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ASX ANNOUNCEMENT

FOR IMMEDIATE RELEASE

2 September 2013

Correction of inaccurate commentary

iSelect Limited ("the Company") is aware of inaccurate media commentary regarding the Company and its FY2013 annual results and seeks to clarify the following key points:

Spectrum Equity Investors

- Spectrum Equity Investors ("Spectrum") did not sell the 'bulk' of their stock in iSelect at listing. The implication that the amount sold was in the order of 8% of the Company's issued capital, is incorrect. Spectrum Equity Investors has sold some shares, however remain a large shareholder who continue to hold approximately 4.9% of issued capital in iSelect.

IPO Costs

- The assertion that "the Company did not fully disclose the true financial state of the Company given the EBITDA number does not include IPO costs", is incorrect.

  The Company's FY13 results presentation outlined various earnings measures both including and excluding expensed IPO transaction costs. This was consistent with the treatment of those items in the iSelect 2013 prospectus (page 58, section 4.3).

  The treatment of IPO costs was detailed on page 6 of the iSelect 2013 Financial Report, where it was stated that: "Total costs associated with the initial public offering were $13 million, including both capitalised amounts (before tax effect) and expensed amounts". This was repeated on page 54 of the same report.

  Ultimately the IPO costs that were expensed were $1.5 million, the balance being capitalised. The expensed amount was detailed on page 15 of the Company's FY13 results presentation.

  In addition, the financial impact of the IPO transaction costs was disclosed in the iSelect 2013 prospectus (page 60, section 4.3.1), which clearly outlined the EBITDA forecasts inclusive and exclusive of IPO transaction costs.

  Accordingly, the implication that the FY13 EBITDA result did not fully disclose the true financial state of the Company, is incorrect.

Treatment of trail commission

- The assertion that the payment structure adopted by iSelect means that "revenue numbers for iSelect…could be more positive than it looked", is incorrect.

  The Company's treatment of trail commission was fully disclosed in the Company's 2013 prospectus. That treatment is consistent with A-IFRS, and is supported by an expert report. This was detailed on page 133-4 of the Company's 2013 prospectus, in Appendix 1: Significant Accounting Policies.

Net Profit After Tax ("NPAT") result for FY13

- The following comments made last week contain factual errors regarding NPAT; "The company…told the market in its prelisting prospectus that it expected revenue for the financial year to climb to $122 million, driving its profit to a record high of $14.5 million.

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The company missed this guidance on Thursday, reporting a full-year net profit of $13.4 million with revenues of $118 million."

- The above comments compared two different NPAT numbers, implying that iSelect missed its NPAT FY13 guidance by ~$1.1 million. This is incorrect.

- iSelect gave the following NPAT guidance within its 2013 prospectus:

    1. iSelect forecast FY13NPAT of $14.5m (excluding expensed IPO costs).

    2. iSelect forecast FY13 NPAT of $13.4m NPAT (including expensed IPO costs).

- iSelect achieved FY13 NPAT of $14.4 million (excluding expensed IPO costs).

  iSelect achieved FY13 NPAT of $13.4 million (including expensed IPO costs), in line with prospectus guidance. As outlined on slide 5 of the iSelect FY13 results presentation, the company clearly delineated between its NPAT (excluding IPO costs) and NPAT (including IPO costs) results for FY13.

Forecast EBITDA

- While FY13 revenue was below the prospectus forecast (2.9%), FY13 EBITDA (excluding and including expensed IPO costs) was ahead of the prospectus forecast by $0.5m.

- iSelect reaffirms some key comments from the FY13 results announcement on 29 August 2013: "management has demonstrated a strong ability to manage the business efficiently in response to dynamic external factors, and so we reaffirm our CY13 EBITDA forecast of $30.0 million excluding expensed IPO costs. Following our second quarter capital raising and subsequent initial public offering, our balance sheet is robust, giving us financial flexibility to fund growth into the future."

NIA Limited ("NIA")

- iSelect was not required to disclose Les Webb's minority shareholding in NIA within the Company's 2013 prospectus.

- However in light of recent comments made in the press regarding the Company's corporate governance regime, comments which the Company considers to be unfounded, iSelect seeks to highlight the following points:

    - One of iSelect's independent non-executive directors, Leslie Webb, owns approximately 1.6% of NIA's issued shares through his family trust and is one of the beneficiaries of a superannuation fund holding approximately 4.2% of NIA's issued shares (the percentage of shares held on a fully diluted basis is lower).

    - A direct family member of Mr Webb holds approximately 2% of NIA's issued shares, however Mr Webb exercises no control or influence over this shareholding.

- Mr Webb had previously notified the iSelect Board of his interest in NIA and has not been involved in any Board decisions concerning NIA. Mr Webb has no influence or control over the activities of NIA.

- The fact that iSelect's CEO, Matt McCann, is the brother in law of NIA CEO Andy Sheats, is immaterial. Mr McCann has no influence or control over the activities of NIA.

- In light of these facts, there was no basis upon which iSelect was required to make disclosure in its 2013 prospectus.

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Corporate Governance

- Criticism in today's press of iSelect's governance standards is unfounded. The Company's prospectus was clear about the important strategic role played by iSelect Executive Chairman, Damien Waller.
- CEO, Matt McCann maintains day to day responsibility for the management of iSelect and has the benefit of Damien's considerable knowledge and experience. The Board considers that this arrangement is well disclosed and is of benefit to the iSelect business and its shareholders.

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