease commitments

The future minimum lease commitments under non-cancellable operating leases in respect of land and buildings are as follows:

	31 October 2009 £000	31 October 2010 £000	31 October 2011 £000
Operating lease committed payments:			
Within one year	—	59	59
Between two and five years	—	68	10
Over five years	—	—	—
	—	127	69

## 18. Pensions and other post-employment benefit plans

MoneySavingExpert operates voluntary defined contribution pension schemes in respect of its staff and the director. The assets of the schemes are held separately from those of MoneySavingExpert in independently administered funds. The amounts charged to the Statement of Comprehensive Income represent the contributions payable to the schemes in respect of the accounting period. In the year ended 31 October 2011, £75,528 of contributions were charged to the Statement of Comprehensive Income (2010: £314,396, 2009: £278,204). As at 31 October 2011, £8,402 (2010: £nil, 2009: £5,799) of contributions were outstanding on the balance sheet.

## 19. Related party transactions

As explained in Note 1, MoneySavingExpert is a combination of the financial information of the trade and assets of an unlimited company, MoneySavingExpert.com, with specified trade and assets of a sole trader business, Martin Lewis. As the sole director of MoneySavingExpert.com, Martin Lewis is a related party to MoneySavingExpert.

### *Transactions with key management personnel*

Key management is defined as “the director”. There were outstanding unsecured amounts loaned by the director to MoneySavingExpert by way of a director’s current account of £3,633,866 at 31 October 2011 (2010: £3,897,296, 2009: £3,693,367). No interest is payable by MoneySavingExpert.

The director has not taken any dividends from MoneySavingExpert.com (2010: £nil, 2009: £nil). The director has made drawings of £6,418,000 (2010: £7,810,000, 2009: £8,062,000) in his capacity of sole trader.

### *Key management personnel compensation*

The director received the following compensation during the year:

	31 October 2009 £000	31 October 2010 £000	31 October 2011 £000
Short-term employee benefits	269	511	101
Post-employment benefits	245	255	—
	514	766	101

The above analysis discloses remuneration information of the director in his capacity as director of MoneySavingExpert.com. In his capacity as proprietor of the sole trader business, Martin Lewis receives no remuneration by way of employee benefits.

### *Other related party transactions*

The director holds positions in other entities that result in him having control or significant influence over the financial or operating policies of these entities.

A number of these entities transacted with MoneySavingExpert in the prior period.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

Martin Lewis, the director, was also director and shareholder of Money Saving Productions Limited. Included in 2009 revenue is a charge to Money Saving Productions Limited of £7,292 for use of its facilities of which none was outstanding at 31 October 2009. There were no transactions in 2010 or 2011.

Martin Lewis also trades as a sole trader. All relevant transactions with the sole trader business have been eliminated on consolidation in this combined historical financial information as described further in Note 1.

**20. Events after the year end date**

There have been no significant post-balance sheet events requiring disclosure.

## REPORT BY KPMG ON THE HISTORICAL FINANCIAL INFORMATION



The Board of Directors  
MoneySupermarket.com Group PLC  
St David's Park  
Ewloe, Nr Chester  
CH5 3UZ

8 June 2012

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Dear Sirs

### **MoneySavingExpert**

We report on the financial information set out on pages 30 to 50 of the Class 1 circular dated 8 June 2012 of MoneySupermarket.com Group PLC ("MoneySupermarket.com") for the three years ended 31 October 2011. This financial information has been prepared for inclusion in the Class 1 circular relating to the acquisition of MoneySavingExpert dated 8 June 2012 of MoneySupermarket.com on the basis of the accounting policies set out in Note 1 on page 33 of the same. This report is required by paragraph 13.5.21R of the Listing Rules and is given for the purpose of complying with that paragraph and for no other purpose.

### **Responsibilities**

The Directors of MoneySupermarket.com are responsible for preparing the financial information on the basis of preparation set out in Note 1 to the financial information.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to MoneySupermarket.com shareholders as a result of the inclusion of this report in the Class 1 circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R (6), consenting to its inclusion in the Class 1 circular.

### **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

**Opinion on financial information**

In our opinion, the financial information gives, for the purposes of the Class 1 circular dated 8 June 2012, a true and fair view of the state of affairs of MoneySavingExpert as at 31 October 2009, 31 October 2010 and 31 October 2011 and of its combined profits, comprehensive income and cash flows for the years ended 31 October 2009, 31 October 2010 and 31 October 2011 in accordance with the basis of preparation set out in Note 1 and has been prepared in a form that is consistent with the accounting policies adopted in MoneySupermarket.com's latest annual accounts.

Yours faithfully

KPMG Audit Plc

## PART IV

### UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

Set out below is an unaudited *pro forma* statement of net assets of the Enlarged Group which has been prepared to illustrate the effect the Acquisition might have had on the consolidated net assets of the Enlarged Group as at 31 December 2011, had the Acquisition been completed on that date. This table has been prepared for illustrative purposes only, and because of its nature addresses a hypothetical situation and does not represent the Enlarged Group's actual financial position following the Proposed Acquisition. The unaudited *pro forma* net assets statement has been prepared on a basis consistent with the accounting policies of MoneySupermarket.com used in preparing the financial statements for the year ended 31 December 2011 and is compiled on the basis set out in the notes below.

	Money Super market.com	Adjustments						Pro forma	
	Note 1 £000	Note 2 £000	Note 3 £000	Note 4 £000	Note 5 £000	Note 6 £000	Note 7 £000	Note 8 £000	£000
<b>Non-current assets</b>									
Property, plant and equipment	10,952	23	—	—	—	—	—	—	10,975
Intangible assets	160,634	18	—	—	—	—	60,000	—	220,652
Investments in associates	1,000	—	—	—	—	—	—	—	1,000
Deferred tax asset	—	2	—	—	—	—	—	—	2
<b>Total non-current assets</b>	<b>172,586</b>	<b>43</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>60,000</b>	<b>—</b>	<b>232,629</b>
<b>Current assets</b>									
Trade and other receivables	15,974	7,202	(7,202)	—	—	—	—	—	15,974
Prepayments	1,896	78	(78)	—	—	—	—	—	1,896
Cash and cash equivalents	35,005	9,377	(9,377)	(4,433)	4,000	(35,000)	—	(2,000)	(2,428)
<b>Total current assets</b>	<b>52,875</b>	<b>16,657</b>	<b>(16,657)</b>	<b>(4,433)</b>	<b>4,000</b>	<b>(35,000)</b>	<b>—</b>	<b>(2,000)</b>	<b>15,442</b>
<b>Total assets</b>	<b>225,461</b>	<b>16,700</b>	<b>(16,657)</b>	<b>(4,433)</b>	<b>4,000</b>	<b>(35,000)</b>	<b>60,000</b>	<b>(2,000)</b>	<b>248,071</b>
<b>Current liabilities</b>									
Trade and other payables	28,898	883	(883)	(4,433)	—	—	—	—	24,465
Directors current account	—	3,634	(3,634)	—	—	—	—	—	—
Borrowings	—	—	—	—	—	—	—	—	—
Current tax liabilities	6,750	856	(856)	—	—	—	—	—	6,750
<b>Total current liabilities</b>	<b>35,648</b>	<b>5,373</b>	<b>(5,373)</b>	<b>(4,433)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>31,215</b>
<b>Non-current liabilities</b>									
Borrowings	—	—	—	—	4,000	—	—	—	4,000
Other non-current liabilities	—	—	—	—	—	—	—	—	—
Deferred tax liability	23,251	—	—	—	—	—	—	—	23,251
<b>Total non-current liabilities</b>	<b>23,251</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>4,000</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>27,251</b>
<b>Total liabilities</b>	<b>58,899</b>	<b>5,373</b>	<b>(5,373)</b>	<b>(4,433)</b>	<b>4,000</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>58,466</b>
<b>Net assets</b>	<b>166,562</b>	<b>11,327</b>	<b>(11,284)</b>	<b>—</b>	<b>—</b>	<b>(35,000)</b>	<b>60,000</b>	<b>(2,000)</b>	<b>189,605</b>

1. The net assets of MoneySupermarket.com as at 31 December 2011 have been extracted without material adjustment from its published year end financial statements for the 12 month period ended 31 December 2011.



2. As set out in Note 1 of Part III of this document, the assets of MoneySavingExpert to be acquired have been extracted from the statement of financial position of MoneySavingExpert as at 31 October 2011, which combines the trade and assets of an unlimited company, MoneySavingExpert.com, with specified trade and assets of a sole trader business of Martin Lewis as described in the basis of preparation on page 33.
3. The adjustment in Note 3 represents the removal of £9,377,000 of cash and repayment of the director's loan of £3,634,000 that will not be acquired by MoneySupermarket.com, as the Acquisition is structured on a cash-free and debt-free basis. The adjustment also removes £7,202,000 of trade receivables, £78,000 of prepayments, £883,000 of trade payables and £856,000 of tax creditor that will not be acquired by MoneySupermarket.com.
4. The adjustment in Note 4 reflects the inter-company repayments that will be made pre-Completion, which reflect the settlement of trading balances between MoneySupermarket.com and MoneySavingExpert. The adjustments reflect the position held by MoneySupermarket.com at the year end date of 31 December 2011.
5. The adjustment in Note 5 reflects the expected draw-down of a portion of the Bank Facility. Completion of the Acquisition is conditional upon satisfaction of a number of conditions, the exact timing of which is uncertain. For the purposes of this unaudited *pro forma* statement of net assets, the Company has assumed that Completion occurs in September 2012, in which case it anticipates that £4,000,000 will be drawn down from the total available facility of £20,000,000.
6. The adjustment in Note 6 reflects the initial purchase consideration of the Acquisition, payable on Completion. The initial consideration to be received by the Seller under the terms of the Sale and Purchase Agreement is £60,000,000, split between £35,000,000 in cash and £25,000,000 in consideration shares.
7. The adjustment in Note 7 represents the intangible assets that will be recognised in the Enlarged Group's financial statements upon Completion of the Acquisition. The amount disclosed of £60,000,000 is calculated as the cash purchase consideration of £35,000,000 plus the consideration in shares of £25,000,000. A fair value assessment of the assets and liabilities acquired, including a valuation of the intangible assets, as required by IFRS 3 (Revised) has not yet been performed but will be prepared for inclusion in the financial statements of MoneySupermarket.com for the year ending 31 December 2012. The Directors of MoneySupermarket.com believe that such an exercise will not result in any significant adjustments to the book value of MoneySavingExpert's tangible assets and liabilities, but expect that a significant element of the purchase price will be allocated to intangible assets which will be amortised over their relevant useful economic lives. Any excess of the consideration over the fair value of the assets acquired will be allocated to goodwill. In addition to the consideration disclosed above, a maximum of £27,000,000 contingent consideration could become payable in three years. As this contingent consideration is dependent on the continued employment of Martin Lewis, under IFRS 3 (Revised) it will be treated as a cost of continuing employment and therefore is recognised as an expense over the relevant period. Accordingly no liability would have been recognised at 31 December 2011.
8. Note 8 reflects the adjustment to cash and cash equivalents in respect of acquisition related expenses to be incurred up to completion of £2,000,000 payable by MoneySupermarket.com in respect of the Acquisition, which are assumed for the purposes of this *pro forma* financial information to be expensed in accordance with IFRS 3 (Revised).

No adjustment has been made to reflect the trading results of MoneySupermarket.com since 31 December 2011 or of MoneySavingExpert since 31 October 2011 or any other change in their financial positions in these periods.

# ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP



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The Board of Directors  
MoneySupermarket.com Group PLC  
MoneySupermarket.com House  
St David's Park  
Ewloe, Nr Chester  
CH5 3UZ

8 June 2012

Dear Sirs

## **MoneySupermarket.com Group PLC**

We report on the *pro forma* statement of net assets of MoneySupermarket.com Group PLC ("MoneySupermarket.com") (the "**Pro forma financial information**") set out in Part IV of the Class 1 circular dated 8 June 2012, which has been prepared on the basis described in Part IV on page 53 of the same for illustrative purposes only, to provide information about how the acquisition of MoneySavingExpert might have affected the financial information presented on the basis of the accounting policies adopted by MoneySupermarket.com in preparing the financial statements for the period ended 31 December 2011. This report is required by paragraph 13.3.3R of the Listing Rules of the Financial Services Authority and is given for the purpose of complying with that paragraph and for no other purpose.

## **Responsibilities**

It is the responsibility of the directors of MoneySupermarket.com to prepare the Pro forma financial information in accordance with paragraph 13.3.3R of the Listing Rules of the Financial Services Authority.

It is our responsibility to form an opinion, as required by paragraph 7 of Annex II of the Prospectus Directive Regulation, as to the proper compilation of the Pro forma financial information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to MoneySupermarket.com shareholders as a result of the inclusion of this report in the Class 1 circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R(6), consenting to its inclusion in the Class 1 circular.

## **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial

information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the Directors of MoneySupermarket.com.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of MoneySupermarket.com.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

**Opinion**

In our opinion:

- the Pro forma financial information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of MoneySupermarket.com.

Yours faithfully

KPMG Audit Plc

## PART V

### SUMMARY OF THE PRINCIPAL TERMS AND CONDITIONS OF THE ACQUISITION AGREEMENT AND RELATED DOCUMENTATION

The following is a summary of the principal terms of the Acquisition.

#### 1. Overview of the Acquisition

Please refer to paragraphs 1 and 2 of the Chairman's letter in Part I (Letter from the Chairman) of this document for an overview of the Acquisition.

Under the terms of the Acquisition Agreement, MoneySupermarket.com has conditionally agreed to purchase certain assets owned and operated by Martin Lewis in his capacity as a sole trader which are used by MoneySavingExpert. These assets include, *inter alia*, certain intellectual property rights and the assets required to operate the insurance division of MoneySavingExpert. MoneySupermarket.com Newco has conditionally agreed to purchase all of the assets held by MoneySavingExpert.com.

#### 2. Summary of the key terms of the Acquisition Agreement

##### *The Acquisition Agreement*

The Acquisition Agreement is dated 1 June 2012 and is between Martin Lewis, MoneySavingExpert.com, MoneySupermarket.com, and MoneySupermarket.com Newco.

##### *Conditions*

Completion of the Acquisition under the Acquisition Agreement is conditional upon:

- the Resolution being passed by Shareholders approving the Acquisition;
- the OFT issuing a decision in terms satisfactory to MoneySupermarket.com and MoneySupermarket.com Newco that it is not its intention to refer any of the transactions contemplated by the Acquisition Agreement or matters arising out of the Acquisition Agreement to the Competition Commission pursuant to the Enterprise Act 2002 and the time allowed for an application for review of such decision having expired without any such application for review having been made; and
- admission of the Initial Consideration Shares becoming effective.

MoneySupermarket.com may agree to waive the condition that a decision from the OFT is obtained confirming that the OFT does not intend to refer the Acquisition to the Competition Commission. In the event that MoneySupermarket.com waives this condition and the OFT refers the Acquisition to the Competition Commission, and provided that the parties agree, the Acquisition will become conditional upon the Competition Commission:

- making a report which contains a decision that the Acquisition is not a merger for the purposes of the Enterprise Act 2002;
- making a report that the Acquisition is not expected to result in a substantial lessening of competition within any market in the United Kingdom for goods and services; or
- deciding that the Acquisition may result in a substantial lessening of competition but nevertheless allowing the Acquisition to proceed on terms satisfactory to MoneySupermarket.com and MoneySupermarket.com Newco.

The Acquisition Agreement will terminate with immediate effect in the event that the conditions are not satisfied (or waived where applicable) within:

- nine months of the date of the Acquisition Agreement, if the OFT does not refer the Acquisition to the Competition Commission; or
- 12 months of the date of any referral of the Acquisition to the Competition Commission, in the event that the OFT does refer the Acquisition to the Competition Commission.

##### *Consideration*

The aggregate consideration for the Acquisition is up to £87,000,000. On Completion, the initial consideration payable is £60,000,000, such amount to be satisfied by an in aggregate cash payment of £35,000,000 to MoneySavingExpert.com and Martin Lewis and the issue of 22,123,894 Initial Consideration Shares to Martin Lewis.

The Initial Consideration Shares are expected to be issued on Completion and will be issued and credited as fully paid and will upon issue rank *pari passu* in all respects with the other MoneySupermarket.com Shares in issue at that time, including the right to receive in full all dividends and other distributions (if any) declared, made or paid by reference to a record date after issue. The Company will only be permitted to issue the Initial Consideration Shares at Completion if it has obtained an independent valuation of MoneySavingExpert in accordance with section 593 of the Companies Act 2006. Such valuations are valid for six months. The Company obtained such a valuation on 6 June 2012. As a result, if Completion occurs more than six months after 6 June 2012, a new valuation will be required. In the event that a new valuation is not available at Completion, the Company can delay the allotment and issue of Initial Consideration Shares until a valuation is obtained. The Company can in such circumstances delay the allotment and issue of Initial Consideration Shares for up to three years, after which it will instead pay Martin Lewis £25,000,000 in cash. In addition, if, following Completion and prior to the Initial Consideration Shares being issued, a takeover offer is made for the Company which becomes wholly unconditional, the Company will not be required to issue such Initial Consideration Shares but will pay Martin Lewis £25,000,000 in cash. The Company has agreed to indemnify Martin Lewis against the effects on him of such a delay to the allotment and issue of Initial Consideration Shares.

Following Completion, additional amounts of up to £27,000,000 may be payable by MoneySupermarket.com in accordance with the deferred consideration and employee bonus provisions of the Acquisition Agreement. Approximately 93 per cent. of such additional amounts will be paid to Martin Lewis by way of deferred consideration and the remainder will be paid to certain employees by way of bonus. The payment of up to £19,125,000 in deferred consideration and employee bonuses will be dependent on the achievement of non-financial performance criteria as follows:

- up to £3,375,000 will be payable based on achieving growth of up to 20 per cent. in consumer brand awareness of the MoneySavingExpert brand over a three year period;
- up to £7,875,000 will be payable based on achieving growth of up to approximately 50 per cent. in the volume of unique visitors to the Website; and
- up to £7,875,000 will be payable if growth of up to approximately 60 per cent. is achieved in the volume of user “clicks” on links.

MoneySupermarket.com may also, in its sole discretion, elect to pay Martin Lewis and employees of MoneySavingExpert a total discretionary payment of up to £7,875,000, of which approximately 93 per cent. will be deferred consideration and the remainder will be employee bonuses.

In the event that Martin Lewis ceases to be an employee of the Enlarged Group at any point before the third anniversary of Completion, whether or not Martin Lewis is eligible for part or all of the deferred consideration shall also be dependent upon whether Martin Lewis is a “good leaver” or a “bad leaver” and the circumstances surrounding Martin Lewis ceasing to be employed by the Enlarged Group.

The payment of the deferred consideration and bonuses is also connected with the operation of the Editorial Code. Further details regarding the Editorial Code are set out in paragraph 5 “Summary of the key terms of the Editorial Code” in this Part V (Summary of the Principal Terms and Conditions of the Acquisition Agreement and Related Documentation) of this document.

The deferred consideration and bonuses will be calculated and paid after the third anniversary of Completion. The deferred consideration (if payable) may, at the election of MoneySupermarket.com, be satisfied by: (a) the issue of Consideration Shares (up to 50 per cent. of the total deferred consideration payment payable); (b) the payment of cash; or (c) a combination of Consideration Shares and a cash payment. The number of Consideration Shares issued (if any) as part of any deferred consideration payable will be determined by reference to the average of the middle market quotations for MoneySupermarket.com Shares for the 15 days immediately before the third anniversary of Completion.

### *Lock-Up*

Under the terms of the Acquisition Agreement, Martin Lewis has agreed that he will not seek to dispose of the Initial Consideration Shares for a three year period from Completion, subject to certain exceptions and with provision for an orderly sell-down during the 12 month period following expiry of the lock-up period.

In the event that Consideration Shares are issued to Martin Lewis as deferred consideration, Martin Lewis has agreed that he will only be permitted to dispose of up to one-third of those Consideration Shares from the end of the first year following the issue of those shares, up to two-thirds from the end of the second year following the issue of those shares and up to the full amount of those Consideration Shares from the end of the third year following issue of those shares. The disposal of any Consideration Shares issued as deferred consideration will also be subject to orderly sell-down restrictions for a 12 month period from the date disposal is permitted.

### *Representations and warranties*

The Sellers have each made certain representations and warranties and given certain indemnities regarding MoneySavingExpert.

The aggregate liability of the Sellers in respect of any claims arising in connection with the warranties and indemnities provided under the Acquisition Agreement is limited to £60,000,000 and any claims must generally be notified within two years of Completion.

MoneySupermarket.com and MoneySupermarket.com Newco have also made certain representations which are usual for a transaction of this kind.

### *Termination*

The Acquisition Agreement provides that MoneySupermarket.com and MoneySupermarket.com Newco may terminate the Acquisition Agreement with immediate effect at any time prior to Completion in the event that: (a) certain specified representations or warranties given by the Sellers have become untrue or inaccurate or have been breached in any material respect and such breach has had, or is reasonably expected to have, a material adverse effect on MoneySavingExpert such that had MoneySupermarket.com known of the breach prior to entering into the Acquisition Agreement it either would not have done so or would have done so only on materially different terms (a “**Material Adverse Effect**”); (b) certain other specified representations or warranties given by the Sellers have become untrue or inaccurate or are breached in any material respect; (c) there has been a breach by Martin Lewis of certain personal conduct related provisions; (d) there has been a breach by the Sellers of the provisions of the Acquisition Agreement governing the conduct of MoneySavingExpert between signing of the Acquisition Agreement and Completion referred to below and such breach has had or is reasonably likely to have a Material Adverse Effect; or (e) the Sellers have failed to comply with their Completion obligations.

### *Conduct of MoneySavingExpert prior to Completion*

The Sellers have undertaken, pursuant to the terms of the Acquisition Agreement, that during the period prior to Completion, they will carry on the business of MoneySavingExpert in the ordinary and usual course and will not take certain specific actions without the prior written consent of MoneySupermarket.com and MoneySupermarket.com Newco.

### *Anti-embarrassment*

In the event that the MoneySupermarket.com Group sells or agrees to sell all or substantially all of its interest in MoneySavingExpert to a third party within:

- (a) six months of Completion, MoneySupermarket.com will pay to Martin Lewis 100 per cent.; or
- (b) six to twelve months of Completion, MoneySupermarket.com will pay to Martin Lewis 50 per cent.,

of any amount received by MoneySupermarket.com from that third party over £87,000,000.



#### *Restrictive covenants*

Martin Lewis has covenanted that, subject to certain exceptions, for a period of three years from Completion he will not be directly or indirectly engaged in a business which competes with MoneySavingExpert.

### **3. Summary of the key terms of the Personal Licence Agreement**

#### *Licence*

On 1 June 2012, MoneySupermarket.com and Martin Lewis entered into the Personal Licence Agreement. The Personal Licence Agreement is conditional upon Completion.

Under the terms of the Personal Licence Agreement, Martin Lewis has granted MoneySupermarket.com a non-exclusive, royalty-free licence to use his name and images (including the associated registered trade mark) in connection with the operation of MoneySavingExpert for a three year period following Completion, subject to earlier termination in certain circumstances. The Personal Licence Agreement may be renewed annually following the initial term subject to certain circumstances.

Martin Lewis has also granted MoneySupermarket.com a non-exclusive, royalty-free licence in perpetuity to use Martin Lewis' name on content published on the website prior to termination of the Personal Licence Agreement.

During the term of the Personal Licence Agreement, MoneySupermarket.com will grant Martin Lewis a licence to use a limited amount of the content published on the MoneySavingExpert Website in his personal journalistic activities subject to certain restrictions and obligations.

MoneySupermarket.com and Martin Lewis have agreed to adhere to brand and marketing guidelines in respect of the use of Martin Lewis' brand following Completion in order to protect the goodwill associated with Martin Lewis' brand. Martin Lewis and MoneySupermarket.com will make certain representations and warranties which are usual for a licence of this kind.

MoneySupermarket.com has undertaken to indemnify Martin Lewis against certain claims which arise in connection with the use of Martin Lewis' brand and image on the MoneySavingExpert Website. MoneySupermarket.com's liability to Martin Lewis and Martin Lewis' liability to MoneySupermarket.com pursuant to a breach of the Personal Licence Agreement has been limited to a maximum of £500,000.

#### *Termination*

Martin Lewis may elect to terminate the Personal Licence Agreement in certain circumstances including, *inter alia*, in the event MoneySupermarket.com commits a serious breach of the Editorial Code, MoneySupermarket.com fails to publish a particular statement which Martin Lewis is entitled to make under the terms of the Editorial Code or, subject to certain exceptions, if MoneySupermarket.com commits a breach of the Personal Licence Agreement which has a material adverse effect on the value of Martin Lewis' personal brand.

MoneySupermarket.com may elect to terminate the Personal Licence Agreement in certain circumstances including, *inter alia*, in the event Martin Lewis commits a serious breach of the Editorial Code.

Either party may terminate the Personal Licence Agreement if the other party has materially breached the Personal Licence Agreement. In addition following the initial term, either party may terminate the Personal Licence Agreement on three months' written notice.

#### *Post termination*

Following termination of the Personal Licence Agreement, MoneySupermarket.com will be required to remove Martin Lewis' image from the website but may retain references to Martin Lewis' name on historical content.

### **4. Summary of the key terms of the Service Agreement**

On Completion, Martin Lewis will enter into the Service Agreement with MoneySupermarket.com Newco. The Service Agreement is for a term of three years from Completion, subject to earlier termination in certain circumstances.

The Service Agreement stipulates that Martin Lewis will faithfully and diligently perform all duties consistent with and customary to the position of editor-in-chief of MoneySavingExpert.

Martin Lewis may terminate his employment with immediate effect in the event that MoneySupermarket.com commits a serious breach of the Editorial Code.

## **5. Summary of the key terms of the Editorial Code**

On 1 June 2012, MoneySupermarket.com and Martin Lewis entered into the Editorial Code. The Editorial Code is conditional upon Completion.

The Editorial Code sets out certain terms by which Martin Lewis and MoneySupermarket.com agree that MoneySavingExpert will be operated for a period of three years following Completion. The Editorial Code also establishes an arbitration procedure by which the parties will resolve any disputes that arise in connection with the terms of the Editorial Code.

The underlying principles of the Editorial Code are:

- the maintenance of the editorial independence of MoneySavingExpert and preservation of the editorial quality of the content published by the MoneySavingExpert Website prior to the amendments;
- the editor-in-chief shall have control over the use of the content of the MoneySavingExpert Website and the MoneySavingExpert brand on MoneySupermarket.com media; and
- the data of users of the MoneySavingExpert Website shall continue to be protected in a manner appropriate for a website whose strategy of “help the consumer” prevails over commercial objectives.

In the event the arbitrator determines that a serious breach of the Editorial Code has been committed (and such breach has not been remedied):

- if MoneySupermarket.com committed the breach, Martin Lewis will receive:
  - (a) where Martin Lewis determines that he wishes to remain employed by the Enlarged Group, an immediate payment of £2,329,300; and
  - (b) where Martin Lewis determines that he wishes to cease to be employed by the Enlarged Group, the payment at the end of the three year period following Completion of the higher of (a) £6,750,000; and (b) the projected performance based element of the deferred consideration for the three year period based on extrapolation of the performance of MoneySavingExpert to the date Martin Lewis’ employment ceased, pro-rated and rounded up to the nearest full year by reference to the date Martin Lewis’ employment ceased up to a maximum of £17,819,145 and less any amounts referred to in (a) above which have previously been paid to Martin Lewis.
- if Martin Lewis committed the breach, MoneySupermarket.com shall no longer have any obligation to make any deferred consideration payment.

In the event the arbitrator determines that MoneySupermarket.com has committed a breach of the Editorial Code, but that the breach in question was not serious, the arbitrator may impose certain other sanctions upon MoneySupermarket.com including publishing an apology on the MoneySavingExpert Website.

If MoneySupermarket.com commits one or more breaches of the Editorial Code after Martin Lewis ceases to be an employee of the MoneySupermarket.com Group, and the Personal Licence Agreement is still in place:

- a factually accurate statement from MoneySupermarket.com and Martin Lewis setting out reasonable details of the breach must be published on the MoneySavingExpert Website; and
- at the end of the three year period following Completion, subject to the overall cap on non-discretionary deferred consideration payments of £17,819,145 not being exceeded, a payment of £2,000,000 will be made to a charity in respect of each 12 month period in which MoneySupermarket.com has committed a serious breach of the Editorial Code.

## PART VI

### ADDITIONAL INFORMATION

#### 1. RESPONSIBILITY STATEMENT

The Directors, whose names appear in paragraph 2 below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. DIRECTORS AND REGISTERED OFFICE

The Directors of MoneySupermarket.com and their functions are as follows:

Gerald Corbett*	Chairman
Simon Nixon	Deputy Chairman
Peter Plumb	Chief Executive Officer
Paul Doughty	Chief Financial Officer
Graham Donoghue	Managing Director, Financial Services
David Osborne	Marketing Director
Michael Wemms*	Director
Rob Rowley*	Director
Bruce Carnegie-Brown*	Director

\* Non-Executive Director

The registered office of the Company is at St. David's Park, Ewloe, Chester, CH5 3UZ and the telephone number is +44 1244 665700.

MoneySupermarket.com was incorporated in England and Wales on 14 March 2007 with registered number 6160943 under the Companies Act 1985 as a private company limited by shares with the name Precis (2682) Limited. MoneySupermarket.com was re-registered as a public company on 9 July 2007. The principal legislation under which MoneySupermarket.com operates is the Companies Act 2006 and the Companies Act 1985.

#### 3. DIRECTORS' INTERESTS

The interests of the Directors of MoneySupermarket.com and of the persons connected with them (within the meaning of the Disclosure Rules), which would, if such connected persons were directors of MoneySupermarket.com, be required to be disclosed or notified under the Disclosure Rules, and of the other individuals comprising members of the Group's administrative, management or supervisory bodies as at 6 June 2012 (being the last practicable date prior to the date of this document), are as follows:

(i) Directors' interests in shares:

<b>Name of Director</b>	<b>Number of Money Super market.com Shares</b>	<b>Percentage of Issued Money Super market.com Shares</b>
Gerald Corbett	237,246	0.047
Simon Nixon	267,257,021	52.477
Peter Plumb	—	—
Paul Doughty	1,826,880	0.359
Graham Donoghue	—	—
David Osborne	—	—
Michael Wemms	7,434	0.001
Rob Rowley	—	—
Bruce Carnegie-Brown	20,000	0.004

The Directors' shareholdings shown above are all beneficial interests and include the interests of their spouses, civil partners and infant children or step-children together with the interests in shares held on behalf of the Executive Directors by the trustee of the

Company's Share Incentive Plan. No Director held a non-beneficial interest in any shares at the date of this document. The percentages of issued Shares set out in this paragraph are calculated exclusive of Treasury Shares of the Company.

Other than the Directors, there are no other individuals comprising members of the Group's administrative, management or supervisory bodies and/or any senior managers of the Group who are relevant to establishing that MoneySupermarket.com has the appropriate expertise and experience for the management of the Group's business.

(ii) Directors' interests in the Long Term Incentive Plan:

<b>Director</b>	<b>Date of grant</b>	<b>Consideration for grant</b>	<b>Period during which exercisable</b>	<b>Number of Money Super market.com Shares under option</b>	<b>Option price (p)</b>
Peter Plumb	08.04.2009	0	08.04.2012 <sup>5</sup>	1,145,288	0
	07.04.2010	0	07.04.2013	1,035,519	0
	09.03.2011	0	09.03.2014	838,424	0
(SAYE)	28.09.2011	0	11.2014-04.2015	10,044	0
Paul Doughty	08.04.2009	0	08.04.2012	1,308,901	0
	07.04.2010	0	07.04.2013	556,133	0
	09.03.2011	0	09.03.2014	437,073	0
(SAYE)	28.09.2011	0	11.2014-04.2015	10,044	0
Graham Donoghue	08.04.2009	0	08.04.2012	863,874	0
	07.04.2010	0	07.04.2013	489,396	0
	09.03.2011	0	09.03.2014	380,925	0
(SAYE)	28.09.2011	0	11.2014-04.2015	10,044	0
David Osborne	08.04.2009	0	08.04.2012	484,293	0
	07.04.2010	0	07.04.2013	422,661	0
	09.03.2011	0	09.03.2014	336,210	0
(SAYE)	28.09.2011	0	11.2014-04.2015	10,044	0

#### 4. DIRECTORS' SERVICE AGREEMENTS

There are no special provisions for Executive Directors or Non-Executive Directors with regard to compensation in the event of loss of office. In the event of the employment of an Executive Director being terminated, the remuneration committee of the Company would, having regard to the individual's circumstances, pay due regard to best practice and take account of the individual's duty to mitigate their loss.

Details of the service agreements of the Executive Directors, the terms of appointment of the Non-Executive Directors and the remuneration of the Directors are included in the Directors' Remuneration Report section of the Company's 2011 Annual Report.

#### 5. SUBSTANTIAL SHAREHOLDINGS

As at 6 June 2012 (being the latest practicable date prior to the publication of this document) so far as the Directors are aware no person other than those listed below was interested, directly or indirectly, in three per cent. or more of the issued share capital of the Company (calculated exclusive of Treasury Shares):

<b>Name</b>	<b>Number of Money Super market.com Shares</b>	<b>Percentage of Issued Share Capital (exclusive of Treasury Shares)</b>
Simon Nixon	267,257,021	52.477
BlackRock Inc	25,454,379	4.998
FIL Limited	24,758,460	4.861
Capital Research & Management Company	24,480,000	4.807
State Street Nominees Limited	20,581,165	4.041

<sup>5</sup> This exercise period has been extended.

## 6. MATERIAL CONTRACTS

### (a) MoneySupermarket.com

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by a member of the Group within the two years immediately preceding the date of this document and are, or may be, material or have been entered into at any time by MoneySupermarket.com or any member of the Group and contain provisions under which MoneySupermarket.com or any member of the Group has an obligation or entitlement which is, or may be, material to MoneySupermarket.com or any member of the Group as at the date of this document:

#### (i) Acquisition Agreement

The Acquisition Agreement, which is summarised in Part V (Summary of the Principal Terms and Conditions of the Acquisition Agreement and Related Documentation) of this document.

#### (ii) Relationship Agreement

The Company entered into the Relationship Agreement with Simon Nixon on 11 July 2007, which included, amongst other things, provisions intended to ensure that the Company would be able to operate independently of Simon Nixon as a Shareholder and that the transactions and relationships between the Company and Simon Nixon were at arm's length and on normal commercial terms. Under the terms of the Relationship Agreement, Simon Nixon agreed to use all reasonable endeavours as a Shareholder to:

- A. procure that no member of the Group will be prevented from carrying on its business independently of him;
- B. procure (to the extent that he is able) that all transactions between any member of the Group and himself will be entered into on arm's length terms and on a normal commercial basis; and
- C. abstain from voting on any shareholder resolution which is required pursuant to Chapter 11 of the Listing Rules and in respect of which he is required to abstain from voting.

Provided always that the maximum number of Non-Executive directors Simon Nixon may appoint must not exceed such number as would cause the Company not to comply with the recommendations of the Combined Code (which is the predecessor of the United Kingdom Corporate Governance Code), Simon Nixon is entitled to appoint (such number including himself) (i) one director for as long as he holds the beneficial interest in at least 15 per cent. or more but less than 30 per cent. of the Company's Shares in issue; (ii) two directors for as long as he holds the beneficial interest in 30 per cent., or more but less than 50 per cent. of the Company's Shares in issue; (iii) three directors for as long as he holds the beneficial interest in 50 per cent. or more of the Company's issued Shares in issue. Below the 15 per cent. threshold, the Relationship Agreement terminates. The Relationship Agreement also includes a protocol to be observed in relation to any Non-Executive director appointed by Simon Nixon in relation to potential conflicts of interest and the provision of confidential information. Other than the appointment of himself, Simon Nixon will only be entitled to appoint Non-Executive directors.

Simon Nixon undertakes to provide the Company with such notice as is reasonably practicable in the circumstances of any proposed sale of his Shares and consult with the Company so far as is reasonably practicable in the circumstances prior to making any such sale.

As at the date of this document, Simon Nixon had not appointed any directors pursuant to his rights in the Relationship Agreement (other than himself).

#### (iii) Bank Facility

On 1 June 2012, the Company, MoneySupermarket.com Limited and MoneySupermarket.com Financial Group Limited (each a "**Borrower**" and together, the "**Borrowers**") entered into the Bank Facility with Lloyds TSB Bank plc (the "**Lender**").

The Lender is to make available a £20,000,000 revolving loan facility (the “**Bank Facility**”) to the Borrowers for general corporate purposes, the Acquisition and/or working capital purposes of the relevant Borrower (other than special dividends by the Company). Subject to no default continuing or resulting from draw-down and the Lender being able to determine the applicable interest rate, the Bank Facility will be available for draw-down from the date of the Bank Facility up to three months prior to 1 June 2015.

The Bank Facility and other liabilities to the Lender are guaranteed by an omnibus guarantee and set-off agreement among the Lender and each of the Borrowers. The Lender may require other subsidiary undertakings of the Company to accede as guarantors.

Each drawing under the Bank Facility will bear interest at the rate offered to the Lender in the London Interbank Market for the relevant interest period plus 2 per cent. per annum. The Borrowers may also be liable for the Lender’s associated costs for compliance with liquidity, monetary control or prudential requirements as determined by the Lender from time to time. These associated costs are of a type that lenders customarily have the right to recover from borrowers under facility agreements.

Interest shall be paid on each drawing advanced in arrears on the last day of the relevant interest period or, where such interest period exceeds three months, at three monthly intervals from the first date of the interest period.

Certain fees are payable, including as follows:

- (a) an arrangement fee of £250,000;
- (b) a commitment fee of 0.80 per cent. per annum of the daily available undrawn balance of the Bank Facility limit (being £20,000,000 unless cancelled or reduced pursuant to the terms of the Bank Facility).

Any funds drawn under the Bank Facility shall be repaid on the last day of its interest period.

The Bank Facility contains events of default which are common to this type of facilities agreement.

The Bank Facility may become pre-payable upon a change of control of the Company.

The Bank Facility contains representations and warranties which are common to this type of facilities agreement, certain of which are repeated in accordance with market practice for facilities of this kind.

The Bank Facility contains covenants which are common to this type of facilities agreement, including:

- (a) provision of key financial information;
- (b) to perform material obligations;
- (c) maintenance of the Company’s (and its subsidiary undertakings’) corporate structure and nature of its business; and
- (d) maintenance by the Company and each of its subsidiary undertakings of insurance with a reputable underwriter.

It also includes negative covenants including:

- (a) not to sell, lease, transfer or otherwise dispose of the whole or any material part of a Group member’s assets (other than for full value on an arm’s length basis); and
- (b) generally not to give security.

The Bank Facility contains the following financial covenants to be complied with by the Company:

- (a) net borrowings of the Group will not exceed 200 per cent. of EBITDA;
- (b) EBITDA will not at any time be less than 400 per cent. of aggregate amount of interest paid or payable (to the Lender or any other person) for the period covered by the accounts.

Each financial covenant will be tested each half year.



**(iv) Summary of the acquisition of shares in Local Daily Deals Limited**

On 31 August 2011, the Group acquired 51 per cent. of the issued share capital of Local Daily Deals Limited (“LDD”) for an initial consideration of £1,000,000, rising to a total consideration of up to £11,000,000 payable in accordance with the Option Agreement described further below and depending on the achievement of certain financial targets by LDD. The Group has also supplied LDD with a working capital facility of £500,000 which is repayable on demand.

LDD owns and operates a website and technology platform which features discounted retail offers from local and national companies. The website has been integrated into the MoneySupermarket Website and will allow the Group to promote these services to MoneySupermarket.com’s customer database. The Group expects to be able to partner with national brands associated with LDD in order to provide consumers with more advantageous offers than may otherwise have been available in the market.

All consideration payments have been or will be paid in cash from existing resources.

*Option Agreement*

On 31 August 2011, MoneySupermarket.com Financial Group entered into an Option Agreement relating to the securities of LDD with Gareth Gillatt, Alexander Preece, Paul Billington-Dykes and Jessica Stephens (the “LDD Sellers”). Under the terms of the Option Agreement, MoneySupermarket.com Financial Group has been granted the option to acquire all of the shares of LDD held by the LDD Sellers at any time during the period commencing on the third anniversary of the acquisition date and ending six months thereafter. The LDD Sellers also have a right to require MoneySupermarket.com Financial Group to acquire their LDD shares during this option period. The consideration for the LDD shares will be calculated by reference to the revenue and EBITDA of LDD over the three year period prior to the commencement of the option period.

**(v) Summary of the acquisition of Financial Services Net Limited**

On 14 October 2010, MoneySupermarket.com Financial Group purchased all of the issued share capital of Financial Services Net Limited (“FSN”) for an initial cash consideration payment of £4,400,000 with a further £400,000 payable pending the outcome of certain matters and a contingent cash payment of up to approximately £4,000,000 payable up to the third anniversary of handover upon the achievement of specified financial targets by FSN. FSN owns and operates a number of domain websites in the financial services sector aimed at putting consumers in touch with brokers or product providers who will provide them with the products for which they are looking.

The deferred consideration is to be calculated in three tranches on an annual basis from handover to the date falling twelve months after that date. During the year ending 31 December 2011, the Group reassessed how much of the contingent consideration related to the acquisition of FSN it expected to become payable based on its most recent forecasts. As a result, the Group has recognised a credit in its Consolidated Statement of Comprehensive Income for the period 1 January to 31 December 2011 of £2,200,000.

**(b) MoneySavingExpert**

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by MoneySavingExpert within the two years immediately preceding the date of this document and are, or may be, material or have been entered into at any time by MoneySavingExpert and contain provisions under which MoneySavingExpert has an obligation or entitlement which is, or may be, material to MoneySavingExpert as at the date of this document:

**(i) 2005 Licence Agreement**

On 5 February 2005, Martin Lewis granted MoneySavingExpert.com a licence to use certain trade marks, domain names and other intellectual property owned by Martin Lewis in compliance with Martin Lewis’ directions. In consideration for the rights granted pursuant to the licence, MoneySavingExpert.com pays Martin Lewis fixed and variable royalty fees. On Completion, the Licence Agreement will be amended to remove any

intellectual property associated with the brand and image of Martin Lewis and novated to entities within the Enlarged Group. The licence will therefore become an inter-group arrangement from Completion.

## **7. LITIGATION**

### **(a) MoneySupermarket.com**

There are no governmental, legal or arbitral proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had during the period of twelve months preceding the date of this document, a significant effect on the financial position or profitability of the Company or the Group.

### **(b) MoneySavingExpert**

There are no governmental, legal or arbitral proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had during the period of twelve months preceding the date of this document, a significant effect on the financial position of MoneySavingExpert.

## **8. SIGNIFICANT CHANGES**

### **(a) MoneySupermarket.com**

There has been no significant change in the financial or trading position of the Group since 31 December 2011, being the end of the last financial period of MoneySupermarket.com for which audited financial information has been published.

### **(b) MoneySavingExpert**

Save as disclosed in the second sentence of paragraph 7(b)(ii) of Part I (Letter from the Chairman) of this document in respect of MoneySavingExpert's revenues and EBITDA for the six months to April 2012, there has been no significant change in the financial or trading position of MoneySavingExpert since 31 October 2011, being the end of the last financial period of MoneySavingExpert for which financial information has been published.

## **9. RELATED PARTY TRANSACTION**

Details of the related party transactions (which for these purposes are those set out in the standards adopted according to Regulation (EC) No 1606/2002) the Company has entered into:

- (a) during the financial year ended 31 December 2009 are disclosed in Note 20 on pages 71 and 72 of the Company's 2009 annual report;
- (b) during the financial year ended 31 December 2010 are disclosed in Note 21 on pages 65 and 66 of the Company's 2010 annual report; and
- (c) during the financial year ended 31 December 2011 are disclosed in Note 22 on page 68 of the Company's 2011 annual report.

Furthermore, in the period from 1 January 2012 to 6 June 2012 (being the latest practicable date prior to publication of this document) there are no related party transactions which the Company has entered into that require disclosure in accordance with Regulation (EC) No 1606/2002.

## **10. WORKING CAPITAL**

MoneySupermarket.com is of the opinion that, taking into account bank and other facilities available to the Enlarged Group, the working capital available to the Enlarged Group is sufficient for its present requirements, that is for at least the next twelve months from the date of this document.

## **11. CONSENTS**

- (a) Credit Suisse has given and has not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they are included.

- (b) KPMG has given and has not withdrawn its written consent to the inclusion in this document of its letters, set out in Part III (Financial Information) and Part IV (Unaudited Pro Forma Statement of Net Assets of the Enlarged Group) of this document, and the references to its name in the form and context in which it is included.

## 12. INFORMATION INCORPORATED BY REFERENCE

Information from the following documents (or parts of documents) is incorporated by reference in, and form part of, this document:

<i>Information incorporated by reference</i>	<i>Document reference</i>	<i>Page number in reference document</i>
“Directors’ Remuneration Report”	Annual Report of the Company to 31 December 2011	39
“Notes to consolidated financial statements”	Annual Report of the Company to 31 December 2011	Note 22 on page 68
“Notes to consolidated financial statements”	Annual Report of the Company to 31 December 2010	Note 21 on pages 65 and 66
“Notes to consolidated financial statements”	Annual Report of the Company to 31 December 2009	Note 20 on pages 71 and 72

## 13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the registered office of the Company from the date of this document up to and including the date of the General Meeting and for the duration of the General Meeting:

- (i) the Acquisition Agreement;
- (ii) the Editorial Code;
- (iii) the Personal Licence Agreement;
- (iv) the Service Agreement;
- (v) the memorandum and articles of association of the Company;
- (vi) the accounts of MoneySavingExpert for the three financial years ended 31 October 2009, 31 October 2010 and 31 October 2011 and accountant’s report in respect thereof;
- (vii) the pro-forma financial information for the Enlarged Group and accountant’s report in respect thereof;
- (viii) the written consents referred to in paragraph 11 above; and
- (ix) this document.

## DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

<b>“Acquisition”</b>	the purchase by MoneySupermarket.com and MoneySupermarket.com Newco of all of the assets of MoneySavingExpert.com and certain assets of Martin Lewis used in conjunction with MoneySavingExpert as further described in Part V (Summary of the Principal Terms and Conditions of the Acquisition Agreement and Related Documentation) of this document
<b>“Acquisition Agreement”</b>	the business purchase agreement dated 1 June 2012 between MoneySupermarket.com, MoneySupermarket.com Newco, MoneySavingExpert.com and Martin Lewis described in Part V (Summary of the Principal Terms and Conditions of the Acquisition Agreement and Related Documentation) of this document
<b>“Assets”</b>	the assets of MoneySavingExpert being transferred in connection with the Acquisition
<b>“Bank Facility”</b>	the facility agreement with Lloyds Banking Group for up to £20,000,000 dated 1 June 2012
<b>“Board” or “Directors”</b>	the directors of the Company
<b>“Company” or “MoneySupermarket.com”</b>	MoneySupermarket.com Group PLC
<b>“Completion”</b>	completion of the Acquisition pursuant to the Acquisition Agreement
<b>“Conditions”</b>	the conditions to the Acquisition Agreement which are summarised in Part V (Summary of the Principal Terms and Conditions of the Acquisition Agreement and Related Documentation) of this document
<b>“Consideration Shares”</b>	the Shares to be issued to Martin Lewis pursuant to the Acquisition Agreement
<b>“CPA”</b>	cost per action pricing model under which a provider pays a fee to either MoneySupermarket.com or MoneySavingExpert (as the case may be) each time a consumer completes an application for a product or a service of that provider or each time the provider issues a product to a consumer. This commission typically arises after the consumer has clicked through to the provider’s from the website of MoneySupermarket.com or MoneySavingExpert (as the case may be)
<b>“CPC”</b>	cost per click pricing model under which a provider pays a fee each time a consumer clicks through to a provider’s website by means of a hyperlink, paid link, promotional link, side ad or popunder from a website of MoneySupermarket.com or MoneySavingExpert (as the case may be)
<b>“Credit Suisse”</b>	Credit Suisse Securities (Europe) Limited
<b>“direct-to-site”</b>	visitors who access a website without having been directed to such website by a paid link on a search engine, web portal or other third party website but which also includes visitors who search the name of the website in Google and then click through to the relevant website using a Google paid link
<b>“Disclosure Rules”</b>	the disclosure rules made by the United Kingdom Listing Authority under Part VI of the Financial Services and Market Act 2000
<b>“EBITDA”</b>	earnings before interest, taxes, depreciation and amortisation which is calculated in relation to MoneySavingExpert by adding back depreciation and amortisation to operating profit, in each case

	determined in accordance with IFRS. EBITDA is an unaudited, supplementary measure of performance that is not required by, or presented in accordance with IFRS
<b>“Enlarged Group”</b>	the enlarged MoneySupermarket.com Group following Completion
<b>“Editorial Code”</b>	the editorial code and arbitration procedure dated 1 June 2012 between MoneySupermarket.com and Martin Lewis
<b>“EU” or “European Union”</b>	the European Union
<b>“Form of Proxy”</b>	the form of proxy accompanying this document for use by Shareholders in connection with the General Meeting
<b>“FSA”</b>	the Financial Services Authority
<b>“FSMA”</b>	the Financial Services Markets Act 2000, as amended
<b>“FSN”</b>	Financial Services Net Limited
<b>“General Meeting”</b>	the general meeting to be held at 11 a.m. on 5 July 2012, or any adjournment thereof
<b>“Group” or “MoneySupermarket.com Group”</b>	the Company and its subsidiary undertakings including, for the avoidance of doubt, MoneySupermarket.com Newco
<b>“IAS”</b>	International Accounting Standards
<b>“IFRS”</b>	International Financial Reporting Standards
<b>“Initial Consideration Shares”</b>	the 22,123,894 Shares expected to be issued to Martin Lewis at Completion pursuant to the Acquisition Agreement
<b>“KPMG”</b>	KPMG Audit Plc
<b>“LDD”</b>	Local Daily Deals Limited
<b>“LDD Sellers”</b>	the sellers of LDD as described in paragraph 6(a)(iv) of Part VI (Additional Information) of this document
<b>“Listing Rules”</b>	the listing rules made under section 73A of FSMA
<b>“MoneySavingExpert”</b>	the business carried on by Martin Lewis in connection with the MoneySavingExpert Website and the business carried on by MoneySavingExpert.com which, in each case, is to be purchased by the MoneySupermarket.com Group pursuant to the Acquisition Agreement
<b>“MoneySavingExpert.com”</b>	MoneySavingExpert.com, an unlimited company established under the laws of England and Wales with registered number 4557992
<b>“MoneySavingExpert Website”</b>	the website accessible through the url <a href="http://www.moneysavingexpert.com">http://www.moneysavingexpert.com</a>
<b>“MoneySupermarket.com Financial Group”</b>	MoneySupermarket.com Financial Group Limited
<b>“MoneySupermarket.com Newco”</b>	Precis (2766) Limited
<b>“Notice of General Meeting”</b>	the notice of the General Meeting contained in this document
<b>“OFT”</b>	the Office of Fair Trading
<b>“Personal Licence Agreement”</b>	the personal licence agreement dated 1 June 2012 between MoneySupermarket.com and Martin Lewis
<b>“Portal Partner(s)”</b>	the owner of a website, with which a member of the Group has a revenue-sharing or tenancy arrangement
<b>“Relationship Agreement”</b>	the relationship agreement between Simon Nixon and the Company described in paragraph 6(a)(ii) of Part VI (Additional Information) of this document
<b>“Resolution”</b>	the ordinary resolution to approve the Acquisition to be proposed at the General Meeting, the full text of which is set out in the Notice of General Meeting at the end of this document

<b>“Sellers”</b>	Martin Lewis and MoneySavingExpert.com
<b>“Service Agreement”</b>	the service agreement between MoneySupermarket.com Newco and Martin Lewis
<b>“Shares” or “MoneySupermarket.com Shares”</b>	ordinary shares of 0.02 pence each in the capital of the Company
<b>“Shareholder”</b>	a holder of MoneySupermarket.com Shares
<b>“SIC”</b>	Standing Interpretations Committee
<b>“SIR”</b>	Standard for Investment Reporting
<b>“Treasury Shares”</b>	shares held as treasury shares as defined in section 724(5) of the Companies Act 2006
<b>“UK” or “United Kingdom”</b>	the United Kingdom or Great Britain and Northern Ireland
<b>“UK GAAP”</b>	UK Generally Accepted Accounting Principles
<b>“VAT”</b>	the value added tax imposed by the Value Added Tax Act 1994 and legislation and supplemental thereto
<b>“verticals”</b>	the vertical segments into which the Group currently divides its operations



**MoneySupermarket.com Group Plc  
(the “Company”)**

**NOTICE OF GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that a General Meeting of the Company will be held at 11 a.m. on 5 July 2012 at the Andaz, 40 Liverpool Street, London, EC2M 7QN to consider and, if thought fit, pass the following Resolution as an ordinary resolution:

**ORDINARY RESOLUTION**

THAT the proposed acquisition by the Company and Precis (2766) Limited (“**MoneySupermarket.com Newco**”) of the MoneySavingExpert business as a going concern pursuant to an acquisition agreement dated 1 June 2012 between the Company, MoneySupermarket.com Newco, Martin Lewis and MoneySavingExpert.com (the “**Acquisition Agreement**”), in the manner and on the terms and conditions of the Acquisition Agreement, be and is hereby approved and that the Directors be and are hereby authorised to take all such steps as may be necessary or desirable in relation thereto and to carry the same into effect with such modifications, variations, revisions or amendments (providing such modifications, variations or amendments are not of a material nature) as they shall deem necessary or desirable.

BY ORDER OF THE BOARD

*Registered Office:*  
St. David’s Park  
Ewloe  
Chester  
CH5 3UZ

Darren Drabble  
Company Secretary  
8 June 2012

Registered in England No. 6160943

Notes:

1. A member entitled to attend and vote at the meeting may appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the meeting. A member can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.
2. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Your proxy could be the Chairman, another Director of the Company or another person who has agreed to attend to represent you. Your proxy must vote as you instruct and must attend the meeting for your vote to be counted. Appointing a proxy does not preclude you from attending the meeting and voting in person.
3. A Form of Proxy, which may be used to make this appointment and give proxy instructions, has been posted to all members who appeared on the register of members at the close of business on 6 June 2012. Details of how to appoint a proxy are set out in the notes to the Form of Proxy. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact the Company's registrar, Capita Registrars, on 0871 200 1536 (calls cost ten pence per minute plus network extras and lines are open 8.30 a.m. – 5.30 p.m., Monday – Friday). As an alternative to completing a hard copy Form of Proxy, proxies may be appointed electronically in accordance with Note 4 below.
4. In order to be valid, an appointment of proxy must be returned (together with any authority under which it is executed or a certified copy of the authority) by one of the following methods:
  - in hard copy form by post, by hand or by courier to the Company's registrar at the address shown on the back of the Form of Proxy. If you prefer, you may return it in an envelope using the following address:

Freepost RSBH–UXKS–LRBC  
PXS,  
34 Beckenham Road,  
Beckenham,  
BR3 4TU;
  - by completing it online at [www.moneysupermarket-shares.com](http://www.moneysupermarket-shares.com) by following the on-screen instructions to submit it (you will need to identify yourself with your personal investor code); or
  - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in Note 8 below,and in each case must be received by the Company's registrar by no later than 48 hours before the time for holding the meeting or in the case of any adjournment by no later than 48 hours before the time of the adjourned meeting (excluding non-working days).
5. To change your proxy instructions, you may return a new proxy appointment using the methods set out in Note 4 above. Where you have appointed a proxy using the hard copy Form of Proxy and would like to change the instructions using another hard copy Form of Proxy, please contact the Company's registrar, Capita Registrars, on 0871 200 1536 (calls cost ten pence per minute plus network extras and lines are open 8.30 a.m. – 5.30 p.m., Monday – Friday). The deadline for receipt of proxy appointments (see Note 4 above) also applies in relation to amended instructions. Where two or more valid separate appointments of proxy are received in respect of the same ordinary share in respect of the same meeting, the one which is last sent shall be treated as replacing and revoking the other or others.
6. A copy of this notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a "Nominated Person"). The rights to appoint a proxy cannot be exercised by a Nominated Person: they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

7. To be entitled to attend and vote, (whether in person or by proxy, at the meeting), members must be registered in the register of members of the Company at 6.00 p.m. on 3 July 2012 (or, if the meeting is adjourned, at 6.00 p.m. on the date which is two days prior to the adjourned meeting). Changes to entries on the register after this time shall be disregarded in determining the rights of persons to attend or vote (and the number of votes they may cast) at the meeting or adjourned meeting.
8. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual on the Euroclear website ([www.euroclear.com/CREST](http://www.euroclear.com/CREST)). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear United Kingdom & Ireland Limited’s (“EUI”) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID number RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Actions Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
9. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or a sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
10. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the meeting. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.
11. The Company must cause to be answered at the meeting any questions relating to the business being dealt with at the meeting which is put by a member attending the meeting, except where (a) to do so would interfere with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
12. Under sections 338 and 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the meeting; and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may properly be included in the business at the meeting. A resolution may properly be moved, or a matter properly included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company’s constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or

electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authenticated by the person(s) making it and must be received by the Company not later than six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

**Holders of ordinary shares via the MoneySupermarket.com Share Incentive Plan.**

13. If you hold your ordinary shares in the Company via the MoneySupermarket.com Share Incentive Plan, you are not entitled to attend, speak or vote in person at the meeting.
14. A Proxy Voting Direction Form, which may be used to submit a voting direction to Capita IRG Trustees Limited, has been posted to all persons who appeared on Capita IRG Trustees Limited's register of Share Incentive Plan holders at the close of business on 6 June 2012. Details of how to submit a voting direction are set out in the notes to the Proxy Voting Direction Form. If you do not have a Proxy Voting Direction Form and believe that you should have one, or if you require additional forms, please contact the Company's registrar, Capita Registrars, on 0871 664 0424 (calls cost ten pence per minute plus network extras and lines are open 9.00 a.m. – 5.30 p.m., Monday – Friday). As an alternative to completing a hard copy Proxy Voting Direction Form, a voting direction may be submitted electronically in accordance with Note 15 below.
15. In order to be valid, a voting direction must be returned (together with any authority under which it is executed or a certified copy of any such authority) by one of the following methods:
  - in hard copy form by post, by hand or by courier to the Company's registrar at the address shown on the back of the Proxy Voting Direction Form. If you prefer, you may return it in an envelope using the following address: Capita Registrars, CSPS, Freepost MB122, Beckenham, Kent, BR3 4BR; or
  - by completing it online at [www.moneysupermarket-shares.com](http://www.moneysupermarket-shares.com) by following the on-screen instructions to submit it (you will need to identify yourself with your personal investor code),and in each case must be received by Capita IRG Trustees Limited, care of the Company's registrar, by no later than 11.00 a.m. on 2 July 2012 or in the case of any adjournment by no later than 72 hours before the time of the adjourned meeting (excluding non-working days).
16. To change your voting direction, you may return a new voting direction using the methods set out in Note 15 above. Where you have submitted your voting direction using the hard copy Proxy Voting Direction Form and would like to change the voting direction using another hard copy Proxy Voting Direction Form, please contact the Company's registrar, Capita Registrars, on 0871 664 0424 (calls cost ten pence per minute plus network extras and lines are open 9.00 a.m. – 5.30 p.m., Monday – Friday). The deadline for receipt of a voting direction (see Note 15 above) also applies in relation to an amended voting direction. Any attempt to terminate or amend a voting direction received after the relevant deadline will be disregarded. Where two or more valid separate voting directions are received in respect of the same ordinary share held via the MoneySupermarket.com Share Incentive Plan in respect of the same meeting, the one which is last sent shall be treated as replacing and revoking the other or others.
17. To be entitled to submit a voting direction to Capita IRG Trustees Limited, you must be entered on Capita IRG Trustees Limited's register of Share Incentive Plan holders at 6.00 p.m. on 2 July 2012 (or, if the meeting is adjourned, at 6.00 p.m. on the date which is three days prior to the adjourned meeting). Changes to entries on the register after this time shall be disregarded in determining the rights of persons to submit a voting direction (and the number of votes they may direct) at the meeting or adjourned meeting.
18. Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommends that shareholders subject all messages to virus checking procedures prior to use. Any electronic communication received by or on behalf of the Company, including the lodgement of an electronic proxy appointment or voting direction, that is found to contain any virus will not be accepted.

19. As at 6 June 2012 (the latest practicable date prior to publication of this document), the Company's issued share capital consists of 509,288,007 Shares of 0.02 pence each, carrying one vote each. The Company does not hold any Shares in treasury. Therefore the total voting rights in the Company at such date are 509,288,007.
20. The contents of this notice of meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the meeting, details of the totals of the voting rights that members are entitled to exercise at the meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's corporate website: <http://corporate.moneysupermarket.com>.
21. Copies of the Executive Directors' service agreements and the Non-Executive Directors' letters of appointment are available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) and will be available at the place of the meeting from 10.45 a.m. until its conclusion.
22. You may not use any electronic address provided in this notice of meeting or any related documents (including the Form of Proxy and/or Proxy Voting Direction Form) to communicate with the Company for any purposes other than those expressly stated.
23. Please indicate on the Form of Proxy and/or Proxy Voting Direction Form how you wish your vote to be cast on the Resolution by inserting 'X' in the appropriate box. The "Withheld" option on the Form(s) is provided to enable you to abstain on the Resolution. Please note that a vote "Withheld" has no legal effect and will not be counted in the votes "For" and "Against" the Resolution.

