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PRESS STATEMENT FROM INSURANCEWIDE.COM

It has recently been announced that HMRC has applied to the Court of Appeal for leave to appeal the recent High Court Ruling in favour of Insurancewide. This ruling confirmed the Company's right to a VAT exemption on the sale of insurance policies. In spite of this apparently favourable decision it is with regret that the Directors of Insurancewide.com Services Limited have now decided that Insurancewide should cease trading with effect from the close of business, 31 August 2009, unless a buyer for the business can be found in the weeks ahead.

Insurancewide was the original insurance comparison site, launched in 1999 and has historically enjoyed considerable success working with such prestigious brands as AOL, Freeserve, Tiscali, eBay and Yahoo.

The Company's co-defendants in this Action are presenting arguments to try and dissuade the Court from granting the right to appeal. However, the financial consequences for Insurancewide which result from defending the action over a period of five years, coupled with the prospect of an appeal to the Court of Appeal and then to the House of Lords and even to the European Court of Justice, has made this announcement of cessation of trading unavoidable.

In the period leading up to 31 August, the Board is seeking to reach an accommodation with its trading partners. The Directors are also hopeful that a buyer might be identified to acquire the assets and intellectual property of the Company. The value of Insurancewide resides not only in the Company's excellent distribution network, the newly built technology platform and a thriving life business, but also in the small and loyal team who continue to work to generate value which will ensure the best possible outcome from the sale or closure process.

James Harrison, CEO of Insurancewide said "The financial burden on Insurancewide to commit to this ongoing legal process is simply too high both in time and resources, especially when, in spite of winning the case, we have yet to receive any reimbursement of our costs from HMRC. The battle with HMRC has lasted five years so far and has had a severe detrimental effect on the development of our business. It is a great personal disappointment to me and to all the team that after nearly ten years of breaking new ground in the insurance aggregation market we will have to cease trading unless we can find a suitable investor to acquire the assets of the business. Insurancewide has been a leader in its field and I remain hopeful that we can ride out this storm".

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