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Moneysupermarket.com Group PLC
02 August 2011

2 August 2011

MoneySupermarket.com Group PLC interim results for the six months to 30 June 2011

Strong financial results and cash generation
Special dividend of £20m (3.93p per share)

MoneySupermarket.com Group PLC ("MoneySupermarket.com" or the "Company"), the UK's leading price comparison website, announces its interim results for the 6 months to 30 June 2011.

Financial highlights	Six Months Ended June 2011	Six Months Ended June 2010	Change
Group revenue	£91.7m	£71.6m	28%
Adjusted revenue (1)	£88.7m	£71.6m	24%
Adjusted gross margin (1)	£63.4m	£51.1m	24%
Adjusted EBITDA (1)	£23.0m	£18.1m	27%
Statutory profit after tax	£8.8m	£2.0m	346%
Cash balance	£32.2m	£28.3m	14%
Interim dividend for the period	1.5p	1.3p	15%
Special dividend for the period	3.93p	-	100%

Financial highlights

- Delivery of strong financial results and cash generation
- Growth driven by continued structural growth in our online markets and targeted investment in technology and brand building improving conversion
- Total adjusted revenue of £88.7m (2010: £71.6m)
  - UK internet revenues 24% ahead of the same period last year
  - MoneySupermarket.com revenues 27% ahead
- Adjusted EBITDA up 27% at £23.0m (2010: £18.1m)
- Adjusted gross margin stable at 71.4% (2010: 71.4%)
- Cash balances of £32.2m (2010: £28.3m) at the period end. The Group remains highly cash generative, converting 82% of adjusted EBITDA to cash
- Dividend increased, with additional payment of special dividend
  - Interim dividend increased by 15% to 1.5p per share
  - Special dividend of £20m, or 3.93p per share
  - Commitment to progressive dividend policy
- £3.5m credit from successful resolution of dispute with HMRC re the VAT treatment of certain of the Group's lines of business

Operational highlights

- Market-leading position and share maintained in competitive marketplace
- Results driven by ongoing investment in technology and brand
  - Site functionality and usability improved
    - £2.7m capital investment in improving technology for both customers and providers
  - Continued investment in brand, including sponsorship of Britain's Got Talent to consolidate position as a mainstream brand
    - Offline marketing spend £5.2m (51%) ahead, while maintaining marketing efficiency
  - Direct-to-site revenues maintained at 66%
- Growing data asset enables more personalised and effective CRM

Outlook

Trading in July has been in line with expectations with revenues approximately 15% ahead of the same period last year. The Board remains confident in the prospects for the full year.

Peter Plumb, MoneySupermarket.com Chief Executive Officer, said:

"MoneySupermarket.com has had a great six months. We have seen strong trading momentum through the period and delivered double digit growth in both revenue and profits, driven by our investment in our brand and technology. MoneySupermarket.com is the UK's leading price comparison site and our continued success comes from our proven strategy and our determination to help every household make the most of its money.

"Looking ahead, while the outlook for the economy remains uncertain, we are confident that our markets will continue to grow. More and more consumers are going online to find the best deals and the unrivalled strength and breadth of our offer makes us well-placed to make the most of those opportunities. That confidence is underlined today by our decision to return more money to our investors. We remain highly cash generative and are delighted to announce both an increase in our interim dividend and a further special dividend."

(1) See note 1. Basis of preparation in Financial & Business review

Results presentation

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

For further information, contact:

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Financial and Business Review

The Group has presented below an extract of the Consolidated Statement of Comprehensive Income for the six months ended 30 June 2011 and 30 June 2010 along with reconciliation to adjusted EBITDA. Revenue for the six months ended 30 June 2011 was £91.7m (2010: £71.6m) which generated a reported operating profit of £12.4m (2010: £2.7m). The Directors believe that the presentation of the adjusted EBITDA measure allows users of the financial information to gain a better understanding of the underlying performance of the business.

Extract of Consolidated Statement of Comprehensive Income
for the six months ended 30 June 2011

	6 months ended 30 June 2011 £000	6 months ended 30 June 2010 £000
Revenue	91,739	71,594
Cost of sales	(25,370)	(20,478)
Gross profit	66,369	51,116
Distribution expenses	(16,949)	(11,441)
Administrative expenses - excluding Directors' and senior managers' share based compensation	(36,163)	(35,995)
Administrative expenses - Directors' and senior managers' share based compensation and related costs	(871)	(933)
Administrative expenses	(37,034)	(36,928)
Profit from operating activities	12,386	2,747
Reconciliation to adjusted EBITDA:		
Profit from operating activities	12,386	2,747
VAT credit	(3,195)	-
Pre IPO share based compensation	-	403
Amortisation of intangible assets	11,872	12,537
Depreciation	1,956	2,390
Adjusted EBITDA	23,019	18,077
Adjusted earnings per ordinary share:		
- basic (p)	3.1	2.3
- diluted (p)	3.0	2.2
Normal earnings per ordinary share:		
- basic (p)	1.7	0.4
- diluted (p)	1.7	0.4

Notes

1. Basis of Preparation

The results show the trading results for the six months ended 30 June 2011 and 30 June 2010. The following adjustments have been made in arriving at adjusted EBITDA:

- The acquisition of MoneySupermarket.com Financial Group Limited by the Company gave rise to £207.2m of intangible assets. These are to be written off over a period of 3-10 years. Charges of £11.5m and £12.5m have been included for the six months ended 30 June 2011 and 2010 respectively.
- On 14 October 2010 the Group acquired Financial Services Net Limited. The acquisition gave rise to £6.1m of intangible assets which are to be written off over a period of 3-10 years, and which gave rise to an amortisation charge of £0.4m in the current period.
- Certain share option charges relating to Directors, senior management and other employees of the Group arising from the time the Group listed or when it was privately owned have been added back to calculate adjusted EBITDA. A charge for awards made under the Group's Long Term Incentive Plan is included within the adjusted results for 2010 and 2011.
- The Group received written notification in June 2011 that it had been successful in challenging the VAT treatment of the supply of certain of its lead services. Following a ruling received in March 2008 from HMRC the Group had treated the supply of its lead services as a standard rated supply for VAT purposes rather than as an exempt supply that the Group believed to be correct. Consequently the Group has recorded additional revenues of £3.7m in the first half statutory results for the year together with a charge of £0.2m in administrative expenses. Of these amounts the Group has included a credit of £0.7m to revenue in the first half results (2010:nil) together with a charge of £0.4m to administrative costs (2010:nil) reflecting the estimated impact on the first half results.

Reference is made in the Overview and Financial Highlights sections to adjusted revenues, adjusted cost base, adjusted distribution and administration expenses, and adjusted staff costs. These measures represent the costs charged to the Statement of Comprehensive Income, less the intangible amortisation, pre-listing share option charges and the impact of the VAT settlement referred to above.

Overview

We present a strong set of financial results for the six months ended 30 June 2011. Adjusted revenue for the six months was £88.7m (2010: £71.6m), up 24%, generating adjusted EBITDA of £23.0 (2010: £18.1m), up 27%.

During the first half of 2011 the Group has continued to benefit from the investments it made in its websites during 2010 which helped improve site functionality and the usability of the websites. This helped improve conversion and subsequently revenue per visitor (RPV). Our investment in technology continued in the first half with an emphasis on improving and simplifying the underlying architecture. This program will continue into the second half of the year and into 2012. The Group invested £2.7m in the first half of the year in hardware and software which has been capitalised. This work is designed to ensure in the longer term that the Group will be able to more rapidly develop and deploy new products or services or make changes to its existing services more efficiently and to reduce the overall cost of the ownership of its websites.

Consistent with its strategy of driving higher-margin, direct-to-site revenues, the Group has continued to increase its investment in offline marketing. This included, in the second quarter, the sponsorship of Britain's Got Talent, the ITV primetime entertainment show which has helped consolidate MoneySupermarket.com's position as a mainstream brand. Consequently, and as previously indicated, offline marketing expenditure in the first half of the year was more than 50% ahead of the same period last year. Overall marketing expenditure including online costs increased by approximately one third. The Group will continue to invest in its brand in the second half and launched a new advertising campaign in the first week of July. Offline marketing expenditure is therefore expected to continue to be ahead of the comparator period in the second half of the year. However, consistent with previous years, the absolute quantum of spend is likely to be lower than in the first half of the year reflecting lower expenditure levels in the fourth quarter.

Financial Performance

Adjusted revenue increased by 24% to £88.7m (2010: £71.6m) and adjusted EBITDA increased by 27% to £23.0m (2010: £18.1m). The Group saw revenue growth in its Money, Insurance and Home Services verticals of approximately 27% against the same period last year whilst revenues in the Travel vertical remained flat in difficult market conditions. The Group maintained its strong market share in financial services against its key competitor set, measured by Experian Hitwise.

Group adjusted gross margins at 71.4% were broadly flat. The Group maintained its proportion of direct to site revenue with direct to site revenues representing 66% of revenue (2010: 67%) whilst paid search represented 22% of revenue in the first half of 2011 (2010: 22%).

The adjusted administrative and distribution cost base increased by 20% from £35.4m to £42.4m. Distribution expenses increased by £5.5m (48%) driven by increased spend on creative costs and media and the sponsorship of Britain's Got Talent. Adjusted administrative costs increased by £1.5m (6%) over the prior year to £25.5m in 2011. The Group has continued to manage its cost base tightly. Adjusted staff costs (including contract resource) were £0.5m lower at £13.3m. Headcount decreased from 427 to 419 from June 2010 to June 2011.

Other costs, including irrecoverable VAT, increased by £2.1m. The VAT rate increased from 17.5% to 20% which together with the higher marketing spend increased the input tax incurred by the business and the quantum that was irrecoverable.

There were no costs in 2011 for the German operation, which was closed in the first half of 2010, during which period costs of £0.5m were incurred.

Adjusted EBITDA margins increased from 25% to 26% against the same period last year.

The Group operates its internet business across four vertical markets. These are discussed below:

	Adjusted revenue			
	6 months to 30 June 2011		6 months to 30 June 2010	
	£000	%	£000	%
Money	27,048	30	20,673	29
Insurance	50,323	57	40,590	57
Travel	7,631	9	7,543	10
Home Services	3,644	4	2,633	4
Other	64	0	0	0
Total Internet UK	88,710	100	71,439	100
Germany	0	0	130	0

Total Internet	88,710	100	71,569	100
Intermediary	59	0	25	0
Total	88,769	100	71,594	100

Internet business

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

Visitors

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

Transactions

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

Revenue per visitor ('RPV')

The Group measures the total revenue (including click and other internet revenue) divided by the number of visitors defined above.

Revenue per transaction ('RPT')

The Group measures the click based revenue divided by the total number of transactions defined above.

The performance of each of the internet verticals is discussed below:

Money

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

The KPIs for the Money vertical are shown below:

	6 months to 30 June 2011	6 months to 30 June 2010	Change
Visitors (000)	18,050	17,301	4%
Transactions (000)	9,364	6,544	43%
Revenue (£000) - click based revenue	24,768	17,916	38%
Revenue (£000) - other	2,280	2,757	-17%
Revenue (£000) - total	27,048	20,673	31%
RPV	£1.50	£1.19	26%
RPT	£2.65	£2.74	-3%

Trading in the Money vertical was strong relative to the same period last year. Total revenue increased by 31% from £20.7m to £27.0m and click based revenue by 38% from £17.9m to £24.8m. Visitors were 4% higher with visitor numbers strengthening into the second quarter relative to the same period last year.

The Group saw growth across both its credit business and more generally from other banking products particularly savings which performed very strongly. Revenues from credit products defined as revenues from secured and unsecured loans, credit cards, debt solutions and mortgages excluding impression based advertising were 25% ahead of the same period last year.

Good product availability and the improvements made to the Money website during 2010 helped improve RPV relative to the same period last year.

Other revenue, which includes revenue from leads, commission based sales through MCAT for mortgages and loans, and advertising revenue fell over last year by £0.6m. The Group has continued to focus upon improving its core click based offering encouraging consumers to click through and transact directly with providers rather than through its lead based business.

Insurance

The Insurance vertical offers customers the ability to search for, and compare, insurance products for, amongst other things, breakdown, dental, home, life, medical, mortgage payment protection, motor, payment protection, pet and travel insurance. It also includes elements of the Group's lead business (PAA) and advisory business (MCAT) together with advertising revenue that is derived from insurance products.

The KPIs for the Insurance vertical are shown below:

	6 months to 30 June 2011	6 months to 30 June 2010	Change
Visitors (000)	14,592	12,640	15%
Transactions (000)	8,062	7,066	14%
Revenue (£000) - click based revenue	46,402	37,543	24%
Revenue (£000) - other	3,921	3,047	29%
Revenue (£000) - total	50,323	40,590	24%

RPV	£3.45	£3.21	7%
RPT	£5.76	£5.31	8%

Revenues in the Insurance vertical increased by 24% from £40.6m to £50.3m. Click based revenue increased by 24% from £37.5m to £46.4m.

Revenues increased in each of the three major lines of business, being motor, home and travel insurance, with home performing particularly well. Home and motor insurance benefitted from site improvements made during 2010. This has been reflected in improved provider conversion in the period, increasing revenues and RPV.

Visitors increased by 15% over the period helped in part by a number of new TV advertisements which resonated well with the public.

Other revenue increased by £0.9m driven by the launch of a new telephone based non advice life insurance channel which offers consumers help in completing their life insurance application. It also includes £0.5m from the resolution of the VAT dispute referred to below.

Travel

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

The KPIs for the Travel vertical are shown below:

	6 months to 30 June 2011	6 months to 30 June 2010	Change
Visitors (000)	23,188	19,991	16%
Transactions (000)	13,328	12,539	6%
Revenue (£000) - click based revenue	6,964	6,804	2%
Revenue (£000) - other	667	739	-10%
Revenue (£000) - total	7,631	7,543	1%
RPV	£0.33	£0.38	-13%
RPT	£0.52	£0.54	-4%

Revenue in the Travel vertical increased by 1% from £7.5m to £7.6m. Click based revenue increased by 2% from £6.8m to £7.0m.

During the first quarter the Group relaunched its package holidays channel supported by a new television advertising campaign. This has helped increase revenues to the package holidays channel by 10% and also drove a 16% increase in visitors. Other major channels in the vertical however declined by approximately 5% in what remains a challenging market for travel operators facing uncertain consumer demand.

Home Services

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

The KPIs for the Home Services vertical are shown below:

	6 months to 30 June 2011	6 months to 30 June 2010	Change
Visitors (000)	11,722	10,896	8%
Transactions (000)	4,088	3,475	18%
Revenue (£000) - click based revenue	3,644	2,432	50%
Revenue (£000) - other	0	201	-100%
Revenue (£000) - total	3,644	2,633	38%
RPV	£0.31	£0.24	29%
RPT	£0.89	£0.70	28%

Revenue in the Home Services vertical increased by 38% from £2.6m to £3.6m in the six months to 30 June 2011. This was driven largely by an increase in revenues from the utilities channel which represents the Group's largest line of business within the Home Services vertical. This performed particularly strongly in the second quarter as once again energy pricing came to the fore in the media following double digit price increases made by a number of major providers.

Visitors grew by 8% helped by the media coverage referred to above of the rising energy market and increased visitors generally to the shopping and vouchers channels.

VAT

A number of the Group's supplies operate close to the boundary of being a marketing service which is a standard rated supply for VAT purposes and being a financial or insurance intermediary service which is considered to be an exempt service for VAT purposes. The application of the relevant legislation to internet business models has evolved over recent years. The VAT treatment of most of its supplies has been agreed between HMRC and the Group, in particular the Group has written agreement in respect of all of its major supplies that it has deemed to be an intermediary service and that therefore it has deemed to be exempt.

Following a ruling received from HMRC in March 2008 the Group was required to classify revenues from its lead based services as standard rated rather than as an exempt supply as the Group believed to be correct. The Group had previously made a provision for HMRC to make such an interpretation for a number of years before this. The Group has challenged HMRC's conclusion since March 2008 and during the course of the second quarter received written notification that it had had its challenge upheld. The Group has reached agreement in principle with HMRC and has recognised a one off net credit of £3.5m in the first half of the year in its statutory numbers recording additional revenues of £3.7m and a charge to administrative costs of £0.2m. Of these amounts the Group has recognised a credit of £0.3m in its adjusted numbers being a credit of £0.7m to revenues and a charge of £0.4m in administrative costs reflecting the estimated benefit of the change in the treatment on the first half of the year. The Group expects to recognise a benefit of approximately £0.5m per annum on an ongoing basis following settlement.

Investment in HD Decisions

On 25 March 2011 the Group invested £1m in acquiring a 25% stake in HD Decisions Limited. HD provides credit decision support technology which allows consumers to better understand the probability of being approved for a credit product before making a formal application for credit. This improves the user's experience on the Group's websites by matching consumers with credit products that they are eligible for and increases the number of relevant applications for individual providers which improves conversion. Importantly a credit footprint is not left on the consumer's profile at the point of initial enquiry. Furthermore providers are able to reduce the overall costs of credit searches they incur at the application stage if consumers proceed to apply only for those credit products that are suited to their particular circumstances. The software is currently deployed to a portion of the Group's credit card channel customers and will be rolled out later in the year to its loan channels.

Cash Balance and Dividend

As at 30 June 2011 the Group had a cash balance of £32.2m (2010: £28.3m). The Group continued to strengthen its cash position throughout the period after payment of dividends of£12.9m in the first six months of the year. Having reviewed the cash required by the business and the performance of the Group, the Board has decided to increase its interim dividend by 15% to 1.5p per ordinary share. This is consistent with the progressive dividend policy the board reaffirmed at the preliminary announcement earlier this year.

In addition to the increased interim dividend the Board has decided to pay a further special dividend of £20m or 3.93p per share reflecting the Board's continued confidence in the business' ongoing ability to generate cash.

The ex-dividend date is 17 August 2011, with a record date of 19 August 2011 and a payment date of 16 September 2011. Shareholders have the opportunity to elect to reinvest their cash dividend and purchase existing shares in the Company through a Dividend Reinvestment Plan.

Earnings per ordinary share

Basic statutory earnings per ordinary share for the six months to 30 June 2011 were 1.7p (2010: 0.4p). Adjusted basic earnings per ordinary share increased from 2.3p to 3.1p per share. The adjusted earnings per ordinary share are based on profit before tax after adding back intangible amortisation, share-based payment charges arising from pre-listing share options and adjusting for the impact of the VAT settlement referred to above. An effective tax rate of 26.5% (2010: 28%) has been applied to calculate adjusted profit after tax.

Outlook

Trading in July has been in line with expectations with revenues approximately 15% ahead of the same period last year. The Board remains confident in the prospects for the full year.

Responsibility statement of the Directors in respect of the half-yearly financial report

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

• the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU

• the interim management report includes a fair review of the information required by:

(a) DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions described in the last annual report that could do so.

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

1 August 2011

Principal Risks and Uncertainties

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

Financial risks

<u>Significant worsening in credit markets</u>

Financial institutions may reduce the quantum of lending and tighten their acceptance criteria for customers seeking to obtain credit. This may reduce Group revenue. Providers may increase their focus on customer retention rather than acquisition. This may reduce commissions available to price comparison websites.

<u>Reduction of providers</u>

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

<u>Investment in new areas</u>

Significant investments in new products and services fails to make a return.

<u>Financial services and other markets regulation or new geographics</u>

The business model in financial services or other lines of business may be compromised by changes to existing regulation or the introduction of new regulation, or changes to the tax legislation, particularly value added tax.

Operational risks

<u>Competitive environment</u>

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

<u>Brand perception and reputation</u>

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

<u>Business continuity, capacity and functionality of IT and systems</u>

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

<u>Loss of key management</u>

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

<u>Reliance on search engine natural listings</u>

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

<u>Economic environment</u>

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

Independent Review Report To MoneySupermarket.com Group PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2011 which comprises the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated statement of cash flows and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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

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

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

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

Scope of review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2011 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.

Stuart Burdass
for and on behalf of KPMG Audit Plc
Chartered Accountants
St James' Square
Manchester, M2 6DS
1 August 2011

Condensed Consolidated Statement of Comprehensive Income

	Note	**6 months to 30 June 2011 £000**	6 months to 30 June 2010 £000
Revenue	*4*	**91,739**	71,594
Cost of sales		**(25,370)**	(20,478)
Gross profit		**66,369**	51,116
Distribution expenses		**(16,949)**	(11,441)
Administrative expenses		**(37,034)**	(36,928)
Results from operating activities		**12,386**	2,747
Financial income		**145**	151
Financial expense		**-**	-
Net finance income		**145**	151
Profit before income tax		**12,531**	2,898
Income tax expense	*5*	**(3,724)**	(924)
Profit for the period		**8,807**	1,974
Other comprehensive income:			
Foreign currency translation		**8**	12
Deferred tax on share-based payments		**284**	-
Other comprehensive income for the period		**292**	12
Total comprehensive income for the period		**9,099**	1,986
Profit attributable to:			
Equity holders of the Company		**8,807**	1,974
Non-controlling interest		**-**	-
Profit for the period		**8,807**	1,974

Total comprehensive income attributable to:			
Equity holders of the Company		**9,099**	1,986
Non-controlling interest		**-**	-
Total comprehensive income for the period		**9,099**	1,986

Adjusted EBITDA:			
Operating profit		**12,386**	2,747
Share based compensation relating to pre IPO options		**-**	403
Amortisation of intangibles		**11,872**	12,537
Depreciation		**1,956**	2,390
VAT recovery relating to prior periods		**(3,195)**	-
Adjusted EBITDA		**23,019**	18,077
Earnings per share:			
Basic earnings per ordinary share (pence)	*6*	**1.7**	0.4
Diluted earnings per ordinary share (pence)	*6*	**1.7**	0.4

Basis of Preparation

The adjusted results show the trading results for the 6 months ended 30 June 2010 and 30 June 2011. The board regards an adjusted EBITDA figure as being the most meaningful profit measure for this period. The following adjustments have been made to the Condensed Consolidated Statement Of Comprehensive Income:

- The acquisition of MoneySupermarket.com Financial Group Limited by the Company gave rise to £207.2m of intangible assets. These are to be written off over a period of 3-10 years with a charge of £12.5m and £11.5m respectively in the 2010 and 2011 Condensed Consolidated Statements Of Comprehensive Income.
- Certain share option charges relating to Directors, senior management and other employees of the Group arising from the time the Group listed or when it was privately owned have been added back to calculate adjusted EBITDA. A charge for awards made under the Group's Long Term Incentive Plan is included within the adjusted results for 2010 and 2011.
- On 14 October 2010 the Group acquired Financial Services Net Limited. The acquisition gave rise to £6.1m of intangible assets which are to be written off over a period of 3-10 years, and which gave rise to an amortisation charge of £0.4m in the current period.
- The Group received written notification in June 2011 that it had been successful in challenging the VAT treatment of the supply of certain of its lead services. Following a ruling in March 2008 from HMRC the Group had treated the supply of its lead services as a standard rated supply for VAT purposes rather than as an exempt supply that the Group believed to be correct. Consequently, the Group has recorded additional revenues of £3.7m in the first half statutory results for the year together with a charge of £0.2m in administrative expenses. Of these amounts, the Group has included a credit of £0.7m to revenue in the first half results (2010: nil) together with a charge of £0.4m to administrative expenses (2010: nil) reflecting the estimated impact on the first half results.

Condensed Consolidated Statement of Financial Position

	Note	30 June 2011 £000	31 December 2010 £000	30 June 2010 £000
Assets				
Non-current assets				
Property, plant and equipment		**12,539**	10,701	11,580
Intangible assets	8	**170,649**	182,541	185,916
Investments		**1,000**	-	-
Total non-current assets		**184,188**	193,242	197,496
Current assets				
Trade and other receivables		**23,809**	16,320	20,237
Prepayments		**2,724**	2,320	2,154
Cash and cash equivalents		**32,194**	36,593	28,345
Total current assets		**58,727**	55,233	50,736
Total assets		**242,915**	248,475	248,232
Liabilities				
Non-current liabilities				
Deferred tax liabilities		**28,781**	32,212	35,222
Total non-current liabilities		**28,781**	32,212	35,222
Current liabilities				
Trade and other payables		**24,677**	25,235	23,023
Current tax liabilities		**4,731**	3,387	2,540

Total current liabilities	**29,408**	28,622	25,563
Total liabilities	**58,189**	60,834	60,785
Equity			
Share capital	**102**	102	102
Share premium	**171,297**	171,297	171,297
Retained earnings	**(65,988)**	(68,239)	(73,573)
Other reserves	**79,315**	84,481	89,621
Total equity attributable to equity holders of the Company	**184,726**	187,641	187,447
Non-controlling interest	**-**	-	-
Total equity	**184,726**	187,641	187,447
Total equity and liabilities	**242,915**	248,475	248,232

Condensed Consolidated Statement of Changes In Equity

for the period ended 30 June 2011

	Issued share capital	Share premium	Other reserves	Retained earnings	Reserve for own shares	Foreign currency translation reserve	Total
	£000	£000	£000	£000	£000	£000	£000
At 1st January 2010	102	171,207	95,397	(45,920)	-	(118)	220,668
Foreign currency translation	-	-	-	-	-	12	12
Profit for the period	-	-	-	1,974	-	-	1,974
Total income and expense for the period	-	-	-	1,974	-	12	1,986
Equity dividends	-	-	-	(36,320)	-	-	(36,320)
Exercise of share options	-	90	-	-	-	-	90
Reserves transfer	-	-	(5,670)	5,670	-	-	-
Share-based payment	-	-	-	933	-	-	933
At 30 June 2010	**102**	**171,297**	**89,727**	**(73,573)**	**-**	**(106)**	**187,447**
At 1st July 2010	102	171,297	89,727	(73,573)	-	(106)	187,447
Foreign currency translation	-	-	-	-	-	5	5
Deferred tax recognised on share-based payments	-	-	-	165	-	-	165
Profit for the period	-	-	-	5,727	-	-	5,727
Total income and expense for the period	-	-	-	5,892	-	5	5,897
Equity dividends	-	-	-	(6,531)	-	-	(6,531)
Reserves transfer	-	-	(5,145)	5,145	-	-	-
Share-based payment	-	-	-	918	-	-	918
At 31 December 2010	**102**	**171,297**	**84,582**	**(68,239)**	**-**	**(101)**	**187,641**
At 1st January 2011	102	171,297	84,582	(68,239)	-	(101)	187,641
Foreign currency translation	-	-	-	-	-	8	8
Deferred tax recognised on share-based payments	-	-	-	284	-	-	284
Profit for the period	-	-	-	8,807	-	-	8,807
Total income and expense for the period	-	-	-	9,091	-	8	9,099
Equity dividends	-	-	-	(12,885)	-	-	(12,885)
Reserves transfer	-	-	(5,174)	5,174	-	-	-
Share-based payment	-	-	-	871	-	-	871
At 30 June 2011	**102**	**171,297**	**79,408**	**(65,988)**	**-**	**(93)**	**184,726**

Other reserves

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

Foreign currency translation reserve

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

Reserve for own shares

The reserve for the Company's own shares comprises the cost of the Company shares held by the Group. At 30 June 2011, the Group held 263,693 shares at a cost of 0.02 pence per share through a trust, for the benefit of the Group's employees.

Condensed Consolidated Statement of Cash Flows

for the period ended 30 June

	2011	2010
	£000	£000
Operating activities		
Profit for the period	**8,807**	1,974
Adjustments to reconcile Group net profit to net cash flows:		
Depreciation	**1,956**	2,390
Amortisation of intangible assets	**11,872**	12,537
Net finance income	**(145)**	(151)
Equity settled share-based payment transactions	**871**	933
Income tax charge	**3,724**	924
Changes in trade and other receivables	**(7,893)**	(6,223)
Changes in trade and other payables	**(560)**	4,267
Income tax paid	**(5,529)**	(4,299)
Net cash flow from operating activities	**13,103**	12,352
Investing activities		
Interest received	**154**	151
Acquisition of minority interest	**(1,000)**	-
Acquisition of property, plant and equipment	**(3,771)**	(1,835)
Net cash flow from investing activities	**(4,617)**	(1,684)
Financing activities		
Proceeds from issue of share capital	**-**	90
Dividends paid	**(12,885)**	(36,230)
Net cash flow from financing activities	**(12,885)**	(36,140)
Net decrease in cash and cash equivalents	**(4,399)**	(25,472)
Cash and cash equivalents at start 1 January	**36,593**	53,805
Effect of exchange rate fluctuations on cash held	**-**	12
Cash and cash equivalents at 30 June	**32,194**	28,345

Notes

1. Reporting entity

MoneySupermarket.com Group PLC ('Company') is a company domiciled in the United Kingdom. The condensed consolidated financial statements of the Company as at and for the six months ended 30 June 2011 comprise the Company and its subsidiaries ('Group').

The financial statements have been prepared on a going concern basis, which the Directors deem appropriate, given the Group's positive cash position and lack of debt.

The consolidated financial statements of the Group as at and for the year ended 31 December 2010 are available upon request from the Company's registered office at Moneysupermarket House, St David's Park, Ewloe, Chester, CH5 3UZ or online at www.moneysupermarket.com.

2. Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2010.

The comparative figures for the year ended 31 December 2010 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

These condensed consolidated interim financial statements were approved by the Board of Directors on 1 August 2011.

3. Significant accounting policies

As required by the Disclosure and Transparency Rules of the Financial Services Authority, the condensed set of financial statements has been prepared by the Group by applying the same accounting policies and significant judgements as were applied by the Group in its published consolidated financial statements as at and for the year ended 31 December 2010.

4. Segmental information

	Money	Insure	Travel	Home	Other	Total
	£000	£000	£000	£000	£000	£000
Period ended 30 June 2010						
Revenue						
Segment revenues	20,673	40,590	7,543	2,633	155	71,594

Results						
Operating expenses						(68,847)
Results from operating activities						2,747
Net finance income						151
Profit before tax						2,898
Income tax expense						(924)
Profit for the period						1,974
Assets						
Unallocated assets						248,232

	Money	**Insure**	**Travel**	**Home**	**Other**	**Total**
	£000	£000	£000	£000	£000	£000
Period ended 30 June 2011						
Revenue						
Segment revenues	27,048	50,323	7,631	3,644	3,093	91,739
Results						
Operating expenses						(79,353)
Results from operating activities						12,386
Net finance income						145
Profit before tax						12,531
Income tax expense						(3,724)
Profit for the period						8,807
Assets						
Unallocated assets						242,915

In applying IFRS 8 - Operating Segments, the Group has disclosed four reportable segments, being Money, Insure, Travel and Home. This disclosure correlates with the information which is presented to the Group's Chief Operating Decision Maker, the Company's Board, which reviews revenues by segment, but margin, operating costs and assets at a consolidated level. All of the Group revenue reported for the first six months of 2011 was generated in the UK (2010: £71.5m out of Group revenue of £71.6m). Included within Other revenue in the current period is £3.0m of additional revenue relating to prior periods which the Group has recognised in relation to the

settlement of a VAT dispute concerning its leads business. The full impact of this settlement is described in Note 10.

5. Income tax

The Group's effective consolidated tax rate for the six months ended 30 June 2011 was 29.7% (2010: 31.9%). This change in the effective tax rate was caused by the following:

- During the period ended 30 June 2010, the Group incurred losses from its German operation, which it believed it could not offset against profits generated elsewhere in the Group for corporation tax purposes, totalling £515,000, compared with only £5,000 of losses in the current period.

6. Earnings per share

Basic and diluted loss per share has been calculated on the following basis.

	2011	2010
Profit after taxation attributable to ordinary shareholders (£000)	**8,807**	1,974
Basic weighted average ordinary shares in issue (millions)	**509.3**	508.7
Dilutive effect of share based instruments (millions)	**12.6**	10.5
Diluted weighted average ordinary shares in issue (millions)	**521.9**	519.2
Basic earnings per ordinary share (pence)	**1.7**	0.4
Diluted earnings per ordinary share (pence)	**1.7**	0.4

7. Dividends

	2011	2010
	£000	£000
Declared and paid during the period:		
Equity dividends on ordinary shares:		
Final dividend for 2010: 2.53 pence per share (2009: 2.2 pence per share)	**12,885**	11,213
Special dividend for 2009: 4.91 pence per share	**-**	25,017

Proposed for approval (not recognised as a liability as at 30 June):		
Equity dividends on ordinary shares:		
Interim dividend for 2011: 1.5 pence per share (2010: 1.3 pence per share)	**7,639**	6,621
Special dividend for 2011: 3.93 pence per share (2010:nil)	**20,000**	-

8. **Intangible fixed assets**

	Market related	Customer relationship	Customer list	Technology related	Goodwill	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 January 2010	132,100	68,500	713	5,900	124,965	332,178
Additions	-	-	-	-	-	-
At 30 June 2010	132,100	68,500	713	5,900	124,965	332,178
Amortisation						
At 1 January 2010	33,405	24,746	602	4,972	70,000	133,725
Charged in period	6,605	4,893	111	928	-	12,537
At 30 June 2010	40,010	29,639	713	5,900	70,000	146,262
Net book value						
At 1 January 2010	98,695	43,754	111	928	54,965	198,453
At 30 June 2010	**92,090**	**38,861**	**-**	**-**	**54,965**	**185,916**
Cost						
At 1 January 2011	136,943	69,291	1,162	5,900	127,164	340,460
Revaluation	(16)	(3)	(1)	-	-	(20)
At 30 June 2011	136,927	69,288	1,161	5,900	127,164	340,440
Amortisation						
At 1 January 2011	46,717	34,556	746	5,900	70,000	157,919
Charged in period	6,848	4,949	75	-	-	11,872
At 30 June 2011	53,565	39,505	821	5,900	70,000	169,791
Net book value						
At 1 January 2011	90,226	34,735	416	-	57,164	182,541
At 30 June 2011	**83,362**	**29,783**	**340**	**-**	**57,164**	**170,649**

9. **Share-based payments**

On 9 March 2011 further conditional awards were made over 2,630,535 shares to a number of Directors and employees under the Long Term Incentive Plan scheme.

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

	2011	2010
	£000	£000
Unapproved option scheme	**-**	136
Share Incentive Plan scheme (SIP)	**-**	219
Chairman's share award	**-**	48
Long Term Incentive Plan scheme (LTIP)	**871**	530
	871	933

The following table indicates the changes in the number of each type of share option during the period:

		Unapproved	Chairman's Award	LTIP
	At 1 January 2010	1,506,671	235,294	8,032,705
	Options issued during the period	-	13,318	4,315,539
1.1.1	Options exercised during the period	(1,506,671)	(248,612)	-
1.1.2	Options forfeit during the period	-	-	(245,653)
	At 30 June 2010	-	-	12,102,591
	At 1 July 2010	-	-	12,102,591
	Options issued during the period	-	-	
	Options exercised during the period	-	-	-
	Options forfeit during the period	-	-	(1,124,277)
	Options lapsed during the period	-	-	-
	At 31 December 2010	-	-	10,978,314
	At 1 January 2011	-	-	10,978,314
	Options issued during the period	-	-	2,630,535
1.1.3	Options exercised during the period	-	-	-
1.1.4	Options lapsed during the period	-	-	(649,601)
1.1.5	Options forfeit during the period	-	-	(336,613)
	At 30 June 2011	-	-	12,622,635

10. **Settlement of VAT dispute**

During the course of the period the Group received written notification that it had been successful in challenging the VAT treatment of the supply of certain of its leads services. Following a ruling received from HMRC in March 2008 the Group had treated the supply of its leads services as a standard rated supply for VAT purposes rather than as an exempt supply that the Group believed to be correct. Consequently the Group has recorded additional revenues of £3.7m in the first half of the year, together with a credit of £0.2m to administrative costs. The adjusted first half results reflect the estimated impact of the change in VAT treatment on the first half results being a £0.3m credit to profit, the largest element of which is an additional £0.7m of revenues. The Group anticipates receiving the cash benefit of the change in the VAT treatment during the second half of the year.

11. **Related party transactions**

During the period there were no transactions, and at the period end there were no outstanding balances, relating to key management personnel and entities over which they have control or significant influence.

Simon Nixon, Paul Doughty, Michael Wemms, Bruce Carnegie-Brown and Gerald Corbett received dividends from the Group during the period totalling £6,814,472 in relation to the year ended 31 December 2010.

Forward looking statements

This report includes statements that are forward looking in nature. Forward looking statements involve known and unknown risks, assumptions, uncertainties and other factors which may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Except as required by the Listing Rules and applicable law, the Company undertakes no obligation to update, revise or change any forward looking statements to reflect events or developments occurring after the date of this report.

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