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**esure Group plc**  
**13 September 2016**

**Proposed demerger of Gocompare.com**

The Board of esure Group plc ("esure" or the "Group") is pleased to announce the conclusion of its strategic review and its intention to pursue a demerger of Gocompare.com Holdings Ltd (to be re-named Gocompare.com Group plc) ("Gocompare.com") from the Group through a separate listing on the main market of the London Stock Exchange ("the Demerger").

The proposed Demerger is conditional on the approval of esure shareholders, and subject to shareholder and relevant regulatory approvals. The esure Board intends to recommend that esure shareholders vote in favour of the Demerger, which, subject to the receipt of all required approvals, is expected to occur in Q4 2016.

**Sir Peter Wood, Chairman of esure Group plc, commented:**

"Following the strategic review and the appointment of Matthew Crummack as CEO of Gocompare.com, we believe that a demerger of Gocompare.com from esure will allow both entities to thrive and reach their full potential.

"esure and Gocompare.com are distinct businesses, which are both underpinned by strong brands. A Demerger will allow the separate management teams to focus on their independent strategies, and also enhance their ability to align senior management incentives.

"I am delighted with the breadth, depth and experience of the members of the Gocompare.com Board and look forward to working with them in my role as Chairman of Gocompare.com. I will also continue as Chairman of esure.

"The esure Board intends to recommend that esure shareholders vote in favour of the Demerger."

**Stuart Vann, Chief Executive Officer of esure Group plc, commented:**

"As outlined at our 1H 2016 results, we continue to make excellent progress across our strategic initiatives and the insurance business remains well positioned to capitalise on growth opportunities. In the first half of 2016 we grew gross written premiums by over 16% and we expect growth to continue in the second half of the year.

"We remain very well positioned for further growth in our market, with a strong balance sheet now and post the demerger."

**Matthew Crummack, Chief Executive Officer of Gocompare.com, commented:**

"The team at Gocompare.com, which we have strengthened at executive team level since my arrival as CEO in June, is excited by the opportunities that the Demerger will provide. We are all focused on the implementation and evolution of the Gocompare.com strategy, which we believe will continue to enhance Gocompare.com's business performance."

**Rationale for the Demerger:**

On 7 June 2016, the Board of esure announced a strategic review of Gocompare.com. As part of this strategic review, the Board has evaluated options to maximise the potential of both businesses and has concluded that the Demerger is the preferred option.

The Board believes that the Demerger has the potential to deliver enhanced business growth and performance over time, and therefore shareholder value, by:

- Creating two separately listed and focused groups, a leading UK provider of motor and home insurance and a leading UK price and product comparison website;
- Improving Gocompare.com's ability to attract and retain technology focused senior managers, who would join a stand-alone entrepreneurial digital technology business;
- Allowing the separate esure and Gocompare.com management teams to focus on pursuing their strategies independently;
- Enhancing the ability of esure and Gocompare.com to align senior management incentives with the performance of the standalone business rather than the combined Group; and
- Optimising esure and Gocompare.com for the relevant regulatory environments within which they operate and enabling each group to operate with an appropriate capital structure.

It is intended that Gocompare.com will be a premium listed company on the London Stock Exchange and that, on listing, the shares of Gocompare.com will be distributed to esure shareholders through an interim pro-rata dividend in specie.

Costs arising from the Demerger are anticipated to be ca. £19m.

**Capital Structure**

Prior to the completion of the Demerger, it is intended that Gocompare.com will draw down on a new £75m debt facility and pay esure a cash dividend in the region of £63m.

The cash dividend will cover the fees associated with the Demerger incurred by esure and provide additional headroom above the Group's solvency capital requirements ("SCR").

The esure Board has considered the risk appetite of the Group as part of the exceptional Own Risk and Solvency Assessment process under Solvency II. In light of the new Group composition, the esure Board believe an appropriate level of capital coverage of its SCR to be in the region of 130-150%. The capital surplus above the SCR provides sufficient headroom to absorb adverse capital events and should enable the Group to continue to meet its regulatory capital requirements which are unchanged post the Demerger. It is expected that the Group will initially operate in the middle to upper end of the range, providing flexibility to fund further profitable growth.

Following the Demerger, the Board does not intend to amend the current esure dividend policy, which targets a base dividend of 50% of underlying profit after tax and in addition a further special dividend, if the Group has sufficient capital and distributable reserves, after allowing for an appropriate buffer and future growth. The fees associated with the Demerger will not impact

the Group's 2016 final dividend and will be adjusted for in the Group's 2016 underlying profit after tax.

## **Timetable**

Further details in relation to the proposed Demerger will be provided in shareholder documentation which is expected to be posted to shareholders on or around 11 October 2016.

The Gocompare.com management team will provide an analyst and investor briefing to present their plans for the Gocompare.com business in more detail. The briefing will take place on the day shareholder documentation is posted to shareholders.

The proposed Demerger is conditional on esure shareholder approval as well as relevant regulatory approvals, and subject to those approvals, is expected to occur in Q4 2016.

## **The Gocompare.com Board**

The Directors of Gocompare.com are:

- Sir Peter Wood, Chairman;
- Angela Seymour-Jackson, Deputy Chairman and Senior Independent Director;
- Matthew Crummack, Chief Executive Officer;
- Nick Wrighton, Chief Financial Officer;
- Zillah Byng-Thorne, Non-Executive Director; and
- Adrian Webb, Non-Executive Director.

The new Board intends to adopt a number of governance measures in order to comply with the principles and provisions of the UK Corporate Governance Code at the point of the Demerger.

## **The esure Board**

The esure Board will remain unchanged.

## **For further information:**

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## **Notes to editors:**

### **Gocompare.com**

Gocompare.com operates a leading UK price comparison website, Gocompare.com, which attracts approximately 5 million visits every month. Gocompare.com offers a free online service that is designed to save consumers money. Gocompare.com enables consumers to compare the prices and features of more than 40 products in a quick and easy way.

In the first full year of the esure Group's ownership of Gocompare.com, the marketing strategy has been reinvigorated driving growth in insurance comparison, the cost base restructured, and focus given to a wider range of products. In 2015, Gocompare.com achieved income of £118.9 million. At the 30 June 2016, the Gocompare.com gross assets, the subject of the transaction, were £32.0 million. Gocompare.com's profit before tax attributable to the assets, subject of the transaction, was £23.3 million for the full year ended 2015.

Gocompare.com has a highly experienced, talented and motivated team based in Newport, which has been strengthened by the appointment of Matthew Crummack as Chief Executive Officer in June 2016.

### **Gocompare.com Board**

#### **Sir Peter Wood, Chairman**

Sir Peter founded the esure Group in February 2000 and has served as the esure Group's Chairman since that date. Sir Peter served as the esure Group's Chief Executive Officer from April 2006 until February 2012.

Previously, Sir Peter founded the Direct Line general insurance business in 1985. Sir Peter built Direct Line up to become the UK's largest ever private motor insurer and direct home insurer and one of the UK's leading direct financial services brands. Sir Peter retired as chairman of Direct Line in June 1997. During the 1990s, Sir Peter also served as a director of Bankinter SA in Spain, and founded three other insurance companies around the world including Línea Directa Aseguradora, a company serving the Spanish direct insurance market. Sir Peter also founded Privilege Insurance with Royal Bank of Scotland.

Sir Peter oversaw esure Group's acquisition of 50 per cent. of Gocompare.com in 2007 and its agreement to acquire the remaining 50 per cent. of Gocompare.com in December 2014.

Between 1996 and 2000, Sir Peter was a non-executive director of Centrica plc. In 1998, he was appointed as a non-executive director to the board of the Economist Group, where he served until March 2004.

In 1996, Sir Peter was awarded a CBE for services to the UK financial services industry and, in June 2016, was made a Knight Bachelor in the Queen's 90th birthday honours list for his services to UK industry and philanthropy.

#### **Angela Seymour-Jackson, Deputy Chairman and Senior Independent Director**

Angela became a non-executive director of the board of esure Group plc in October 2015 and sits on its remuneration committee and its risk committee. She also a non-executive director of Henderson Group plc and Rentokil Initial plc where she is a member of the remuneration and risk committees and the remuneration committee, respectively.

From December 2012 until September 2016 Angela was managing director of workplace savings at Aegon UK. She was also a member of Aegon UK's independent governance committee.

Prior to joining Aegon UK, Angela held a variety of senior sales and marketing roles at a Norwich Union Insurance, General Accident, CGNU and Aviva, including running Aviva's direct to consumer personal lines insurance business. She was CEO of RAC Motoring Services from 2010 to 2012 and led the sale of that business to The Carlyle Group.

#### **Matthew Crummack, Chief Executive Officer**

Matthew was CEO of lastminute.com from 2011 until the business was acquired by lastminute.com Group (previously Bravofly Rumbo Group) in March 2015. Post-acquisition, he served as Deputy CEO and Chief Integration Officer until 31 December 2015.

Matthew was formerly a Senior Vice President of Global Lodging at Expedia, has previously worked for Nestlé UK and spent eight years at Procter & Gamble in a variety of UK and European sales and marketing roles. In May 2015, Matthew became a non-executive director of National Express plc. He is also a director of his own UK-based company, Interventus Limited.

In June 2016 Matthew was awarded an Honorary Doctor of Science from Aston University in recognition of his achievements as an alumnus.

**Nick Wrighton**, Chief Financial Officer

Nick is a Chartered Accountant and was Deputy CFO at esure Group plc from January 2014 having joined in June 2012 as Group Financial Controller. Nick was part of the esure Group plc team that guided esure Group plc's flotation on the London Stock Exchange in 2013 and worked on the acquisition of the remaining 50 per cent. of Gocompare.com in 2014.

Prior to joining esure Group plc, Nick spent five years at Brit Insurance, where he held a number of finance roles including Financial Controller for Brit Insurance Limited, and seven years at RSA.

**Zillah Byng-Thorne**, Non-Executive Director

Zillah became a non-executive director and a member of the audit committee and nomination committee of Paddy Power Betfair plc in February 2016. Zillah was previously a non-executive director of Betfair Group plc prior to its merger with Paddy Power plc. Prior to this, Zillah was Chief Financial Officer of Trader Media Group from 2009 and interim Chief Executive until July 2013, Chief Financial Officer of Fitness First Group Ltd from 2006 to 2009, and Chief Financial Officer of the Thresher Group from 2002 to 2005.

Zillah has also previously held senior finance positions with GE Capital and HMV Media Group, qualified as an accountant with Nestlé UK Ltd, and was a non-executive Director of Mecom Group plc from 2011 until February 2015. She is also currently Chief Executive Officer of Future plc, having previously served as Chief Financial Officer.

**Adrian Webb**, Non-Executive Director

Adrian has 30 years' experience in marketing and communications including 20 years with major financial services brands. He served as Head of Group Public Relations with Direct Line, then Head of Communications with Virgin's banking arm before joining award-winning London consultancy, Consolidated Communications, as Strategy Director in 2000.

Adrian joined the esure Group in 2002 becoming Head of Marketing and Communications. He was part of the esure Group plc team that guided the company's MBO in 2010 and flotation on the London Stock Exchange in 2013. Adrian retired from the esure Group in May 2015 and was appointed a Non-Executive Director of Gocompare.com on 21 July 2015 having worked with the Gocompare.com Group extensively since esure Group plc's first investment in Gocompare.com.

**Cautionary statements**

This announcement does not constitute an offer of securities for sale or a solicitation of an offer to purchase securities in any jurisdiction nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.

The shares of Gocompare.com Group plc have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "US Securities Act"), and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

No offer of shares of Gocompare.com Group plc will be made as part of the Demerger and the Gocompare.com Group plc prospectus referred to above will be issued solely in connection with Admission.

Certain statements made in this announcement are forward-looking statements. Such statements are based on current expectations and assumptions and are subject to a number of known and unknown risks and uncertainties that may cause actual results, performance or achievements of the Group or industry results to differ materially from any future events,

results, performance or achievements expressed or implied by such forward-looking statements. Persons receiving this announcement should not place undue reliance on any forward-looking statements. Unless otherwise required by applicable law, regulation or accounting standard, esure disclaims any obligation or undertaking to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.