

BENEFEX SECURES £4.2 MILLION INVESTMENT FROM THE BUSINESS GROWTH FUND

BENEFEX, A LEADING PROVIDER OF ONLINE EMPLOYEE REWARD AND BENEFIT SCHEMES, IS THE FIRST UK BUSINESS TO RECEIVE INVESTMENT FROM THE BGF TO SUPPORT ITS DOMESTIC AND INTERNATIONAL EXPANSION

Southampton, 6 October 2011 - Benefex, a leading provider of flexible, online employee reward and benefit schemes today announced that it has secured a £4.2m investment from the Business Growth Fund (BGF). The BGF is an investment fund that has been recently established to help Britain's fast growing smaller and medium sized businesses and support the UK economy.

Benefex enables large organisations to tailor their rewards and benefit packages to individual employees, communicate effectively online with staff, and outsource administration and support of their schemes.

Benefex is the first company to secure investment from the BGF, which launched in May 2011. It has invested £4.2m of growth capital in Benefex and will take a minority stake in the company. Over the next few years the

BGF is expected to invest in hundreds of UK businesses that need long term funding to develop products and services, sell to new markets and create jobs.

The company is led by Matt Waller, a 33-year-old entrepreneur, who started the business from his own home when he was just 25, and has grown it to become one of largest online employee reward and benefits providers in the UK. The company currently provides services to over 500 clients, managing online benefits schemes for over 1 million employees in more than 40 countries. Its clients include the AA, Coca Cola, Bank of America Merrill Lynch, De Beers, E.ON, Philips, MTV and Centrica. It operates from its head office in Southampton, with a further presence in Marlow and London.

The market in which Benefex operates is enjoying rapid growth due to imminent legislative changes in pension provision and personal financial services. From October 2012, all employers will have to enroll eligible workers into workplace pension schemes, generating a clear need for online technology support. Furthermore, the Retail Distribution Review comes into effect in early 2013, bringing traditional broking commissions and fees under the spotlight. Benefex has developed an innovative service offering in response to these changes.

The BGF's investment will enable Benefex to continue the development of innovative products and services, expand its service lines and extend its international footprint. Immediate opportunities exist in the US and Asia Pacific.

As a result of this investment, Benefex expects to create a further 100 jobs at its offices in Southampton, Marlow and London.

Matt Waller, the CEO of Benefex and the first entrepreneur to be backed by the BGF, commented:

"We come from entrepreneurial, ambitious roots. We recognised that the business had reached the point where we needed external capital to take it to the next level and invest in key areas. Without it, we would continue to grow but not at the rate that we would like to.

Client service is at the heart of our business. This investment will allow us to invest in infrastructure, people and technology so that we can continue to innovate for our clients and respond to their needs. In addition to broadening our range of services, we are actively looking to internationalise the business."

Paul Oldham, BGF Regional Director for the South West and Wales and now a member of the Benefex board, commented:

"Benefex is an exciting business, led by a talented and entrepreneurial management team. A start up just eight years ago, it has created a strong market position, developed its service offering and built an impressive client base. It has exhibited consistent growth in tough economic conditions.

The employee benefits reward market is growing explosively due to legislative change and international demand and Benefex is uniquely positioned to capitalise on this due to its highly innovative approach to technology and customer service.

We look forward to working with Matt Waller and the management team to create the world's leading provider of online employee rewards and benefits."

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High resolution images are available for the media to view and download free of charge from <http://www.vismedia.co.uk>

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Notes to Editors:

Benefex

Benefex are one of the largest online reward and benefits providers in the UK. Since 2003 they have worked tirelessly to evolve online Reward & Benefits. Working with over 500 clients and more than 1 million employees, Benefex deliver fully integrated Reward, Benefit and Pension portals including Total Reward, Flexible Benefits, Savings, Education, Broking and their new Auto-Enrolment solution - Enroller™.

Benefex's RewardEvolution™ methodology means that whatever a client's strategy, Benefex can design, execute, support and evolve its Reward & Benefits. Key clients include: Bank of America Merrill Lynch, Centrica, Coca-Cola, E.ON, Philips, The AA and MTV.

The business has been nominated for over 20 awards in the last 5 years including Most Effective Benefits Strategy, 2009 (HR Excellence) and Best Corporate Advisor, 2010 (Money Marketing). Most recently, Benefex has been short listed as a finalist for Best Use of Technology in the Fast Growth Business Awards 2011.

www.benefex.co.uk

The Business Growth Fund

The Business Growth Fund has been established to help Britain's fast growing smaller and medium sized businesses. Growth potential is the key criteria. The BGF will invest between £2m and £10m per business in return for a minimum 10 per cent equity stake and a seat on the board for a BGF director. The Fund will provide long-term equity investment for those growing companies that today do not have access to this source of capital. As such the BGF hopes to be a catalyst for growth among smaller UK companies.

The BGF is an independent company with capital of up to £2.5 billion, backed by five of the UK's main banking groups - Barclays, HSBC, Lloyds, RBS, and Standard Chartered. The BGF is managed completely autonomously with an independent management team.

The BGF is one of a range of initiatives designed to forge a new relationship between the banking sector and UK businesses, and the BGF works in close collaboration with the British Bankers' Association as well as other key business organisations across the UK.

www.businessgrowthfund.co.uk