Bankrate, Inc.
Form S-1/A
December 06, 2011
Table of Contents

As filed with the Securities and Exchange Commission on December 6, 2011

Registration No. 333-178132

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

BANKRATE, INC.

(Exact name of registrant as specified in its charter)

Delaware	**7389**	**65-0423422**
(State or other jurisdiction of	**(Primary Standard Industrial**	**(I.R.S. Employer**

incorporation or organization)	**Classification Code Number)**	**Identification Number)**

11760 U.S. Highway One, Suite 200

North Palm Beach, Florida 33408

(561) 630-2400

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Edward J. DiMaria, Senior Vice President-Chief Financial Officer

11760 U.S. Highway One, Suite 200

North Palm Beach, Florida 33408

(561) 630-2400

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With copies to:

Benjamin M. Roth, Esq.	**Joshua N. Korff, Esq.**
Wachtell, Lipton, Rosen & Katz	**Christopher A. Kitchen, Esq.**
51 West 52nd Street	**Kirkland & Ellis LLP**
New York, New York 10019	**601 Lexington Avenue**
(212) 403-1000	**New York, New York 10022**
(212) 403-2000 (facsimile)	**(212) 446-4800**
	(212) 446-6460 (facsimile)

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement is declared effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer	¨	Accelerated filer	¨
Non-accelerated filer	x (Do not check if a smaller reporting company)	Smaller reporting company	¨

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated December 6, 2011

10,500,000 Shares

BANKRATE, INC.

Common Stock

This is a public offering of shares of common stock of Bankrate, Inc. The selling stockholders identified in this prospectus, which include the beneficial owner of a majority of Bankrate, Inc. s shares of common stock and certain directors and officers of Bankrate, Inc., are offering 10,500,000 shares. Bankrate, Inc. will not receive any of the proceeds from the sale of shares in this offering. Our common stock is listed on the New York Stock Exchange under the symbol RATE. The last reported closing sale price of our common stock on December 5, 2011 was $17.43 per share.

See Risk Factors on page 13 to read about factors you should consider before buying shares of the common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to the selling stockholders	$	$

The underwriters may also purchase up to an additional 1,575,000 shares from the selling stockholders, at the public offering price, less the underwriting discount within 30 days from the date of this prospectus.

The underwriters expect to deliver the shares against payment in New York, New York on , 2011.

Goldman, Sachs & Co. **BofA Merrill Lynch**
Citigroup **J.P. Morgan**

Allen & Company LLC

RBC Capital Markets

Prospectus dated , 2011

Table of Contents

Table of Contents

TABLE OF CONTENTS

We and the selling stockholders have not authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. Neither we nor the selling stockholders take responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

Industry and Market Data

This prospectus includes industry and trade association data, forecasts and information that we have prepared based, in part, upon data, forecasts and information obtained from independent trade associations, industry publications and surveys and other information available to us. Some data is also based on our good faith estimates, which are derived from management s knowledge of the industry and independent sources, and which we believe to be reliable. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. Statements as to our market position are based on market data currently available to us. While we are not aware of any misstatements regarding our industry data and market data presented or relied on herein, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading Risk Factors in this prospectus.

Table of Contents

PROSPECTUS SUMMARY

This summary highlights certain information contained elsewhere in this prospectus. Please read the entire prospectus, including the consolidated financial statements and the related notes and the section entitled Risk Factors, before you decide to invest. In addition, this prospectus includes forward-looking information that involves risks and uncertainties. See Cautionary Statement Concerning Forward-Looking Statements. Except as otherwise indicated herein or as the context otherwise requires, references in this prospectus to the Company is to Bankrate, Inc., a Delaware corporation, and references to Bankrate, we, us and our are to the Company and its consolidated subsidiaries.

Overview

We are a leading publisher, aggregator and distributor of personal finance content on the Internet. We provide consumers with proprietary, fully researched, comprehensive, independent and objective personal finance editorial content across multiple vertical categories including mortgages, deposits, insurance, credit cards, and other categories, such as retirement, automobile loans, and taxes. We also aggregate rate information from over 4,800 institutions on more than 300 financial products. With coverage of nearly 600 local markets in all 50 U.S. states, we generate over 172,000 distinct rate tables capturing on average over three million pieces of information daily. Our comprehensive offering of personal finance content and product research has positioned us as a recognized personal finance authority with over 10,000 attributable media mentions or interviews in 2010, including numerous television features on major networks. Our online network, which consists of *Bankrate.com*, our flagship website, and our other owned and operated personal finance websites, had over 150 million visits in 2010. In addition, we distribute our content on a daily basis to over 175 major online partners and print publications, including some of the most recognized brands in the world.

Our business benefits from the secular shift toward consumer use of the Internet to research and shop for personal finance products. The Internet s unique aggregation capabilities allow consumers to access and research vast amounts of information to efficiently compare prices and enable an informed purchase decision. We believe this is driving consumers to increasingly research and apply online for personal finance products and shift away from more traditional buying patterns. We stand to benefit from this major secular shift as a result of our leading position in the personal finance services markets driven by our strong brands, proprietary and aggregated content, breadth and depth of personal finance products, broad distribution, leading position in algorithmic search results and monetization capabilities.

Founded 35 years ago as a print-based financial and market data research business, Bankrate began moving online in 1996. Since 2004, under the leadership of our current management team, we have strategically broadened and diversified our product, content and consumer offerings through internal development activities and acquisitions. We now offer:

- branded content that educates consumers and financial professionals on a variety of personal finance topics;
- a market leading platform for consumers searching for competitive rates on mortgages, deposits, and money market accounts;
- competitive quotes to consumers for auto, business, home, life, health and long-term care insurance from our leading network of insurance agents and carriers; and
- comparative credit card offers to customers for consumer and business credit cards in the United States, Canada and the United Kingdom through our leading network of credit card websites.

Table of Contents

Our unique content and rate information is distributed through three main sources: our owned and operated websites, online co-brands, and print partners. We own a network of content-rich, proprietary websites focused on specific vertical categories, including mortgages, deposits, insurance, credit cards and other personal finance categories. We also develop and provide web services to over 75 co-branded websites with online partners, including some of the most trusted and frequently visited personal finance sites on the Internet such as Yahoo!, AOL, CNBC and Bloomberg. In addition, we license editorial content to over 100 newspapers on a daily basis including The Wall Street Journal, USA Today, The New York Times, The Los Angeles Times and The Boston Globe.

Our primary sources of revenue are display advertising, performance-based advertising and lead generation. In 2010, we generated pro forma revenue of $300.9 million, pro forma Adjusted EBITDA of $93.0 million, net loss of $21.4 million, and cash flow from operating activities of $31.2 million. During the nine months ended September 30, 2011, we generated revenue of $310.4 million, Adjusted EBITDA of $96.9 million, net loss of $27.5 million, and cash flow from operating activities of $7.7 million. See Summary Historical and Pro Forma Financial Data for a reconciliation of pro forma Adjusted EBITDA and Adjusted EBITDA to net income.

Recent History

After 10 years as a public company, we were acquired on August 25, 2009 by Ben Holding S.à r.l., an entity wholly owned by investment funds advised by Apax Partners, L.P. and Apax Partners LLP (the Bankrate Acquisition). Since then, we have executed several acquisitions, including two significant and strategically important acquisitions in NetQuote Holdings, Inc. and CreditCards.com, Inc. (the 2010 Acquisitions), enabling us to strengthen our offering to both advertisers seeking high quality leads and consumers who are looking for a comprehensive suite of financial products. These acquisitions have strengthened our position through increased selection of products and increased scale of our audience resulting in greater appeal to personal financial services partners and greater spending per partner. In June 2011, the company consummated its initial public offering (the Initial Public Offering) of shares at a price of $15.00 per share, in which the Company sold 12,500,000 shares of common stock and certain stockholders of the Company sold 10,494,455 shares of common stock.

Industry

The Internet has evolved into one of the most effective and comprehensive sources for personal finance content. Traditionally, consumers used sources of information such as word-of-mouth, referrals, newspapers, mortgage guides, insurance brokers and agents to research and address their financial needs. However, these approaches are often time consuming, error prone, and not transparent. Widespread access to the Internet and availability of content and the benefits associated with shopping and researching online has allowed consumers to increasingly rely on the Internet for their financial shopping needs. Using the Internet, consumers can search for and compare financial products and services across multiple sites and choose the right alternative for them. According to an industry study, over 60% of financial services consumers conducted research online and 37% of consumers who conducted research online also applied for a financial product online.

Companies have expanded their online marketing efforts to reach this large and growing online audience cost-effectively. As website traffic grows, online advertising continues to grow as a share of overall advertising. This secular shift is expected to continue in the United States as ZenithOptimedia estimates that online advertising will grow at a compound annual rate of 15% from 2010 through 2013. ZenithOptimedia also estimates that as of 2010 only 15% of total advertising spent in the United States has moved online. We believe our business will continue to benefit as the percentage of advertising dollars spent online increases to reflect the greater amount of media consumed online.

Table of Contents

As the economy and job markets recover, the personal financial services market is well-positioned to continue to rebound. Since demand for financial services is generally correlated to the growth of the economy, financial institutions online and traditional marketing spend is expected to increase as a result. For example, in 2010, major credit card companies increased advertising and lead generation spending after significantly cutting their budgets in 2008 and 2009.

We believe our end markets are well positioned to experience healthy growth in the coming years given the increasing use of the Internet, the shift in advertising spend from offline to online, the anticipated economic rebound and improving macroeconomic trends.

Our Solution

We provide consumers and institutions with a comprehensive personal finance marketplace through our leading content-rich flagship website, *Bankrate.com*, and our other branded personal finance destination websites. We allow consumers to shop for a wide variety of financial products and services online, including mortgages, deposit accounts, insurance products and credit cards. We offer fully researched, independent and objective financial content to our consumers through an easy-to-use web interface. We offer our advertisers access to a high quality ready-to-transact visitor base. We understand the importance of critical financial decisions and have designed our solutions to provide relevant information, content and advice to consumers to help them make the right decisions more efficiently and conveniently.

Our brand and the scale and quality of our content have helped us attract increasing numbers of ready-to-transact consumers over the years. As more consumers visited and researched personal finance products on our websites, more financial institutions listed their products and services with us. The combination of more consumers seeking personal finance products online and more companies providing more products and services increases the quality, depth and breadth of our offerings and attracts even more consumers, advertisers and institutions as a result. Additionally, the prominence of our brands, the quality of our content, the engineering architecture of our site, and many other factors that drive relevance have generally resulted in prominent placement in financial services search results for the leading search engines. This increased distribution via algorithmic search provides additional traffic to our website, again further attracting more partners and resulting in increased selection of personal finance products and more content. This virtuous cycle has enabled us to reinforce our leadership position and achieve a loyal advertiser and consumer base.

Our Strengths

Market Leader for Personal Finance Content. We are a market leading publisher, aggregator, and distributor of personal finance content on the Internet. We believe our leading position will continue to enable us to take advantage of the secular shift to the Internet as a source of personal finance solutions.

Leading Consumer Brands. We have built strong, recognizable and highly trusted brands over our 35 year history. We believe this is an important competitive differentiator. Furthermore, the strength of our brand has permitted us to be a partner of choice for other leading personal finance content providers.

High Quality, Proprietary Content. We provide consumers with proprietary, fully researched, comprehensive, independent and objective personal finance content, data and tools. Our editorial staff of 29 editors and reporters, 90 freelancers and 13 expert columnists delivers best in class content and provides news and advice through over 180 new articles per week on top of over 48,000 stories in our database. We also aggregate rate information from over 4,800 institutions and have broadened the focus to more than 300 financial products in nearly 600 local markets. In addition, we generate 172,000 distinct rate tables capturing on average over three million pieces of information on a weekly basis. The competency of creating unique content would be challenging for others to replicate.

Table of Contents

Significant Selection, Breadth and Depth of Offering. Bankrate provides both a broad range of personal finance services products across numerous vertical categories including mortgages, deposits, insurance, credit cards, and other personal finance categories, including retirement, automobile loans, and taxes, as well as great depth of selection in each category. Our selection both across and within these categories is a key differentiator in the value proposition to personal financial service shoppers.

Superior Distribution Platforms. Our unique content and rate information is distributed through three main sources: owned and operated websites, online co-brands, and print partners. This distribution network enables us to drive large amounts of high quality traffic to our network while increasing our brand awareness in an extremely cost-effective way.

Diverse Monetization Opportunities and Strong Cash Flow. Our primary sources of revenue are display advertising, performance-based advertising and lead generation. The multiple ways to monetize a given page view or unique visitor to our site, combined with a highly scalable infrastructure and low capital expenditure or working capital needs, results in strong cash flow conversion.

Strong, Experienced Management Team. Our management team has an in-depth understanding of the online media and personal finance industries as well as extensive experience growing companies profitability, both organically and through acquisitions.

Our Growth Strategy

Maintain Leadership as a Trusted and Authoritative Source for Personal Finance Content. We are focused on maintaining our position as a leading destination platform for personal finance information. As consumers increase their usage of the Internet as a tool for personal finance needs, we intend to maintain and improve our position in online comparative research for mortgages, deposit products, insurance and credit cards and potentially in additional vertical personal finance markets.

Increase Traffic to Our Network. We believe our unique and differentiated content offering, the strength of our brands and our marketing efforts will allow us to drive substantial traffic to our online network. We intend to continue to focus on efforts that explicitly drive traffic to our websites including search engine optimization, public relations, print partnerships, increasing the size of our co-brand partner network, and limited, high return on investment, paid search efforts.

Continue to Increase Monetization of Our Traffic. By advertising on our online network, banks, brokers, insurance companies, credit card issuers and other advertisers are accessing targeted, quality consumers poised to engage in a high-value transaction. We intend to continuously enhance our product offering and targeting capabilities to advertisers to ensure we are increasing our monetization of content and traffic.

Develop New Products that Increase the Quality of Our Offering to Consumers, Advertisers and Partners. By enhancing and expanding our product set, we seek to maintain our industry leadership. The key goals of all of our product development efforts are to satisfy consumers, drive traffic, increase monetization and increase affiliate and partner opportunities.

Pursue Additional Strategic Acquisitions. Acquiring companies opportunistically is a strategic core competency for us. We believe our industry relationships allow us to identify specialized companies that are attractive acquisition candidates. We intend to continue to pursue strategic growth opportunities that complement our online network to cost-effectively gain market share, expand into vertical categories and strengthen our content portfolio.

Table of Contents

Restructuring

The Company consummated its Initial Public Offering of shares of common stock on June 22, 2011. In addition, on June 30, 2011, in accordance with the terms of the indenture (the Indenture) governing our 11¾% senior secured notes due 2015 (the Notes), the Company used $123.0 million of the proceeds from the Initial Public Offering to redeem $105.0 million aggregate principal amount of the then-outstanding Notes (the Notes Redemption) and to pay interest accrued on the Notes.

The Company is a Delaware corporation and prior to the consummation of the Initial Public Offering, BEN Holdings, Inc., a Delaware corporation (Holdings), owned 100% of the Company s equity interests. On June 21, 2011, prior to the consummation of the Initial Public Offering, each share of common and preferred stock of Holdings outstanding at such time was exchanged for new shares of a single class of common stock of Holdings (the Recapitalization). In addition, following the Recapitalization and prior to the consummation of the Initial Public Offering, Holdings merged with and into the Company, with the Company surviving (the Merger). In the Merger, each share of the new Holdings common stock converted into shares of common stock of the Company, and all outstanding shares of Company common and preferred stock outstanding immediately prior to the Merger were cancelled. The consummation of the Initial Public Offering was premised on the prior consummation of the Recapitalization and the Merger. The surviving corporation in the Merger retained the name Bankrate, Inc.

In connection with the Merger and the Initial Public Offering, the Company entered into a Fourth Amended and Restated Stockholders Agreement that provides the Company s existing direct and indirect stockholders with certain rights, including rights of Ben Holding S.à r.l., our majority stockholder which is, in turn, controlled by the Apax VII Funds (as defined below), to nominate board members and to cause the subsequent registration of additional shares of common stock. Pursuant to this agreement, Ben Holding S.à r.l. has the right to nominate a majority of the members of our board of directors, although at this time there are only four such designees on the eight-member board. All parties to this agreement, who in the aggregate will own approximately 65% of our outstanding common stock after giving effect to this offering, are obligated to vote for the election of such nominees. See Certain Relationships and Related Party Transactions below.

The Merger was accounted for as a common control merger and in a manner similar to a pooling of interests. Accordingly, Holdings and Bankrate were consolidated retroactively to the earliest period presented, using the historical cost basis of each entity. The common stock, per common share, and increase in authorized share amounts in the financial information presented throughout this prospectus have been presented to retroactively reflect these transactions to the earliest period presented.

Principal Stockholders

Apax Partners is one of the world s leading private equity investment groups. It operates across the United States, Europe and Asia and has more than 35 years of investing experience. Funds under the advice and management of Apax Partners globally total over $35.0 billion. These funds provide long-term equity financing to build and strengthen world-class companies. Funds advised by Apax Partners invest in companies across its global sectors of Tech & Telecom, Retail & Consumer, Media, Healthcare and Financial & Business Services. See Certain Relationships and Related Party Transactions and Principal and Selling Stockholders and the documents referred to herein for more information with respect to our relationship with funds advised by Apax Partners.

Interests of Related Persons

Ben Holding S.à r.l., Apax Partners, L.P. and certain of our directors and executive officers received cash, common stock, or other consideration as a result of the Initial Public Offering and will receive cash consideration as a result of this offering, in each case as described below.

Prior to the Initial Public Offering, each of the Company s executive officers participated in our Exit Event Incentive Bonus Plan, pursuant to which participants received bonuses if, among other things, the Apax VII

Table of Contents

Funds received a specified rate of return in an initial public offering. However, no bonuses were paid under this plan and this plan is no longer in effect. For more detail on the terms of the Exit Incentive Bonus Plan, see Compensation Discussion and Analysis Exit Event Incentive Bonus Plan below.

Prior to the Initial Public Offering, each of the Company s executive officers held unvested shares of Class B Common Stock of Holdings which vested in connection with the Initial Public Offering. Messrs. Boyd, Evans, DiMaria, Hoogterp, Ricciardelli and Ross realized value equal to $544,253, $16,801,957, $6,720,783, $3,367,139, $3,367,139 and $6,734,278, respectively.

Pursuant to a pre-existing Material Event Investment Advisory Agreement with Apax Partners L.P. and related advisory arrangements, Apax Partners L.P. and certain of the Company s directors and executive officers received payments in connection with the Initial Public Offering. For more detail, see Certain Relationships and Related Party Transactions Material Event Investment Advisory Agreement. Under these advisory arrangements, Apax Partners L.P. and Messrs. Morse, Boyd, Evans, DiMaria, Hoogterp, Ricciardelli and Ross received payments equal to $34,700,220, $2,361,468, $6,531, $300,979, $11,079, $8,361, $2,341 and $6,688, respectively.

Ben Holding S.à r.l. and certain of our directors and executive officers held shares of one or more of the Holdings preferred stock, Class A Common Stock, or Class B Common Stock prior to the consummation of the Initial Public Offering. These shares were exchanged for and converted into common shares of the Company in the Recapitalization and Merger. For more detail, see Certain Relationships and Related Party Transactions The Recapitalization and Merger . As a result of the Recapitalization and Merger, Ben Holding S.à r.l. and Messrs. Morse, Boyd, Evans, DiMaria, Hoogterp, Ricciardelli and Ross received 77,111,599, 5,247,708, 50,797, 1,788,972, 472,673, 243,055, 229,678 and 463,815 shares of common stock of the Company, respectively.

Prior to the consummation of the Initial Public Offering, the Company granted approximately 120,135 shares of restricted stock to its employees under its new long-term incentive plan, which will vest over a one-year period (subject to continued employment through the vesting date). Of these shares, Messrs. DiMaria, Hoogterp, Ricciardelli and Ross received awards of 2,706 each. In addition, the Company granted to certain of its employees options exercisable for 5,000,000 shares of our common stock, which will vest over a four-year period (subject to continued employment). Messrs. Pinola, Evans, DiMaria, Hoogterp, Ricciardelli and Ross received options exercisable for 10,000, 995,000, 550,000, 300,000, 300,000 and 400,000 shares, respectively.

Ben Holding S.à r.l. and certain of our directors and executive officers sold shares of the Company s common stock in the Initial Public Offering. After expenses, Ben Holding S.à r.l. and Messrs. Morse, Boyd, Evans, DiMaria, Hoogterp, Ricciardelli and Ross received proceeds of $130,213,965, $8,861,512, $69,499, $2,519,346, $665,647, $684,569, $646,894 and $1,306,351, respectively, from the sale of their shares of common stock in the Initial Public Offering. In addition, Ben Holding S.à r.l. and certain of our directors and executive officers intend to sell shares of the Company s common stock in this offering. For more detail, see Principal and Selling Stockholders. Ben Holding S.à r.l. and Mr. Evans are offering 10,235,835 and 242,833 shares in this offering, respectively. After expenses, assuming a public offering price of $ and assuming no exercise of the underwriters option to acquire additional shares, Ben Holding S.à r.l. and Mr. Evans will receive proceeds of $ and $, respectively.

Risk Factors

Participating in this offering involves substantial risk. Our ability to execute our strategy also is subject to certain risks. The risks described under the heading Risk Factors immediately following this summary may cause us not to realize the full benefits of our strengths or may cause us to be unable to successfully execute all or part of our strategy. Some of the more significant challenges and risks include the following:

- our dependence on online advertising revenue;

Table of Contents

- intense competitive pressures in the Company s industry;
- dependence on Internet search engines and the prominence of the Company s websites in search results;
- exposure to interest rate volatility;
- rapidly-changing technologies and industry standards and technical challenges;
- reliance on the Company s brands; and
- the Company s significant leverage and restrictions on operations under the terms of the Company s indebtedness.

Before you participate in this offering, you should carefully consider all the information in this prospectus, including matters set forth under the heading Risk Factors.

Additional Information

Bankrate was founded in 1976 and Bankrate, Inc. was incorporated in the State of Delaware in 2011. Our principal executive offices are located at 11760 U.S. Highway One, Suite 200, North Palm Beach, Florida 33408, and our main telephone number is (561) 630-2400.

We also maintain an Internet site at *www.bankrate.com.* **Our website and the information contained therein or connected thereto shall not be deemed to be incorporated into this prospectus or the registration statement of which this prospectus forms a part, and you should not rely on any such information in deciding whether to purchase our securities.**

Table of Contents

THE OFFERING

Common stock offered by the selling stockholders	10,500,000 shares
Overallotment option	1,575,000 shares
Common stock to be outstanding after this offering	99,993,300 shares
Use of proceeds	We will not receive any of the proceeds from the sale of shares in this offering. See Use of Proceeds and Principal and Selling Stockholders.
Dividend policy	We have not declared or paid any dividends on our common stock. We currently intend to retain all of our future earnings, if any, for use in our business and do not anticipate paying any cash dividends for the common stock in the foreseeable future. See Dividend Policy.
Risk factors	You should read the Risk Factors section and other information included in this prospectus for a discussion of factors to consider carefully before deciding to invest in our common stock.
New York Stock Exchange symbol	RATE

The number of shares of our common stock to be outstanding immediately after this offering is based on the number of shares outstanding as of December 5, 2011, and excludes 4,900,000 shares of common stock available for future issuance upon exercise of options issued in connection with the Initial Public Offering under our equity compensation plans.

Assumptions Used in This Prospectus

Except as otherwise indicated, all information contained in this prospectus assumes a public offering price of $17.43, the closing price of our common stock on the New York Stock Exchange on December 5, 2011, and that the underwriters do not exercise their option to purchase up to an additional 1,575,000 shares of our common stock.

Table of Contents

SUMMARY HISTORICAL AND PRO FORMA FINANCIAL DATA

The following table presents our summary historical and pro forma financial data and certain other statistical data. The summary historical consolidated financial data as of and for each of the periods ended December 31, 2009 and 2010 and statement of operations and cash flow data for the year ended December 31, 2008 and the period ended August 24, 2009 have been derived from our audited consolidated financial statements, included elsewhere in this prospectus. As a result of the Bankrate Acquisition, our financial results were separately presented in our financial statements for the Predecessor entity for periods prior to the acquisition date of August 25, 2009. As a result, periods prior to August 25, 2009 are not necessarily comparable to periods after that date. As a result of the Merger and Recapitalization, Holdings and the Company were consolidated retroactively in the Successor entity, beginning July 17, 2009, the date of inception of Holdings. The summary historical balance sheet data as of December 31, 2008 and August 24, 2009 have been derived from our audited consolidated financial statements not included in this prospectus.

The summary historical consolidated financial data as of and for each of the periods ended September 30, 2010 and 2011 have been derived from our unaudited interim condensed consolidated financial statements, included elsewhere in this prospectus. The operating results for the nine months ended September 30, 2010 and 2011 include all adjustments, consisting of only normal and recurring adjustments, that we consider necessary for a fair statement of the results of such interim periods. The interim results are not necessarily an indication of the results for the full year.

The unaudited pro forma consolidated statement of operations data for the period ended December 31, 2010, which gives effect to the 2010 Acquisitions, the issuance of the Notes on July 13, 2010, the Initial Public Offering and the Notes Redemption as if they had occurred on January 1, 2010 have been derived from our historical audited consolidated financial statements and the unaudited interim condensed consolidated financial statements of NetQuote Holdings, Inc. and CreditCards.com, Inc. for the period from January 1, 2010 to June 30, 2010 included elsewhere in this prospectus and the unaudited interim condensed consolidated financial statements of NetQuote Holdings, Inc. and CreditCards.com not included in this prospectus. This pro forma information does not purport to represent what our results of operations or financial position would have been if the 2010 Acquisitions, the issuance of the Notes, the Initial Public Offering and the Notes Redemption had occurred as of the dates indicated or what those results will be for future periods.

The historical consolidated financial data and other statistical data presented below should be read in conjunction with our consolidated financial statements and the related notes thereto, included elsewhere in this prospectus, and the sections entitled Unaudited Pro Forma Condensed Consolidated Financial Statements and Management s Discussion and Analysis of Financial Condition and Results of Operations. Financial information included below may not be indicative of our future performance.

Table of Contents

	Predecessor		Successor			Successor	
($ in thousands, except per share data)	Year ended December 31, 2008(1)	Period from January 1, 2009 through August 24, 2009	Period from July 17, 2009 through December 31, 2009	Year ended December 31, 2010(2)	Pro forma year ended December 31, 2010(3)	Nine months ended September 30, 2010(4)	Nine months ended September 30, 2011(5)
					(unaudited)	(unaudited)	(unaudited)
Statement of Operations Data and Other Data:							
Revenue	$ 166,855	$ 87,646	$ 43,837	$ 220,598	$ 300,887	$ 143,333	$ 310,431
Cost of revenue, excluding stock based compensation	64,132	35,333	18,669	85,326	114,663	56,507	110,992
Stock based compensation cost of revenue	1,963	2,958					237
Gross margin	100,760	49,355	25,168	135,272	186,224	86,826	199,202
Operating expenses:							
Sales	6,891	4,566	2,555	8,624	10,892	6,255	9,217
Marketing	12,437	5,958	3,629	23,672	39,371	13,783	59,358
Product development	6,067	4,336	2,546	8,722	11,699	6,280	10,042
General and administrative	19,242	10,919	5,905	22,991	31,288	15,671	23,893
Stock based compensation	11,454	19,556					2,690
Acquisition, offering and related expenses and related party fees		34,562	4,936	17,390	148	16,139	40,857
Restructuring charges				3,288	3,568	3,358	238
Impairment charges	2,433						
Legal settlements				1,646	1,495	141	
Depreciation and amortization	9,134	8,294	9,789	35,226	45,207	25,574	32,566
	67,658	88,191	29,360	121,559	143,668	87,201	178,861
Income (loss) from operations	33,102	(38,836)	(4,192)	13,713	42,556	(375)	20,341
Other expense				(306)	(306)		
Interest income (expense), net	1,562	30	(12,093)	(38,455)	(27,954)	(28,242)	(25,439)
Loss on redemption of Notes							(16,629)
Income (loss) before income taxes	34,664	(38,806)	(16,285)	(25,048)	14,296	(28,617)	(21,727)
Income tax (benefit) expense	15,043	(4,222)	(6,509)	(3,651)	9,106	(11,974)	5,740
Net income (loss)	$ 19,621	$ (34,584)	$ (9,776)	$ (21,397)	$ 5,190	$ (16,643)	$ (27,467)
Basic and diluted income (loss) per share:							
Basic	$ 1.04	$ (1.83)	$ (0.22)	$ (0.30)	$ 0.05	$ (0.25)	$ (0.30)
Diluted	1.01	(1.83)	(0.22)	(0.30)	0.05	(0.25)	(0.30)
Weighted average common shares outstanding:							
Basic	18,848,125	18,862,259	43,692,073	71,494,223	96,128,697	66,239,400	92,233,345
Diluted	19,498,209	18,862,259	43,692,073	71,494,223	96,128,697	66,239,400	92,233,345
Other Financial Data:							
EBITDA(6)	$ 42,236	$ (30,542)	$ 5,597	$ 48,633	$ 87,457	$ 25,199	$ 36,278
Adjusted EBITDA(6)	58,086	26,534	10,533	71,263	92,974	44,837	96,929
Balance Sheet Data:							
Cash and cash equivalents	$ 46,055	$ 59,310	$ 77,690	$ 115,630		$ 95,727	$ 64,489
Working capital	48,874	60,754	27,736	65,141		69,269	121,868
Intangible assets, net	83,347	76,533	224,372	365,745		376,573	352,299
Goodwill	101,856	101,886	349,749	559,168		526,921	573,745
Total assets	270,750	289,640	706,368	1,125,627		1,097,506	1,106,997
Total stockholders equity	248,430	237,927	323,240	626,056		625,355	771,892

(1) Includes the acquired assets and liabilities of Blackshore Properties, Inc. (owner of Bankaholic.com), LinkSpectrum Co. (owner of CreditCardGuide.com), InsureMe, Inc. (owner of InsureMe.com) and Lower Fees, Inc. (owner of FeeDisclosure.com) from the respective dates of acquisition.

(2) Includes the acquired stock of NetQuote Holdings, Inc. (owner of NetQuote.com) and CreditCards.com, Inc. (owner of CreditCards.com), and acquired assets and liabilities of InfoTrak National Data Services, Jim Wang Enterprises, LLC (owner of Bargaineering.com) and InsuranceQuotes.com Development, LLC (owner of InsuranceQuotes.com) from the respective dates of the acquisition. The December 31, 2010 balance sheet data has been derived from the Company s unaudited interim condensed consolidated financial statements included elsewhere in this prospectus and have been presented as consolidated to reflect the Merger for comparative purposes.

(3) No pro forma balance sheet is required.

Table of Contents

(4) Includes the acquired assets and liabilities of Jim Wang Enterprises, LLC (owner of Bargaineering) from the date of the acquisition.

(5) Includes the acquired assets and liabilities of certain entities that are individually and in the aggregate immaterial to the Company s net assets and operations from the respective dates of the acquisition.

(6) EBITDA represents net income (loss) before income tax (benefit) expense, interest expense (income), net and depreciation and amortization. Adjusted EBITDA represents EBITDA before stock based compensation, impairment charges, acquisition related expenses and related party fees, restructuring charges, legal settlements (net), loss on sale of Savingforcollege.com and loss on redemption of Notes. EBITDA and Adjusted EBITDA are supplemental measures of our performance and are not measurements of our financial performance under GAAP and should not be considered as alternatives to net income or other performance measures derived in accordance with GAAP, or as alternatives to cash flow from operating activities as measures of our liquidity. In addition, our measurements of EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures of other companies. Management believes that the presentation of EBITDA and Adjusted EBITDA included in this prospectus provides useful information to investors regarding our results of operations because they assist in analyzing and benchmarking the performance and value of our business. The following table reconciles our net income (loss) to EBITDA and EBITDA to Adjusted EBITDA for the periods presented:

	Predecessor		Successor			Successor	
($ in thousands)	Year ended December 31, 2008	Period from January 1, 2009 through August 24, 2009	Period from July 17, 2009 through December 31, 2009	Year ended December 31, 2010	Pro forma year ended December 31, 2010	Nine months ended September 30, 2010	Nine months ended September 30, 2011
					(unaudited)	(unaudited)	(unaudited)
Net income (loss)	$ 19,621	$ (34,584)	$ (9,776)	$ (21,397)	$ 5,190	$ (16,643)	$ (27,467)
Income tax (benefit) expense	15,043	(4,222)	(6,509)	(3,651)	9,106	(11,974)	5,740
Interest (income) expense, net	(1,562)	(30)	12,093	38,455	27,954	28,242	25,439
Depreciation and amortization	9,134	8,294	9,789	35,226	45,207	25,574	32,566
EBITDA	42,236	(30,542)	5,597	48,633	87,457	25,199	36,278
Stock based compensation(a)	13,417	22,514					2,927
Impairment charges(b)	2,433						
Acquisition, offering and related expenses and related party fees(c)		34,562	4,436	17,390	148	16,139	40,857
Restructuring charges(d)				3,288	3,568	3,358	238
Legal settlements, net(e)			500	1,646	1,495	141	
Loss on sale of Savingsforcollege.com(f)				306	306		
Loss on redemption of Notes(g)							16,629
Adjusted EBITDA	$ 58,086	$ 26,534	$ 10,533	$ 71,263	$ 92,974	$ 44,837	$ 96,929

(a) Represents the non-cash expense of stock based compensation of Bankrate that was discontinued in connection with the Bankrate Acquisition and re-established in connection with the Company s Initial Public Offering.

(b) Reflects intangible asset impairment charges for Bankrate of $2.4 million in the year ended December 31, 2008.

(c) Reflects acquisition related expenses incurred by Bankrate in connection with (i) the Bankrate Acquisition in the periods ended July 17, 2009 and December 31, 2009; (ii) the NetQuote and CreditCards acquisitions and the Notes offering in the year ended December 31, 2010; (iii) the Trouvé acquisition and the Initial Public Offering in the nine months ended September 30, 2011. Included within the amount is $284,000, $780,000 and $256,000 of professional fee expenses in the period from July 17, 2009 through December 31, 2009, the year ended December 31, 2010 and the nine months ended September 30, 2011, respectively, related to the stockholder litigation arising out of the Bankrate Acquisition, which was fully settled and closed on February 23, 2011. Further, the adjustment eliminates advisory fees payable to shareholders for advisory services. See the section entitled Certain Relationships and Related Party Transactions.

(d) During the year ended December 31, 2010, the Company terminated 81 employees to achieve cost savings and also exited two building facilities as a result of the 2010 Acquisitions resulting in a $3.3 million restructuring charge. The pro forma amount also eliminates costs incurred by CreditCards prior to acquisition related to a troubled debt restructuring. During the nine months ended September 30, 2010 and 2011, the Company terminated 56 and one employees, respectively, to achieve cost savings in connection with the 2010 Acquisitions.

(e) The Company incurred $500,000, $141,000 and $1.6 million in settlement costs in the period from July 17, 2009 through December 31, 2009, nine months ended September 30, 2010 and the year ended December 31, 2010, respectively, related to the stockholder litigation arising out of the Bankrate Acquisition, which was fully settled and closed on February 23, 2011. The $500,000 amount is included in acquisition related expenses and related party fees in the statement of operations. In addition, NetQuote recognized a gain on legal settlement of $151,000 related to litigation with one of its customers which is also being adjusted in the pro forma information.

(f) The Company recorded a loss on the sale of Savingforcollege.com in December 2010.

(g) The Company recognized a loss on the early redemption of the Notes in June 2011 in connection with the Initial Public Offering.

Table of Contents

RISK FACTORS

An investment in our common stock involves risk. You should carefully consider the following risks as well as the other information included in this prospectus, including Management s Discussion and Analysis of Financial Condition and Results of Operations and our financial statements and related notes, before investing in our common stock. Any of the following risks could materially and adversely affect our business, financial condition, results of operations or prospects, and cause the value of our common stock to decline, which could cause you to lose all or part of your investment in our Company.

Risks Related to Our Business

Our success depends on online advertising revenue.

We have historically derived, and we expect to continue to derive, the majority of our revenue through the sale of advertising space, financial product leads and hyperlinks on our online network. Any factors that limit the amount advertisers are willing to and do spend on advertising on our websites could have a material adverse effect on our business. These factors may include our ability to:

- maintain a significant number of unique website visitors and corresponding significant reach of Internet visitors;
- successfully convert visitors to some of our websites into credit card applicants and maintain a significant rate at which credit card applications completed through some of our websites are approved by our credit card issuer customers;
- successfully convert consumers visits to some of our websites into transaction fees and/or revenue from insurance agents or carriers;
- compete with alternative advertising sources;
- maintain a significant number of sellable impressions generated from website visitors available to advertisers;
- accurately measure the number and demographic characteristics of our visitors;
- successfully sell and market our online network to our advertisers, including mortgage loan, credit card and insurance product providers;
- handle temporary high volume traffic spikes to our online network;
- convince traditional media advertisers to advertise on our online network;
- increase traffic to our online network; and
- acquire and generate insurance leads.

Most of our advertising contracts are short-term and are subject to termination by the advertiser at any time. Advertisers who have longer-term contracts may fail to honor their existing contracts or fail to renew their contracts. If a significant number of advertisers or a few large advertisers decide not to continue advertising on our websites, we could experience an immediate and substantial decline in our revenues over a relatively short period of time.

We face intense competitive pressures that may harm our operating results.

We face intense competition in all our businesses, and we expect competition to remain intense in the future. We compete with, among others, search engines utilizing keyword cost-per-click advertising or comparison advertising sites/networks; lead aggregators and websites committed to specific personal finance products; numerous websites in each of our vertical categories competing for traffic and for advertisers; financial institutions, including mortgage lenders, deposit institutions, insurance providers and credit card issuers, many of whom are also our customers; and traditional offline personal finance marketing channels, including direct mail, retail bank branch networks, television, radio, print and online advertising and call centers. Some of these competitors have significantly greater financial resources than we do and could use those resources to develop more directly competitive product offerings and editorial content and undertake advertising campaigns to promote those new offerings and content, which could result in diminished traffic to our websites and reduce our overall competitive and market position. In addition, new competitors may enter this market as there are few barriers to entry. For example, Google has recently begun presenting comparisons of mortgage, credit card and deposit interest rates through its search engine, which may divert consumers away from our websites, including consumers who would otherwise find, be directed or be linked to our websites through the Google search engine. If Google is successful in its efforts, this could have an adverse effect on our business, operating results and prospects. Our online competitors may adopt certain aspects of our business model or replicate the appearance and features of our website, which could reduce our ability to differentiate our services. Many of our existing competitors, as well as a number of potential new competitors, have longer operating histories, greater name recognition, larger customer bases and significantly greater financial, technical and marketing resources than us. Many competitors have complementary products or services that drive traffic to their websites. In the future, competitors could introduce superior products and services or reduce prices below ours. Increased competition could result in lower website traffic, advertising rate reductions, reduced margins or loss of market share, any of which would adversely affect our business and operating results.

We depend upon Internet search engines to attract a significant portion of the visitors to our websites, and any change in the prominence of our websites in either paid or algorithmic search result listings could cause the number of visitors to our websites and our revenue to decline.

We depend in significant part on various Internet search engines, such as Google and Bing, and other search websites to direct a significant number of visitors to our websites to provide our online services to our clients. Search websites typically provide two types of search results, algorithmic and paid listings. Algorithmic, or organic, listings are determined and displayed solely by a set of formulas designed by search companies. Paid listings can be purchased and then are displayed if particular words are included in a user s Internet search. Placement in paid listings is generally not determined solely on the bid price, but also takes into account the search engines assessment of the quality of website featured in the paid listing and other factors. We rely on both algorithmic and paid search results, as well as advertising on other websites, to direct a substantial share of the visitors to our websites.

Our ability to maintain the number of visitors to our websites from Internet search websites and other websites is not entirely within our control. For example, Internet search websites frequently revise their algorithms in an attempt to optimize their search result listings or to maintain their internal standards and strategies. Changes in the algorithms could cause our websites to receive less favorable placements, which could reduce the number of users who visit our websites. We have experienced and continue to experience fluctuations in the search result rankings for a number of our websites.

In addition, the prominence of the placement of our advertisements is in part determined by the amount we are willing to pay for the advertisement. We bid against our competitors for the display of paid search engine advertisements and some of our competitors have greater resources with which to bid and better brand recognition than we have. If competition for the display of paid advertisements in response to search terms related to our online services increases, our online advertising expenses could rise significantly or we may be required to reduce the number of our paid search advertisements. If we were to reduce our advertising with search engines, our consumer traffic may significantly decline or we may be unable to maintain a cost-effective search engine marketing program.

Other factors, such as search engine technical difficulties, search engine technical changes and technical or presentation changes we make to our websites, could also cause our websites to be listed less prominently in algorithmic search results. In addition, search engines retain broad discretion to remove from search results any

Table of Contents

company whose marketing practices are deemed to be inconsistent with the search engine s guidelines. If our marketing practices do not comply with search engine guidelines, we may, without warning, not appear in search result listings at all. Any adverse effect on the placement of our websites in search engine results could reduce the number of users who visit our websites. In turn, any reduction in the number of visitors to our websites would negatively affect our ability to earn revenue. If visits to our websites decrease, our revenue may decline or we may need to resort to more costly sources to replace lost visitors, and such decreased revenue and/or increased expense could adversely affect our business and profitability.

Our visitor traffic can be impacted by interest rate volatility.

We provide interest rate information for mortgages and other loans, credit cards and a variety of deposit accounts. Visitor traffic to our websites tends to increase with interest rate movements. Factors that have caused significant visitor fluctuations in the past have been Federal Reserve Board actions and general market conditions affecting home mortgage and deposit interest rates. Additionally, the level of traffic to our websites can be dependent on interest rate levels as well as mortgage financing and refinancing activity. Accordingly, a slowdown in mortgage production volumes could have an adverse effect on our business. Conversely, a sudden, steep drop in interest rates could dramatically increase our page views such that we would be unable to sell sufficient advertisements to take full advantage of the spike in traffic.

We believe that as we continue to develop our websites with broader personal finance topics, the percentage of overall traffic seeking mortgage and deposit information will remain stabilized at current levels. To accelerate the growth of traffic to our websites, we are working with our syndication partners to provide timely content, and we are aggressively promoting all of our products. There is the risk that our traffic will remain not stable or that our promotional activities will not be successful. Any reduction in traffic to our websites may have an adverse effect on our results of operations.

If we fail to keep pace with rapidly-changing technologies and industry standards, we could lose consumers, customers or advertising inventory and our results of operations may suffer.

The business lines in which we currently operate and compete are characterized by rapidly-changing Internet media and marketing standards, changing technologies, frequent new product and service introductions, and changing consumer and customer demands. The introduction of new technologies and services embodying new technologies and the emergence of new industry standards and practices could render our existing technologies and services obsolete and unmarketable or require unanticipated investments in technology. Our future success will depend in part on our ability to adapt to these rapidly-changing digital media formats and other technologies. We will need to enhance our existing technologies and services and develop and introduce new technologies and services to address our customers changing demands and consumer expectations. If we fail to adapt successfully to such developments or timely introduce new technologies and services, we could lose consumers and customers, our expenses could increase and we could lose advertising inventory.

Our websites, applications, widgets and other products may encounter technical problems and service interruptions.

In the past, our websites have experienced significant increases in traffic and our applications and widgets have experienced significant increases in use in response to interest rate movements and other business or financial news events. The number of our visitors has continued to increase over time, and we are seeking to further increase our visitor traffic. As a result, our Internet servers must accommodate spikes in demand for our web pages in addition to potential significant growth in traffic.

Our websites, applications, widgets and other products have in the past, and may in the future, experience slower response times or interruptions as a result of increased traffic or other reasons. These delays and interruptions may increase in the future if our Internet servers and infrastructure are not able to accommodate potential significant traffic growth and spikes in demand. Delays and interruptions resulting from the failure to maintain Internet service connections to our websites could frustrate visitors and reduce our future website traffic, which could have a material adverse effect on our business.

All of our communications and network equipment is located at our corporate headquarters in North Palm Beach, Florida and at secure third-party co-locations facilities in Atlanta, Georgia, Austin, Texas and Denver, Colorado. Multiple system failures involving these locations could lead to interruptions or delays in service for our websites, which could have a material adverse effect on our business. Additionally, we are dependent on the third-party providers and their ability to provide safe, effective and cost-efficient servers. Our operations are dependent upon our ability to protect our systems against damage from fires, floods, tornadoes, hurricanes, earthquakes, power losses, telecommunications failures, physical or electronic break-ins, computer viruses, acts of terrorism, hacker attacks and other events beyond our control. Although we maintain insurance to cover a variety of risks, the scope and amount of our insurance coverage may not be sufficient to cover our losses resulting from system failures or other disruptions to our online operations.

Our business depends on a strong brand and content, thus we will not be able to attract visitors and advertisers if we do not maintain and develop our brands and content.

It is critical for us to maintain and develop our brands and content so as to effectively expand our visitor base and our revenues. Our success in promoting and enhancing our brands, as well as our ability to remain relevant and competitive, depends on our success in offering high quality content, features, product offers, services and functionality. In addition, we may take actions that have the unintended consequence of harming our brand. If our actions cause consumers to question the value of our marketplace, our business and reputation may suffer. If we fail to promote our brands successfully or if visitors to our websites or advertisers do not perceive our content and services to be of high quality, we may not be able to continue growing our business and attracting visitors and advertisers, which will in turn impact our operating results.

Our results of operations may fluctuate significantly.

Our results of operations are difficult to predict and may fluctuate significantly in the future as a result of several factors, many of which are beyond our control. These factors include:

- changes in fees paid by advertisers;
- traffic levels on our websites, which can fluctuate significantly;
- changes in the demand for Internet products and services;
- changes in fee or revenue-sharing arrangements with our distribution partners;
- our ability to enter into or renew key distribution agreements;
- the introduction of new Internet advertising services by us or our competitors;
- changes in our capital or operating expenses;
- changes in consumer confidence;

changes in interest rates;

general economic conditions; and

changes in banking or other laws that could limit or eliminate content on our websites.

Our future revenue and results of operations are difficult to forecast due to these factors. As a result, we believe that period-to-period comparisons of our results of operations may not be meaningful, and you should not rely on past periods as indicators of future performance.

Table of Contents

Restrictive covenants in the Indenture, our credit agreement or other future indebtedness may limit our current and future operations, particularly our ability to respond to changes in our business or to pursue our business strategies.

The Indenture and our senior secured revolving credit agreement (the Credit Agreement) contain, and any future indebtedness may contain, a number of restrictive covenants that impose significant operating and financial restrictions, including restrictions on our ability to take actions that we believe may be in our interest. The Indenture and the Credit Agreement limit, among other things, our ability to:

- incur additional indebtedness and guarantee indebtedness;
- pay dividends on or make distributions in respect of capital stock or make certain other restricted payments;
- enter into agreements that restrict distributions from restricted subsidiaries;
- sell or otherwise dispose of assets, including capital stock of restricted subsidiaries;
- enter into transactions with affiliates;
- create or incur liens;
- enter into sale/leaseback transactions;
- merge, consolidate or sell substantially all of our assets;
- make investments and acquire assets;
- issue certain preferred membership interests or similar equity securities; and
- change our business operations.

In addition, the Indenture limits our ability to make payments on subordinated indebtedness.

A breach of the covenants or restrictions under the Indenture, the Credit Agreement or any agreement governing our future indebtedness could result in a default under the applicable indebtedness. Such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. In the event our lenders and noteholders accelerate the repayment of our borrowings, we cannot assure that we and our subsidiaries would have sufficient assets to repay such indebtedness.

The restrictions contained in the Indenture and the Credit Agreement could adversely affect our ability to:

- finance our operations;
- make needed or desired capital expenditures;
- make strategic acquisitions or investments or enter into strategic alliances;
- withstand a future downturn in our business or the economy in general;
- engage in business activities, including future opportunities, that may be in our interest; and
- plan for or react to market conditions or otherwise execute our business strategies.

These restrictions could materially and adversely affect our financial condition and results of operations and our ability to satisfy our obligations under the Notes and the Credit Agreement.

Risks associated with our strategic acquisitions could adversely affect our business.

We have acquired a number of companies and assets of companies in the past and may make additional acquisitions, asset purchases and strategic investments in the future. For example, in late 2005, we acquired FastFind and MMIS/*Interest.com*; in 2006, we acquired a group of assets from East West Mortgage, Inc. (owner

Table of Contents

of *Mortgage-calc.com, Mortgagecalc.com* and *Mortgagemath.com*); in 2007, we acquired certain assets and liabilities of Nationwide Card Services, Inc. (owner of *NationwideCardServices.com*) and Savingforcollege.com, LLC (owner of *Savingforcollege.com*); in 2008, we acquired certain assets and liabilities of InsureMe, Inc. (owner of *InsureMe.com*), Fee Disclosure, LinkSpectrum Co. (owner of *CreditCardGuide.com*) and Blackshore Properties, Inc. (owner of *Bankaholic.com*). In 2010, we acquired certain assets and liabilities of Jim Wang Enterprises, LLC (owner of *Bargaineering.com*), InfoTrak National Data Services, InsuranceQuotes.com Development, LLC (owner of *InsuranceQuotes.com*), and we acquired the stock of NetQuote Holdings, Inc. (owner of *NetQuote.com*) and CreditCards.com, Inc. (owner of *CreditCards.com*). On January 1, 2011, we completed the acquisition of Trouvé Media, Inc. to complement our online publishing business. On October 10, 2011, we agreed to acquire (but have not yet acquired) substantially all of the insurance lead generation and marketing assets of InsWeb Corporation (owner of *InsWeb.com*) for $65 million in cash, subject to a working capital adjustment (the InsWeb Acquisition). We will continue to consider acquisitions, asset purchases and joint ventures as a means of enhancing stockholder value. Our success in integrating our acquired businesses will depend upon our ability to retain key personnel, avoid diversion of management s attention from operational matters, integrate the technical operations and personnel of the acquired companies, and achieve the expected financial results, synergies and other benefits from our acquisitions.

In addition, future acquisitions, including the InsWeb Acquisition, could result in the incurrence of additional debt, costs and contingent liabilities. Integration of acquired operations may take longer, or be more costly or disruptive to our business, than originally anticipated.

It is also possible that expected synergies from future acquisitions may not materialize in full or at all. We may also incur costs and divert management attention through potential acquisitions that are never consummated. Future impairment losses on goodwill and intangible assets with an indefinite life, or restructuring charges, could also occur as a result of acquisitions.

Despite our due diligence investigation of each business that we acquire, there may be liabilities of the acquired companies that we fail to or are unable to discover during the due diligence investigation and for which we, as a successor owner, may be responsible. In connection with acquisitions, we generally seek to minimize the impact of these types of potential liabilities through indemnities and warranties from the seller, which may in some instances be supported by deferring payment of a portion of the purchase price. However, these indemnities and warranties, if obtained, may not fully cover the liabilities due to limitations in scope, amount or duration, financial limitations of the indemnitor or warrantor or other reasons.

Our ability to consummate any future acquisitions on terms that are favorable to us may be limited by the number of attractive acquisition targets, internal demands, our resources and our ability to obtain financing.

We depend on attracting and retaining executive officers and personnel to continue the implementation of our long-term business strategy and could be harmed by the loss of their services.

We believe that our continued growth and future success will depend in large part on the skills of our senior management team and other skilled employees. The loss of service of one or more of our executive officers or of other personnel could reduce our ability to successfully implement our long-term business strategy, our business could suffer and the value of our common stock could be materially adversely affected. Leadership changes will occur from time to time and we cannot predict whether significant resignations will occur or whether we will be able to recruit additional qualified personnel. We believe our senior management team possesses valuable knowledge about our business and that their knowledge and relationships would be very difficult to replicate. Although our senior management team has entered into employment agreements with us, they may not complete the term of their employment agreements or renew them upon expiration. Our success and the quality of our content also depend on the expertise of our editors and reporters and on their relationships with the media, financial experts and other sources of information. The loss of qualified personnel, or the inability to recruit and retain qualified personnel in the future, could have an adverse effect on our business, financial condition or operating results.

Table of Contents

If our employees were to unionize, our operating costs would likely increase.

Our employees are not currently represented by a collective bargaining agreement. However, we have no assurance that our employees will not unionize in the future, which could increase our operating costs, force us to alter our operating methods, and have a material adverse effect on our operating results.

Adverse resolution of litigation may harm our business, operating results or financial condition.

We are party to lawsuits in the normal course of business. We may also become party to lawsuits relating to transactions in which we are involved. Litigation can be expensive, lengthy and disruptive to normal business operations. Moreover, the results of complex legal proceedings are difficult to predict. An unfavorable resolution of a particular lawsuit could have a material adverse effect on our business, operating results or financial condition.

In addition to litigation in the ordinary course of business, we are currently involved in litigation in which it has been alleged that we have participated in anti-competitive conduct. See the section entitled Business Legal Proceedings Banxcorp Litigation. Antitrust litigation is by its nature not in the ordinary course. Defending antitrust allegations, even if ultimately successful, can be costly and have a negative effect on our business. The costs of discovery could be extremely high and conducting a defense could be disruptive to our business. In addition, the relief sought by the plaintiffs in this case, if granted, could prevent Bankrate from continuing to pursue at least some aspects of its current business model, which could have a material adverse effect on our financial condition and results of operations.

We rely on the protection of our intellectual property.

Our intellectual property includes our unique research and editorial content of our websites, our URLs, our registered and unregistered trademarks and print publications. We rely on a combination of copyrights, patents, trademarks, trade secret laws, and our policy and restrictions on disclosure to protect our intellectual property. We also enter into confidentiality agreements with our employees and consultants and seek to control access to and distribution of our proprietary information. Despite these precautions, it may be possible for other parties to copy or otherwise obtain and use the content of our websites or print publications without authorization. A failure to protect our intellectual property in a meaningful manner could have a material adverse effect on our business.

We may be subject to claims that we violated intellectual property rights of others, which even if unfounded or decided in our favor may be extremely costly to defend, could require us to pay significant damages and could limit our ability to operate.

Companies in the Internet and technology industries, and other patent holders seeking to profit from royalties in connection with grants of licenses, own large numbers of patents, copyrights, trademarks and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. We may in the future receive notices that claim we have misappropriated or misused other parties intellectual property rights. There may be intellectual property rights held by others, including issued or pending patents and trademarks, that cover significant aspects of our technologies, content, branding or business methods.

Because we license some of our data and content from other parties, we may be exposed to infringement actions if such parties do not possess the necessary proprietary rights. Generally, we obtain representations as to the origin and ownership of licensed content and obtain indemnification to cover any breach of any of these representations. However, these representations may not be accurate and the indemnification may not be sufficient to provide adequate compensation for any breach of these representations.

Any future infringement or other claims or prosecutions related to our intellectual property could have a material adverse effect on our business. Defending against any of these claims, with or without merit, could be time-consuming, result in costly litigation and diversion of technical and management personnel or require us to

Table of Contents

introduce new content or trademarks, develop new technology or enter into royalty or licensing agreements. These royalty or licensing agreements, if required, may not be available on acceptable terms, if at all.

We may face liability for, and may be subject to claims related to, information on our websites, which even if unfounded or decided in our favor may be extremely costly to defend, could require us to pay significant damages and could limit our ability to operate.

Much of the information published on our websites and in our print publications relates to the competitiveness of financial institutions rates, products and services. We also publish editorial content designed to educate consumers about banking and personal finance products. If the information we provide on our websites is not accurate or is construed as misleading or outdated, consumers and others could lose confidence in our services and attempt to hold us liable for damages and government regulators could impose fines or penalties on us. We may be subjected to claims for defamation, negligence, fraud, deceptive practices, copyright or trademark infringement, conflicts of interest or other theories relating to the information we publish on our websites. In addition, if there are errors or omissions in information published on our websites, consumers, individually or through consumer class actions, could seek damages from us for losses incurred if they relied on incorrect information provided on our websites. These types of claims have been brought, sometimes successfully, against providers of online services as well as print publications. The scope and amount of our insurance may not adequately protect us against these types of claims.

We may face liability for, and may be subject to claims related to, inaccurate advertising content provided to us, which even if unfounded or decided in our favor may be extremely costly to defend, could require us to pay significant damages and could limit our ability to operate.

Much of the information on our websites that is provided by advertisers and collected from third parties relates to the rates, costs and features for various loan, depository, personal credit and investment products offered by financial institutions, mortgage companies, investment companies, insurance companies and others participating in the personal finance marketplace. We are exposed to the risk that some advertisers may provide us, or directly post on our websites, (i) inaccurate information about their product rates, costs and features, or (ii) rates, costs and features that are not available to all consumers. This could cause consumers to lose confidence in the information provided on our websites, causing certain advertisers to become dissatisfied with our websites, and result in lawsuits being filed against us. The scope and amount of our insurance may not adequately protect us against these types of lawsuits.

Our success depends on establishing and maintaining distribution arrangements.

Our business strategy includes the distribution of our content through the establishment of co-branded web pages with high traffic business and personal finance sections of online services and websites. Providing access to these co-branded web pages is a significant part of the value we offer to our advertisers. We compete with other Internet content providers to maintain our current relationships with other website operators and establish new relationships. In addition, as we expand our personal finance content, some of these website operators may perceive us as a competitor. As a result, they may be unwilling to promote distribution of our banking and credit content. If our distribution arrangements do not attract a sufficient number of visitors to support our current advertising model, or if we do not establish and maintain distribution arrangements on favorable economic terms, our business could be adversely affected.

We do not have exclusive relationships or long-term contracts with insurance companies, which may limit our ability to retain these insurance companies as participants in our marketplace and maintain the attractiveness of our services to consumers.

We do not have an exclusive relationship with any of the insurance companies whose insurance products are offered on our online marketplace, and thus, consumers may obtain quotes and coverage from these insurance companies without using our website. Our participating insurance companies also offer their products directly to consumers through insurance agents, mass marketing campaigns or through other traditional methods of insurance distribution. In most cases, our participating insurance companies also offer their products and services over the Internet, either directly to consumers or through one or more of our online competitors, or both. An inability to retain these insurance companies as participants in our marketplace could materially affect our revenues.

We may be required to record a significant charge to earnings if our goodwill or amortizable intangible assets become impaired.

We are required under GAAP to review our amortizable intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is required to be tested for impairment at least annually. Factors that may be considered a change in circumstances indicating that the carrying value of our amortizable intangible assets may not be recoverable include, among others, unanticipated competition, loss of key personnel, or a significant adverse change in the business environment. We may be required to record a significant charge to earnings in our consolidated financial statements during the period in which any impairment of our goodwill or amortizable intangible assets is determined. This could adversely impact our results of operations.

Our tax returns and positions are subject to review and audit by federal, state and local taxing authorities and adverse outcomes resulting from examination of our income or other tax returns could adversely affect our operating results and financial condition.

The federal income tax returns of Bankrate, Inc. and Holdings for 2009 are currently under audit by the Internal Revenue Service. While we do not expect any material adverse tax treatment to derive from this audit, the potential financial statement impact cannot be estimated at this time. An unfavorable outcome from any tax audit could result in higher tax costs, penalties and interest, thereby negatively and adversely impacting financial condition, results of operations or cash flows.

We have expanded operations in China and may possibly expand to other international markets, in addition to our United Kingdom and Canadian operations, in which we may have limited experience.

We have developed a Bankrate website written in Chinese for the Chinese market and websites for consumers located in the United Kingdom and Canada. In the event that we expand into other international markets, we will have only limited experience in marketing and operating our products and services in those markets. Expansion into international markets requires significant management attention and financial resources, may require the attraction, retention and management of local offices or personnel, and requires us to tailor our services and information to the local market as well as to adapt to local cultures, languages, regulations and standards. Certain international markets may be slower than domestic markets in adopting the Internet as an advertising and commerce medium and so our operations in international markets may not develop at a rate that supports our level of investment. In addition, international consumers may not adopt the Internet for personal finance content at all or as quickly as U.S. consumers.

Our international operations are subject to increased risks which could harm our business, operating results and financial condition.

We face certain risks inherent in doing business internationally, including:

- trade barriers and changes in trade regulations;
- difficulties in developing, staffing and simultaneously managing foreign operations as a result of distance, language, and cultural differences;
- restrictions on the use of or access to the Internet;
- longer payment cycles;

- credit risk and higher levels of payment fraud;
- currency exchange rate fluctuations;
- political or social unrest or economic instability;
- seasonal volatility in business activity;
- risks related to government regulation or required compliance with local laws in certain jurisdictions, including labor laws; and
- potentially adverse tax consequences.

One or more of these factors could harm our future international operations and consequently, could harm our brand, business, operating results, and financial condition.

Fraudulent Internet transactions, consumer identity theft, security breaches and privacy concerns could hurt our revenues and reputation.

If consumers experience identity theft, data security breaches or fraud after clicking through one of our websites to apply for credit cards on the websites of credit card issuers or insurance on the websites of insurance agents or carriers, we may be exposed to liability, adverse publicity and damage to our reputation. To the extent that credit card fraud or identity theft causes a general decline in consumer confidence in financial transactions over the Internet, our revenues could decline and our reputation could be damaged. If consumers are reluctant to use our websites because of concerns over data privacy or credit card fraud, our ability to generate revenues would be impaired. Our revenues would also decline if changes in industry standards, regulations or laws deterred people from using the Internet to conduct transactions that involve the transmission of confidential information, such as applying for credit cards. In addition, if technology upgrades or other expenditures are required to prevent security breaches of our network, boost general consumer confidence in financial transactions over the Internet, or prevent credit card fraud and identity theft, we may be required to expend significant capital and other resources. Further, advances in computer capabilities, new discoveries in the field of cryptography, or other events or developments could result in a compromise or breach of the algorithms we use to protect consumers and customer companies confidential information, which could have a material adverse effect on our business.

Future government regulation of the Internet is uncertain and subject to change.

As Internet commerce continues to evolve, increasing regulation by federal or state agencies or foreign governments may occur. Such regulation is likely in the areas of privacy, pricing, content and quality of products and services. Additionally, taxation of Internet use or electronic commerce transactions may be imposed. Any regulation imposing fees for Internet use or electronic commerce transactions could result in a decline in the use of the Internet and the viability of Internet commerce, which could have a material adverse effect on our business.

If we fail to detect click-through fraud or unscrupulous advertisers, we could lose the confidence of our other advertisers and all or part of their business, thereby causing our business to suffer.

We are exposed to the risk of fraudulent clicks on our advertisements and this may result in us receiving advertising fees that are not the result of clicks generated by consumers. Click-through fraud occurs when a person clicks on an advertisement displayed on our websites in order to generate revenue to us and to increase the cost for the advertiser. If we were unable to detect this fraudulent activity and find new evidence of past fraudulent clicks, we may have to issue refunds retroactively of amounts previously paid to us. In addition, if fraudulent clicks are not detected, the affected advertisers may experience a reduced return on their investment in our advertising programs because the fraudulent clicks would not lead to potential revenue for the advertisers.

Table of Contents

We are also exposed to the risk that advertisers who advertise on our website will advertise interest rates or other terms on a variety of financial products that they do not intend to honor. Such bait and switch activity encourages consumers to contact fraudulent advertisers over legitimate advertisers because the fraudulent advertisers claim to offer better interest rates or other terms.

Both bait and switch and click-through fraud would negatively affect our profitability, and could hurt our reputation and our brand. This could lead the advertisers to become dissatisfied with our advertising programs, which could lead to loss of advertisers and revenue.

Consumers are increasingly using non-PC devices to access the Internet, and our online network may not be accepted by such users.

The number of individuals who access the Internet through devices other than a personal computer, such as personal digital assistants and mobile telephones, has increased dramatically. Our online network was designed for rich, graphic environments such as those available on desktop and laptop computers. The lower resolution, functionality and memory associated with alternative devices currently available may make access of our online network through such devices difficult. If consumers find our online network difficult to access through alternative devices or our competitors develop product offerings that are better adapted to or more easily accessible through alternative devices, we may fail to capture a sufficient share of an increasingly important portion of the market for online services and may fail to attract both advertisers and Internet traffic.

We may be limited or restricted in the way we establish and maintain our online relationships by laws generally applicable to our business, or we may be required to obtain certain licenses.

State, federal and foreign lending laws and regulations generally require accurate disclosure of the critical components of credit costs so that consumers can readily compare credit terms from various lenders. In addition, these laws and regulations impose certain restrictions on the advertisement of these credit terms. The Office of the Comptroller of the Currency regulates certain credit card marketing and account management practices and prohibits deceptive acts, claims or practices in the marketing of credit cards. Because we are an aggregator of rate and other information regarding many financial products, including credit cards, we may be subject to some of these laws and regulations and we may be held liable under these laws and regulations for information contained on our website. We believe that we have structured our websites to comply with these laws and regulations as are currently in effect. Because of uncertainties as to the applicability of some of these laws and regulations to the Internet and, more specifically, to our type of business, and considering that our business has evolved and expanded in a relatively short period of time, we may not always have been, and may not always be, in compliance with all applicable federal and state laws and regulations. Although we believe we have structured our websites to comply with these laws and regulations, we may be found to be in violation of such laws and regulations. If we are found to be in violation of any applicable laws or regulations, we could be subject to administrative enforcement actions and fines, class action lawsuits, cease and desist orders, and civil and criminal liability. If these laws and regulations are changed, or if new laws or regulations are enacted, these events could prohibit or substantially alter the content we provide on our websites. Moreover, such events could materially and adversely affect our business, results of operations and financial condition.

We are also required to obtain licenses from various states to conduct parts of our business. In the case of our Bankrate Select offering, many states require licenses to solicit, broker or make loans secured by residential mortgages and other consumer loans to residents of those states. Licenses or rights currently held by us may be revoked prior to their expiration, or we may be unable to renew such licenses. In addition, we may not be granted new licenses or rights for which we may be required to apply for from time to time in the future. Furthermore, because the licensing laws of each state change frequently and their applicability is difficult to determine, we may unknowingly operate Bankrate Select without a required license.

Table of Contents

The telecommunications infrastructure in China, which is not as well developed as in the United States, and the high cost of Internet access, may limit the growth of our operations in China.

The telecommunications infrastructure in China is not as well developed as in the United States. Our growth in China will depend on the Chinese government and state-owned enterprises establishing and maintaining a reliable Internet and telecommunications infrastructure to reach a broader base of Internet users in China. The Internet infrastructure, standards, protocols and complementary products, services and facilities necessary to support the demands associated with continued growth may not be developed on a timely basis or at all by the Chinese government and state-owned enterprises. Access to the Internet or to specific websites may be restricted by the Chinese government. In addition, access to the Internet in China remains relatively expensive, and may make it less likely for users to access and transact business over the Internet.

Deterioration in general economic conditions and difficult market conditions may adversely affect the financial services industry and harm our revenue opportunities, business and financial condition.

General downward economic trends, reduced availability of commercial credit and increasing unemployment negatively impact the credit performance of commercial and consumer credit. Concerns over the stability of the financial markets and the economy have resulted, and may result in the future, in decreased lending by financial institutions to their customers and to each other. While there have been signs of recovery, these macroeconomic developments have affected and may continue to negatively affect our business and financial condition. Economic pressure on consumers and businesses and declining confidence in the financial markets would likely cause a decrease in the demand for advertising financial products and services. Additionally, advertising expenditures tend to be cyclical, reflecting overall economic conditions and budgeting and buying patterns. Since we derive most of our revenues from selling advertising, deterioration in economic conditions could cause decreases in or delays in advertising spending and would be likely to reduce our revenue and negatively impact our short term ability to grow our revenues.

Our substantial indebtedness could adversely affect our financial flexibility and prevent us from fulfilling our obligations under the Notes and Credit Agreement.

We have, and will continue to have, a significant amount of indebtedness. As of September 30, 2011, our total indebtedness was $195.0 million, comprised of the Notes in an aggregate principal amount of $195.0 million. On a pro forma basis, giving effect to the 2010 Acquisitions, the issuance of the Notes, the Recapitalization and Merger, the Initial Public Offering and the Notes Redemption as if each had occurred on January 1, 2010, our pro forma interest expense for the year ended December 31, 2010 and the nine months ended September 30, 2011 was $28.0 million and $18.5 million, respectively. In addition, while undrawn as of September 30, 2011, we expect to incur approximately $35.0 million in additional indebtedness under the Credit Agreement to finance the $65.0 million purchase price for the InsWeb Acquisition. Our substantial level of indebtedness increases the risk that we may be unable to generate cash sufficient to invest in our business at an appropriate level, thereby making it more difficult to pay amounts due in respect of our indebtedness. Our substantial indebtedness could have other important consequences to you and significant effects on our business. For example, it could:

- make it more difficult for us to satisfy our obligations with respect to other contractual and commercial commitments;
- limit our ability to obtain additional financing amounts to fund working capital, capital expenditures, debt service requirements, execution of our business strategy, or acquisitions and other purposes;
- require us to dedicate a substantial portion of our cash flow from operations to pay principal and interest on our debt, which would reduce the funds available to us for other purposes;
- make us more vulnerable to adverse changes in general economic, industry and competitive conditions, changes in government regulation and changes in our business by limiting our flexibility in planning for, and making it more difficult for us to react quickly to, changing conditions;

- place us at a competitive disadvantage compared to our competitors that have less debt;
- expose us to risks inherent in interest rate fluctuations because some of our borrowings are at variable rates of interest, which could result in higher interest expenses in the event of increases in interest rates; and
- make it more difficult to satisfy our financial obligations, including payments on the Notes and amounts outstanding from time to time under the Credit Agreement.

In addition, the Indenture and the Credit Agreement each contain, and the agreements evidencing or governing other future indebtedness may contain, restrictive covenants that limit our ability to engage in activities that may be in our long-term best interests. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of our indebtedness.

We may not be able to generate sufficient cash to service all of our indebtedness, including the Notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful or if successful, could adversely impact our business.

Our ability to make scheduled payments on or to refinance our debt obligations, including the Notes, depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. On a pro forma basis taking into account the Initial Public Offering and the use of proceeds thereof, but not giving effect to the Company s exchange of its outstanding unregistered Notes for an equal principal amount of registered Notes (the Exchange Offer), our current debt service obligations are currently $23.4 million per year. In addition, we entered into the Credit Agreement described below, which when drawn in the future would increase the amount of our current debt service obligations. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to fund our day-to-day operations or to pay the principal, premium, if any, and interest on our indebtedness, including the Notes.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to sell assets or operations, seek additional capital or restructure or refinance our indebtedness, including the Notes. We may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, such alternative actions may not allow us to meet our scheduled debt service obligations. The Indenture and the Credit Agreement each restrict, and any of our other future debt agreements may restrict, our ability to dispose of assets and use the proceeds from any such dispositions and may also restrict our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due.

In addition, we conduct our operations through our subsidiaries, certain of which may not be guarantors of the Notes or guarantors of our other indebtedness. Accordingly, repayment of our indebtedness, including the Notes, is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Unless they are Guarantors of the Notes, our obligations from time to time under the Credit Agreement or any future indebtedness, our subsidiaries do not have any obligation to pay amounts due on the Notes or under the Credit Agreement or to make funds available for such purposes. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including the Notes. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. Although the Indenture and the Credit Agreement do, and other future debt agreements may, limit the ability of certain of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are, or in the case of future debt agreements may be, subject to certain qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the Notes.

Table of Contents

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would materially and adversely affect our financial position and results of operations.

If we cannot make scheduled payments on our debt, we will be in default and, as a result, holders of Notes or our other indebtedness could declare all outstanding principal and interest to be due and payable and we could be forced into bankruptcy or liquidation.

Despite restrictions in the Indenture and the Credit Agreement, we may still be able to incur additional indebtedness. This could increase the risks associated with our leverage, including the ability to service our indebtedness.

We may be able to incur additional indebtedness pursuant to the Indenture and the Credit Agreement in the future, including additional secured indebtedness. As of September 30, 2011, we were able to incur up to an additional $375 million of indebtedness, of which up to $257 million could be secured indebtedness, pursuant to the Indenture. Although covenants under the Indenture and the Credit Agreement limit our ability and the ability of our present and future subsidiaries to incur additional indebtedness, these restrictions are subject to a number of qualifications and exceptions and, under certain circumstances, debt incurred in compliance with these restrictions could be substantial. The Indenture and the Credit Agreement also allow us to incur certain additional secured debt and allow our foreign restricted subsidiaries and our future unrestricted subsidiaries to incur additional debt, which would be structurally senior to the Notes and amounts outstanding from time to time under the Credit Agreement. In addition, the Indenture and the Credit Agreement do not prohibit us from incurring obligations that do not constitute indebtedness as defined therein. To the extent that we incur additional indebtedness or such other obligations, the risk associated with substantial additional indebtedness described above, including our possible inability to service our debt, will increase.

Risks Related to this Offering and Ownership of Shares of Our Common Stock

The market price of our common stock may fluctuate significantly.

The market price of our common stock could fluctuate significantly due to a number of factors, including, but not limited to:

- our quarterly or annual earnings, or those of other companies in our industry;
- actual or anticipated fluctuations in our operating results;
- changes in accounting standards, policies, guidance, interpretations or principles;
- the public reaction to our press releases, our other public announcements and our filings with the SEC;
- announcements by us or our competitors of significant acquisitions, dispositions, innovations, or new programs and services;
- changes in financial estimates and recommendations by securities analysts following our stock, or the failure of securities analysts to cover our common stock after this offering;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- the operating and stock price performance of other comparable companies;

general economic conditions and overall market fluctuations;

the trading volume of our common stock;

changes in business, legal or regulatory conditions, or other developments affecting participants in, and publicity regarding our business or any of our significant customers or competitors;

results of operations that vary from the expectations of securities analysts and investors or those of our competitors;

Table of Contents

- the failure of securities analysts to publish research about us after this offering or to make changes in their financial estimates;

- future sales of our common stock by us, directors, executives and significant stockholders; and

- changes in economic and political conditions in our markets.

In particular, the realization of any of the risks described in these Risk Factors could have a material and adverse impact on the market price of our common stock in the future and cause the value of your investment to decline. In addition, the stock market in general has experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our common stock over the short, medium or long term, regardless of our actual performance. If the market price of our common stock reaches an elevated level following this offering, it may materially and rapidly decline. In the past, following periods of volatility in the market price of a company s securities, stockholders have often instituted securities class action litigation. If we were to be involved in a class action lawsuit, it could divert the attention of senior management, and, if adversely determined, have a material adverse effect on our business, results of operations and financial condition.

If securities or industry analysts adversely change their recommendations regarding our stock or if our operating results do not meet their expectations, our stock price could decline materially.

The trading market for our common stock could be influenced by the research and reports that industry or securities analysts may publish about us or our business. If one or more of these analysts cease coverage of the Company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. Moreover, if one or more of the analysts who cover the Company downgrade our stock or if our operating results do not meet their expectations, either absolutely or relative to our competitors, our stock price could decline significantly.

The Apax VII Funds controls a significant interest in us and its interests may conflict with or differ from your interests as a stockholder.

We are a majority-owned subsidiary of Ben Holding S.à r.l., which is beneficially owned by Apax US VII, L.P. (Apax US VII Fund), and Apax Europe VII-A, L.P., Apax Europe VII-B, L.P. and Apax Europe VII-1, L.P. (the Apax Europe VII Funds and, together, with Apax US VII Fund, the Apax VII Funds). Apax Partners, L.P. is the advisor to Apax US VII Fund. Apax Partners LLP is the advisor to Apax Partners Europe Managers Limited, the discretionary investment manager to the Apax Europe VII Funds. We refer to Apax Partners, L.P., Apax Partners LLP, and Apax Partners Europe Managers Limited, as Apax Partners.

Ben Holding S.à r.l., which is beneficially owned by the Apax VII Funds, which are advised by Apax Partners, currently owns approximately 67.9% of our common stock and is one of the selling stockholders in this offering. Immediately following consummation of this offering, Ben Holding S.à r.l. will own 57.6% of our common stock. Pursuant to lock-up arrangements entered into in connection with this offering, Ben Holding S.à r.l. will not be able to sell any of these shares for at least 90 days following the date of this prospectus, subject to certain exceptions. As a result of its ownership, Apax VII Funds have the power, and pursuant to the stockholders agreement, their majority-owned subsidiary Ben Holding S.à r.l. has the contractual right, to elect a majority of our directors. Accordingly, Apax VII Funds has the ability to prevent any transaction that requires the approval of our board of directors or our stockholders, including the approval of significant corporate transactions such as business combinations.

In addition, following a reduction of the equity owned by Apax VII Funds to below 50% of our outstanding common stock, Apax VII Funds, through Ben Holding S.à r.l., will retain the right to designate a certain number of Apax Partners designees for our board of directors until Apax VII Funds ownership percentage falls below 5%. Thus, even after selling a portion of its interests in us, Apax VII Funds will continue to be able to significantly influence or effectively control our decisions. See Certain Relationships and Related Party Transactions Stockholders Agreement.

Table of Contents

The interests of Apax VII Funds could conflict with or differ from your interests as a holder of our common stock. For example, the concentration of ownership held by Apax VII Funds could delay, defer or prevent a change of control of the Company or impede a merger, takeover or other business combination that you as a stockholder may otherwise support. Additionally, Apax Partners is in the business of advising on investments in companies Apax VII Funds hold, and they or other funds advised by Apax Partners may from time to time in the future acquire, interests in businesses that directly or indirectly compete with certain portions of our business or are suppliers or customers of ours. They may also pursue acquisitions that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us. Further, Apax Partners and Apax VII Funds, realized substantial benefits from the sale of their shares in the Initial Public Offering. A sale of a substantial number of shares of stock in the future by funds advised by Apax Partners could cause our stock price to decline.

We are a controlled company within the meaning of New York Stock Exchange rules and, as a result, qualify for, and intend to rely on, exemptions from certain corporate governance requirements applicable to non-controlled companies.

Upon the closing of this offering, Apax VII Funds will continue to control a majority of our voting common stock. As a result, we will continue to be a controlled company within the meaning of the New York Stock Exchange corporate governance standards. Under the New York Stock Exchange rules, a company of which more than 50% of the outstanding voting power is held by an individual, group or another company is a controlled company and may elect not to comply with certain stock exchange corporate governance requirements, including:

- the requirement that a majority of the board of directors consists of independent directors;
- the requirement that nominating and corporate governance matters be decided solely by independent directors; and
- the requirement that employee and officer compensation matters be decided solely by independent directors.

Following this offering, we intend to continue to utilize these exemptions. As a result, we will not have a majority of independent directors nor will our nominating and corporate governance and compensation functions be decided solely by independent directors and we will not be required to have an annual performance evaluation of the nominating and corporate governance and compensation committees. See Management. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the New York Stock Exchange corporate governance requirements.

Our amended and restated certificate of incorporation contains provisions renouncing our interest and expectancy in certain corporate opportunities.

Our amended and restated certificate of incorporation provides that, for so long as Apax VII Funds have the right to designate one of our director nominees, none of Apax VII Funds, the directors nominated by Apax VII Funds, Apax VII Funds affiliates and subsidiaries, nor any of their managers, officers, directors, agents, stockholders, members or partners will have any duty to tell us about or offer to us any business opportunity, even if it is the same business or similar business activities or lines of business in which we operate. The amended and restated certificate of incorporation also provides that none of Apax VII Funds nor their respective affiliates will be liable to us or our stockholders for breach of any duty by reason of any such activities. For instance, a director of the Company who also serves as a director, officer or employee of Apax VII Funds or any of its subsidiaries or affiliates may pursue certain acquisitions or other opportunities that may be complementary to our business and, as a result, such acquisitions or other opportunities may not be available to us. These potential conflicts of interest could have a material adverse effect on our business, financial condition, results of operations or prospects if attractive corporate opportunities are pursued by Apax VII Funds or its subsidiaries or affiliates instead of by us. See Description of Capital Stock Corporate Opportunity.

Table of Contents

Future sales or the possibility of future sales of a substantial amount of our common stock may depress the price of shares of our common stock.

Future sales or the availability for sale of substantial amounts of our common stock in the public market could adversely affect the prevailing market price of our common stock and could impair our ability to raise capital through future sales of equity securities.

Our amended and restated certificate of incorporation authorizes us to issue 300,000,000 shares of common stock, of which 99,993,300 shares will be outstanding upon consummation of this offering. This number includes 22,994,455 shares registered and sold in the Initial Public Offering and up to 12,075,000 shares that the selling stockholders are selling in this offering (assuming the underwriters exercise their option to acquire additional shares in full), which will be freely transferable without restriction or further registration under the Securities Act. The remaining 64,923,845 shares of our common stock outstanding, including the shares of common stock owned by Apax VII Funds, and certain members of our management, will be restricted from immediate resale under the federal securities laws and in some cases by the lock-up agreements between the selling stockholders, certain other stockholders, and the underwriters which generally provide for a lock-up period of 90 days following the date of this prospectus (unless the representatives of the underwriters waive such lock-up period), but may be sold in the near future. See Underwriting. Following the expiration of the applicable lock-up period, all these shares of our common stock will be eligible for resale under Rule 144 of the Securities Act, subject to volume limitations and applicable holding period requirements. In addition, Apax VII Funds and Mr. Morse, the Chairman of our board of directors, will have the ability to cause us to register the resale of their shares, and our management members and certain of our existing stockholders as of prior to this offering who hold shares will have the ability to include their shares in the registration. See Shares Eligible for Future Sale for a discussion of the shares of our common stock that may be sold into the public market in the future.

We may issue shares of our common stock or other securities from time to time as consideration for future acquisitions and investments and pursuant to compensation and incentive plans. If any such acquisition or investment is significant, the number of shares of our common stock, or the number or aggregate principal amount, as the case may be, of other securities that we may issue may in turn be substantial. We may also grant registration rights covering those shares of our common stock or other securities in connection with any such acquisitions and investments.

We cannot predict the size of future issuances of our common stock or the effect, if any, that future issuances and sales of our common stock will have on the market price of our common stock. Sales of substantial amounts of our common stock (including shares of our common stock issued in connection with an acquisition or compensation or incentive plan), or the perception that such sales could occur, may adversely affect prevailing market prices for our common stock.

Delaware law and our organizational documents may impede or discourage a takeover, which could deprive our investors of the opportunity to receive a premium for their shares.

We are a Delaware corporation, and the anti-takeover provisions of the Delaware law impose various procedures and other requirements, which could make it more difficult for a third party to acquire control of us or effect certain corporate actions, even if a change of control would be beneficial to our existing stockholders. In addition, provisions of our amended and restated certificate of incorporation and bylaws may make it more difficult for, or prevent a third party from, acquiring control of us without the approval of our board of directors. These provisions include, among other things:

- the ability of our board of directors to designate one or more series of preferred stock and issue shares of preferred stock without stockholder approval;
- a classified board of directors;
- limitations on the ability of the Company to engage in business combinations with certain stockholders of the Company;
- the sole power of a majority of the board of directors to fix the number of directors;

limitations on the removal of directors;

Table of Contents

- the sole power of our board of directors (or Apax Partners, in the case of a nominee of Apax Partners) to fill any vacancy on our board, whether such vacancy occurs as a result of an increase in the number of directors or otherwise;

- the sole power, once Apax VII Funds cease to beneficially own a majority of the outstanding voting power of our stock, of the chairman of our board of directors, our board of directors, or a designated committee of our board of directors to call a special meeting of stockholders;

- limitations on the ability of stockholders to act by written consent in lieu of a meeting; and

- advance notice requirements for nominating directors or introducing other business to be conducted at stockholder meetings.

The foregoing factors, as well as the significant common stock ownership by our equity sponsor, could impede a merger, takeover or other business combination or discourage a potential investor from making a tender offer for our common stock, which, under certain circumstances, could reduce the market value of our common stock. See Description of Capital Stock.

We may issue shares of preferred stock in the future, which could make it difficult for another company to acquire us or could otherwise adversely affect holders of our common stock, which could depress the price of our common stock.

Our amended and restated certificate of incorporation authorizes us to issue up to 50,000,000 shares of one or more series of preferred stock. Our board of directors will have the authority to determine the preferences, limitations and relative rights of shares of preferred stock and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our stockholders. Our preferred stock could be issued with voting, liquidation, dividend and other rights superior to the rights of our common stock. The potential issuance of preferred stock may delay or prevent a change in control of us, discouraging bids for our common stock at a premium over the market price, and materially and adversely affect the market price and the voting and other rights of the holders of our common stock.

Your percentage ownership in us may be diluted by future issuances of capital stock or securities or instruments that are convertible into our capital stock, which could reduce your influence over matters on which stockholders vote.

Our board of directors has the authority, without action or vote of our stockholders, to issue all or any part of our authorized but unissued shares of common stock, including shares that may be issued to satisfy our obligations under our incentive plans, shares of our authorized but unissued preferred stock and securities and instruments that are convertible into our common stock. Issuances of common stock or voting preferred stock would reduce your influence over matters on which our stockholders vote and, in the case of issuances of preferred stock, likely would result in your interest in us being subject to the prior rights of holders of that preferred stock.

We currently have no plans to pay dividends on our common stock, so you may not receive funds without selling your common stock.

We currently do not pay dividends on our common stock and we do not anticipate paying any dividends on our common stock in the foreseeable future. Any declaration and payment of future dividends to holders of our common stock may be limited by restrictive covenants of our debt agreements, and will be at the sole discretion of our board of directors and will depend on many factors, including our financial condition, results of operations, earnings, capital requirements, business expansion opportunities, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that our board of directors deems relevant.

Further, we may not have sufficient surplus to be able to legally pay any dividends in the future. The absence of sufficient surplus may result from extraordinary cash expenses, actual expenses exceeding contemplated costs, funding of capital expenditures, or increases in reserves.

Table of Contents

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements which involve risks and uncertainties. You can identify forward-looking statements because they contain words such as believes, expects, may, should, seeks, approximately, intends, plans, estimates, or anticipat expressions that relate to our strategy, plans or intentions. All statements we make relating to our estimated and projected earnings, margins, costs, expenditures, cash flows, growth rates and financial results or to our expectations regarding future industry trends are forward-looking statements. In addition, we, through our senior management, from time to time make forward-looking public statements concerning our expected future operations and performance and other developments. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. All forward-looking statements are based upon information available to us on the date of this prospectus.

Important factors that could cause actual results to differ materially from our expectations, which we refer to as cautionary statements, are disclosed under Risk Factors and elsewhere in this prospectus, including, without limitation, in conjunction with the forward-looking statements included in this prospectus. All forward-looking information in this prospectus and subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our results include:

- the willingness of our advertisers to advertise on our websites;
- increased competition and its effect on our website traffic, advertising rates, margins, and market share;
- our dependence on internet search engines to attract a significant portion of the visitors to our websites;
- interest rate volatility;
- technological changes;
- our ability to manage traffic on our websites and service interruptions;
- our ability to maintain and develop our brands and content;
- the fluctuations of our results of operations from period to period;
- our indebtedness and the effect such indebtedness may have on our business;
- our need and our ability to incur additional debt or equity financing;
- our ability to integrate the business and operations of companies that we have acquired, and those we may acquire in the future;

the effect of unexpected liabilities we assume from our acquisitions;

our ability to attract and retain executive officers and personnel;

the impact of resolution of lawsuits to which we are a party;

our ability to protect our intellectual property;

the effects of facing liability for content on our websites;

our ability to establish and maintain distribution arrangements;

our ability to maintain good working relationships with our customers and third-party providers and to continue to attract new customers;

the effect of our expansion of operations in China and possibly expansion to other international markets, in which we may have limited experience;

Table of Contents

- the willingness of consumers to accept the Internet and our online network as a medium for obtaining financial product information;
- the strength of the U.S. economy in general;
- changes in monetary and fiscal policies of the U.S. Government;
- changes in consumer spending and saving habits;
- changes in the legal and regulatory environment;
- changes in accounting principles, policies, practices or guidelines;
- other risks referenced in the section of this prospectus entitled Risk Factors ; and
- our ability to manage the risks involved in the foregoing.

We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this prospectus may not in fact occur. Accordingly, investors should not place undue reliance on those statements. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

Table of Contents

USE OF PROCEEDS

We will not receive any of the proceeds from the sale of shares by the selling stockholders in this offering. See   Principal and Selling Stockholders.

Table of Contents

DIVIDEND POLICY

We have not declared or paid any dividends on our common stock. We currently intend to retain all of our future earnings, if any, for use in our business and do not anticipate paying any cash dividends for the common stock in the foreseeable future. Our ability to pay dividends on our common stock is currently limited by the covenants of our Notes and Credit Agreement and may be further restricted by the terms of any future debt or preferred securities. Payments of future dividends, if any, will be at the discretion of our board of directors after taking into account various factors, including our business, operating results and financial condition, current and anticipated cash needs, plans for expansion and any legal or contractual limitations on our ability to pay dividends. See Description of Indebtedness for a description of the restrictions on our ability to pay dividends.

PRICE RANGE OF OUR COMMON STOCK

Our common stock began trading on the New York Stock Exchange under the symbol RATE on June 16, 2011. Prior to that, there was no public market for our common stock. The following table sets forth, for the periods indicated below, the high and low closing prices per share of our common stock as reported on the NYSE since June 16, 2011:

2011	High	Low
Second Quarter (beginning June 16, 2011)	$ 16.58	$ 15.25
Third Quarter	$ 18.60	$ 13.97
Fourth Quarter (through December 5, 2011)	$ 21.08	$ 14.32

On December 5, 2011, the closing price as reported on the New York Stock Exchange of our common stock was $17.43 per share. As of December 5, 2011, we had approximately 347 holders of record of our common stock.

Table of Contents

CAPITALIZATION

The following table sets forth our consolidated cash and cash equivalents and consolidated capitalization as of September 30, 2011 on an actual basis. This table does not reflect the estimated $3.0 million in costs and expenses to be incurred by the Company in connection with this offering. This table should be read in conjunction with the audited consolidated financial statements, unaudited condensed consolidated financial statements and the related notes, included elsewhere in this prospectus and Use of Proceeds, Summary Historical and Pro Forma Financial Data, Selected Historical Consolidated Financial Data, Unaudited Pro Forma Condensed Consolidated Financial Statements and Management s Discussion and Analysis of Financial Condition and Results of Operations.

($ in thousands)	**As of September 30, 2011 Actual (unaudited)**
Cash and cash equivalents	$ 64,489
Debt:	
Notes(1)	193,537
Total debt	193,537
Stockholders equity	771,892
Total capitalization	$ 965,429

(1) Includes unamortized original discount of $1,463. There was $0 debt outstanding under the Credit Agreement as of September 30, 2011.

Table of Contents

UNAUDITED PRO FORMA

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following unaudited pro forma condensed consolidated financial statements have been derived from our historical financial statements included elsewhere in this prospectus, as adjusted to give effect to the 2010 Acquisitions, the issuance of the Notes on July 13, 2010, the Initial Public Offering and the Notes Redemption.

The unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 2010 and the nine months ended September 30, 2011 give effect to the 2010 Acquisitions, the issuance of the Notes, the Initial Public Offering and the Notes Redemption as if each had occurred on January 1, 2010.

The unaudited pro forma condensed consolidated financial statements are based on certain assumptions which we believe to be reasonable, and will have a continuing impact on us. The pro forma adjustments are described in the sections entitled Notes to Unaudited Pro Forma Condensed Consolidated Statement of Operations

The unaudited pro forma condensed consolidated financial information is presented for informational purposes only. The unaudited pro forma condensed consolidated financial information does not purport to represent what our results of operations or financial condition would have been had the pro forma adjustments actually occurred on the dates indicated, and they do not purport to project our results of operations or financial condition for any future period or as of any future date.

The unaudited pro forma condensed consolidated statement of operations should be read in conjunction with the sections entitled Use of Proceeds, Capitalization, Selected Historical Consolidated Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations, our historical consolidated financial statements and related notes thereto, the historical consolidated financial statements and related notes thereto of NetQuote Holdings and the historical consolidated financial statements and related notes thereto of CreditCards, included elsewhere in this prospectus.

Table of Contents

Unaudited Pro Forma Condensed Consolidated Statement of Operations

For Fiscal Year Ended December 31, 2010

($ in thousands, except per share data)	**Bankrate** Year ended December 31, 2010	**NetQuote Holdings** Period from January 1, 2010 to July 13, 2010	**CreditCards** Period from January 1, 2010 to August 6, 2010	**Pro forma adjustments related to the 2010 Acquisitions and the issuance of Notes(a)**	**Subtotal**	**Pro forma adjustments related to the Initial Public Offering and the Notes Redemption(h)**	**Pro forma**
Revenue	$ 220,598	$ 58,541	$ 25,607	$ (3,859)(b)	$ 300,887	$	$ 300,887
Cost of revenue	85,326	31,799	1,397	(3,859)(b)	114,663		114,663
Gross margin	135,272	26,742	24,210		186,224		186,224
Operating expenses:							
Sales	8,624	1,859	409		10,892		10,892
Marketing	23,672	7,848	7,851		39,371		39,371
Product development	8,722	2,220	757		11,699		11,699
General and administrative	22,991	4,677	3,620		31,288		31,288
Stock based compensation		544	384	(928)(c)			
Acquisition related expenses and related party fees	17,390	7,731	4,605	(22,345)(d)	7,381	(7,233)(i)	148
Restructuring charges	3,288		280		3,568		3,568
Legal settlements, net	1,646	(151)			1,495		1,495
Depreciation and amortization	35,226	4,148	2,254	3,579(e)	45,207		45,207
	121,559	28,876	20,160	(19,694)	150,901	(7,233)	143,668
Income (loss) from operations	13,713	(2,134)	4,050	19,694	35,323	7,233	42,556
Other expense	(306)				(306)		(306)
Interest income (expense), net	(38,455)	(1,949)	(3,169)	2,519(f)	(41,054)	13,100(j)	(27,954)
Income (loss) before income taxes	(25,048)	(4,083)	881	22,213	(6,037)	20,333	14,296
Income tax expense (benefit)	(3,651)	(232)	223	5,039(g)	1,379	7,727(k)	9,106
Net income (loss)	$ (21,397)	$ (3,851)	$ 658	$ 17,174	$ (7,416)	$ 12,606	$ 5,190
Net income (loss) per share:							
Basic	$ (0.30)						$ 0.05
Diluted	(0.30)						0.05
Weighted average number of common shares outstanding:(l)							
Basic	71,494,223						96,128,697
Diluted	71,494,223						96,128,697

Table of Contents

Unaudited Pro Forma Condensed Consolidated Statement of Operations

For Nine Months Ended September 30, 2011

($ in thousands, except per share data)	Nine months ended September 30, 2011	Pro forma adjustments related to the 2010 Acquisitions and the issuance of Notes(a)	Subtotal	Pro forma adjustments related to the Initial Public Offering and the Notes Redemption(h)	Pro forma
Revenue	$ 310,431	$	$ 310,431	$	$ 310,431
Cost of revenue, excluding stock based compensation	110,992		110,992		110,992
Stock based compensation cost of revenue	237		237		237
Gross margin	199,202		199,202		199,202
Operating expenses:					
Sales	9,217		9,217		9,217
Marketing	59,358		59,358		59,358
Product development	10,042		10,042		10,042
General and administrative	23,893		23,893		23,893
Stock based compensation	2,690		2,690		2,690
Acquisition, offering and related expenses and related party fees	40,857		40,857	(36,607)(i)	4,250
Restructuring charges	238		238		238
Legal settlements					
Depreciation and amortization	32,566		32,566		32,566
	178,861		178,861	(36,607)	142,254
Income from operations	20,341		20,341	36,607	56,948
Interest income (expense), net	(25,439)	(3,000)(f)	(28,439)	9,967(j)	(18,472)
Loss on redemption of Notes	(16,629)		(16,629)	16,629(m)	
Income (loss) before income taxes	(21,727)	(3,000)	(24,727)	63,203	38,476
Income tax expense (benefit)	5,740	(1,140)(g)	4,600	11,345(k)	15,945
Net income (loss)	$ (27,467)	$ (1,860)	$ (29,327)	$ 51,858	$ 22,531
Net income (loss) per share:					
Basic	$ (0.30)				$ 0.24
Diluted	(0.30)				0.24
Weighted average number of common shares outstanding:					
Basic	92,233,345				92,233,345
Diluted	92,233,345				92,233,345

Notes to Unaudited Pro Forma Condensed Consolidated Statement of Operations

(a) The following pro forma adjustments reflect the impact of the 2010 Acquisitions as well as the Notes offering.
(b) Reflects the elimination of historical revenues and cost of sales for transactions between Bankrate, NetQuote Holdings and CreditCards.
(c) Reflects the elimination of non-cash stock based compensation expense for programs which were eliminated upon completion of the 2010 Acquisitions as a result of the termination of the stock compensation programs at the dates of acquisition.

Table of Contents

(d) Reflects the elimination of (i) transaction related expenses related to the 2010 Acquisitions and the debt offering as well as (ii) historical management fees paid by CreditCards to its former owner prior to the acquisition by Bankrate.

($ in thousands)	
Eliminate Bankrate transaction related costs	$ (10,009)
Eliminate NetQuote transaction related costs	(7,731)
Eliminate CreditCards transaction related costs	(4,200)
Eliminate CreditCards management fees	(405)
Pro forma adjustment	$ (22,345)

(e) Estimates the impact on depreciation and amortization expense for NetQuote Holdings and CreditCards as if purchase accounting was applied as of January 1, 2010. Reference is made to Note 11 of the audited consolidated financial statements included elsewhere in this prospectus for the preliminary allocations of purchase consideration for each acquisition.

($ in thousands)	
Eliminate existing depreciation and amortization expense:	
NetQuote Holdings, Inc.	$ (4,148)
CreditCards.com, Inc.	(2,254)
Pro forma depreciation and amortization expense(1):	
NetQuote Holdings, Inc.	5,748
CreditCards.com, Inc.	4,233
Pro forma adjustment	$ 3,579

(1) Furniture, fixtures and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets which range from three to five years. Intangible assets are depreciated on a straight-line basis over the estimated useful lives of the assets. The weighted average amortization periods for trade names and domain names, customer relationships, and developed technologies are 17.5 years, 8.25 years, and 3.0 years, respectively.

(f) To eliminate the historical interest expense, net, and to record estimated interest expense, estimated amortization of bond original issue discount and estimated amortization of deferred financing fees related to the Notes offered on July 13, 2010 as if they had been offered on January 1, 2010.

($ in thousands)	**Year ended December 31, 2010**	**Nine months ended September 30, 2011**
Eliminate historical interest expense and amortization of deferred financing fees:		
Bankrate(1)	$ (34,827)	$ (25,266)
NetQuote Holdings	(1,949)	
CreditCards	(3,169)	
Interest expense(2)	35,250	26,438
Amortization of Notes original issue discount(2)	420	353
Amortization of deferred financing fees(2)	1,756	1,475
Pro forma adjustment	$ (2,519)	$ 3,000

(1) Excludes interest expense related to the payable to dissenting stockholders of $3.6 million for the year ended December 31, 2010 and interest expense related to the Credit Agreement of $0.2 million for the nine months ended September 30, 2011.

(2) The effective interest rate used to calculate the interest expense on the Notes and related amortization was 13.06%.

Table of Contents

(g) Reflects the tax effect of the pro forma adjustments at the estimated statutory rates. Estimated statutory rates used for Bankrate, NetQuote and CreditCards were 38.0%, 39.5% and 37.2%, respectively. For the adjustments to eliminate transaction expenses in (d), we have estimated the non-deductible portion of those expenses including the impact of any uncertain tax position reserve resulting in effective tax rates of 16.2% and 22.9% for Bankrate and NetQuote, respectively.

(h) The following pro forma adjustments reflect the impact of the Notes Redemption, termination of the Material Event Investment Advisory Agreement and the Initial Public Offering. The unaudited pro forma financial adjustments give effect to the $33.1 million of fees related to the Material Event Investment Advisory Agreement which were recognized in Acquisition related expenses and related party fees in the historical operating results. The unaudited pro forma financial data does not give effect to $3.8 million of fees related to the Material Event Investment Advisory Agreement which were recognized as contra-equity and $0.9 million which was recognized as deferred financing fees. In addition, the unaudited pro forma financial data does not give effect to non recurring expenses related to the Exchange Offer of $1.7 million.

(i) Reflects the elimination of historical advisory fees paid by Bankrate under or in connection with the Material Event Investment Advisory Agreement in connection with the Initial Public Offering as well as expenses incurred in connection with the Initial Public Offering.

($ in thousands)	**Year ended December 31, 2010**	**Nine months ended September 30, 2011**
Eliminate Material Event Investment Advisory fee	$	$ (33,149)
Eliminate management fees	(7,233)	(946)
Eliminate Initial Public Offering expenses		(2,512)
Pro forma adjustment	$ (7,233)	$ (36,607)

(j) Estimates the impact on interest expense and amortization of deferred financing fees as if the redemption of Notes occurred on January 1, 2010.

($ in thousands)	**Year ended December 31, 2010**	**Nine months ended September 30, 2011**
Interest expense	$ (12,338)	$ (9,253)
Amortization of Notes original issue discount	(147)	(123)
Amortization of deferred financing fees	(615)	(516)
Eliminate amortization of deferred loan costs for Credit Agreement(1)		(75)
Pro forma adjustment	$ (13,100)	$ (9,967)

(1) In connection with the payment of the Material Event Investment Advisory Agreement fee, $0.9 million was allocated to deferred loan costs related to the Credit Agreement as noted in note (h) above. Of this amount, $75,000 was amortized during the nine months ended September 30, 2011 and is being eliminated similar to note (i) above.

(k) Reflects the tax effect of the pro forma adjustments at the estimated Bankrate statutory rate of 38.0%. For the adjustment to eliminate transaction expenses in (i), we have estimated the non-deductible portion of those expenses including the impact of any uncertain tax position reserve resulting in an effective tax rate of 17.9%.

(l) Pro forma weighted average number of common shares outstanding was calculated to include only those common shares from the Initial Public Offering whose proceeds were used for the Notes Redemption, which includes a pro rata portion of underwriting expenses and commissions and offering expenses related to such shares and does not include common shares whose proceeds were used for general corporate purposes.

Table of Contents

(m) Reflects the elimination of the loss on redemption of Notes.

($ in thousands)	
Redemption premium	$ 12,339
Write-off of deferred financing charges	3,462
Write-off of unamortized discount	828
Pro forma adjustment	$ 16,629

41

Table of Contents

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

Selected Historical Consolidated Financial Data of Bankrate, Inc.

The following table presents our selected historical consolidated financial data. The selected historical financial data as of and for each of the periods ended December 31, 2009 and 2010 and statement of operations and cash flow data for the year ended December 31, 2008 and the period ended August 24, 2009 have been derived from our audited consolidated financial statements, included elsewhere in this prospectus. As a result of the Bankrate Acquisition, our financial results were separately presented in our financial statements for the Predecessor entity for periods prior to the acquisition date of August 25, 2009. As a result, periods prior to August 25, 2009 are not necessarily comparable to periods after that date. As a result of the Merger and Recapitalization, Holdings and the Company were consolidated retroactively in the Successor entity, beginning July 17, 2009, the date of inception of Holdings. The selected historical financial data as of December 31, 2008 and August 24, 2009 have been derived from our audited consolidated financial statements not included in this prospectus.

The selected historical financial data as of and for each of the periods ended December 31, 2006 and 2007 and balance sheet data for December 31, 2008 and August 24, 2009 have been derived from our audited consolidated financial statements, not included in this prospectus. The selected historical financial data as of and for the nine months ended September 30, 2010 and 2011 have been derived from our unaudited interim condensed consolidated financial statements, included elsewhere in this prospectus. The operating results for the nine months ended September 30, 2010 and 2011 include all adjustments, consisting of only normal and recurring adjustments, that we consider necessary for a fair statement of the results of such interim periods. The interim results are not necessarily an indication of the results for the full year.

The information set forth below should be read in conjunction with our consolidated financial statements and the related notes thereto, included elsewhere in this prospectus, and the sections entitled Unaudited Pro Forma Condensed Consolidated Financial Statements and Management s Discussion and Analysis of Financial Condition and Results of Operations.

Table of Contents

(in thousands, except shares and per share data)	Predecessor Year ended December 31, 2006(1)	Predecessor Year ended December 31, 2007(2)	Predecessor Year ended December 31, 2008(3)	Predecessor Period from January 1, 2009 through August 24, 2009	Successor Period from July 17, 2009 through December 31, 2009	Successor Year ended December 31, 2010(4)	Successor Nine months ended September 30, 2010(5) (unaudited)	Successor Nine months ended September 30, 2011(6) (unaudited)
Statement of Income Data:								
Revenue	$ 79,650	$ 95,592	$ 166,855	$ 87,646	$ 43,837	$ 220,598	$ 143,333	$ 310,431
Cost of revenue, excluding stock based compensation	23,722	23,704	64,132	35,333	18,669	85,326	56,507	110,992
Stock based compensation cost of revenue	1,225	2,143	1,963	2,958				237
Gross margin	54,703	69,745	100,760	49,355	25,168	135,272	86,826	199,202
Operating expenses:								
Sales	4,393	5,050	6,891	4,566	2,555	8,624	6,255	9,217
Marketing	4,836	7,845	12,437	5,958	3,629	23,672	13,783	59,358
Product development	3,147	3,853	6,067	4,336	2,546	8,722	6,280	10,042
General and administrative	15,472	13,554	19,242	10,919	5,905	22,991	15,671	23,893
Stock based compensation	7,499	9,066	11,454	19,556				2,690
Acquisition, offering and related expenses and related party fees				34,562	4,936	17,390	16,139	40,857
Restructuring charges						3,288	3,358	238
Impairment charges			2,433					
Legal settlements	3,000					1,646	141	
Depreciation and amortization	2,402	2,731	9,134	8,294	9,789	35,226	25,574	32,566
	40,749	42,099	67,658	88,191	29,360	121,559	87,201	178,861
Income (loss) from operations	13,954	27,646	33,102	(38,836)	(4,192)	13,713	(375)	20,341
Other expense, net						(306)		
Interest income (expense), net	2,961	6,688	1,562	30	(12,093)	(38,455)	(28,242)	(25,439)
Loss on redemption of Notes								(16,629)
Income (loss) before income taxes	16,915	34,334	34,664	(38,806)	(16,285)	(25,048)	(28,617)	(21,727)
Income tax (benefit) expense	6,911	14,280	15,043	(4,222)	(6,509)	(3,651)	(11,974)	5,740
Net income (loss)	$ 10,004	$ 20,054	$ 19,621	$ (34,584)	$ (9,776)	$ (21,397)	$ (16,643)	$ (27,467)
Other Financial Data:								
Basic and diluted income (loss) per share:								
Basic	$ 0.58	$ 1.09	$ 1.04	$ (1.83)	$ (0.22)	$ (0.30)	$ (0.25)	$ (0.30)
Diluted	0.56	1.04	1.01	(1.83)	(0.22)	(0.30)	(0.25)	(0.30)
Weighted average common shares outstanding:								

Basic	17,332,632	18,423,414	18,848,125	18,862,259	43,692,073	71,494,223	66,239,400	92,233,345
Diluted	17,845,754	19,356,039	19,498,209	18,862,259	43,692,073	71,494,223	66,239,400	92,233,345
Cash Flow Data:								
Net cash provided by (used in) operating activities	$ 14,217	$ 28,299	$ 42,650	$ 25,288	$ 14,233	$ 31,236	$ 2,287	$ (7,748)
Net cash provided by (used in) investing activities	(103,145)	67,785	(119,779)	(13,600)	(506,128)	(372,988)	(369,199)	(32,006)
Net cash provided by (used in) financing activities	98,573	15,849	(1,874)	1,567	569,585	379,023	385,164	(11,221)
Balance Sheet Data:								
Cash and cash equivalents	$ 13,125	$ 125,058	$ 46,055	$ 59,310	$ 77,690	$ 115,630	$ 95,727	$ 64,489
Short-term investments	96,800							
Working capital	122,157	139,437	48,874	60,754	27,736	65,141	69,269	121,868
Intangible assets, net	14,441	27,485	83,347	76,533	224,372	365,745	376,573	352,299
Goodwill	30,039	43,720	101,856	101,886	349,749	559,168	526,921	573,745
Total assets	176,684	228,354	270,750	289,640	706,368	1,125,627	1,097,506	1,106,997
Total stockholders equity	170,155	217,266	248,430	237,927	323,240	626,056	625,355	771,892

(1) Includes the acquired group of assets of East West Mortgage, Inc. (owner of Mortgage-calc.com, Mortgagecalc.com and Mortgagemath.com) from the respective date of acquisition.

(2) Includes the acquired assets and liabilities of Nationwide Card Services, Inc. (owner of NCS) and Savingforcollege.com, LLC (owner of SFC) from the respective dates of acquisition.

(3) Includes the acquired assets and liabilities of Blackshore Properties, Inc. (owner of Bankaholic), LinkSpectrum Co. (owner of CCG), InsureMe, Inc. (owner of InsureMe) and Lower Fees (owner of FeeDisclosure.com) from the respective dates of acquisition.

Table of Contents

(4) Includes the acquired stock of NetQuote Holdings, Inc. (owner of NetQuote) and CreditCards.com, Inc. (owner of CreditCards.com), and acquired assets and liabilities of InfoTrak National Data Services (owner of InfoTrak), Jim Wang Enterprises, LLC (owner of Bargaineering) and InsuranceQuotes.com Development, LLC (owner of InsuranceQuotes) from the respective dates of the acquisition.

(5) Includes the acquired stock of NetQuote Holdings, Inc. (owner of NetQuote) and CreditCards.com, Inc. (owner of CreditCards.com), and acquired assets and liabilities of Jim Wang Enterprises, LLC (owner of Bargaineering) and InsuranceQuotes.com Development, LLC (owner of InsuranceQuotes) from the respective dates of the acquisition.

(6) Includes the acquired assets and liabilities of certain entities that are individually and in the aggregate immaterial to the Company s net assets and operations from the respective dates of the acquisition.

Table of Contents

Selected Historical Consolidated Financial Data of NetQuote Holdings, Inc.

The following table presents NetQuote Holdings selected historical consolidated financial data. The selected historical financial data as of and for the year ended December 31, 2009 have been derived from NetQuote Holdings audited consolidated financial statements, included elsewhere in this prospectus. The selected historical financial data as of and for each of the years ended December 31, 2007 and 2008 have been derived from NetQuote Holdings audited consolidated financial statements, not included in this prospectus. The selected historical financial data as of June 30, 2010 and for the six months ended June 30, 2009 and 2010 have been derived from NetQuote Holdings unaudited interim consolidated financial statements, included elsewhere in this prospectus. The selected historical financial data as of June 30, 2009 have been derived from NetQuote Holdings unaudited interim consolidated financial statements, not included in this prospectus. The operating results for the six months ended June 30, 2009 and 2010 include all adjustments, consisting of only normal and recurring adjustments, that we consider necessary for a fair statement of the results of such interim periods. The interim results are not necessarily an indication of the results for the full year.

($ in thousands)	**Year ended December 31, 2007**	**Year ended December 31, 2008**	**Year ended December 31, 2009**	**Six months ended June 30, 2009 (unaudited)**	**Six months ended June 30, 2010 (unaudited)**
Statement of Operations Data:					
Revenue	$ 78,188	$ 92,950	$ 98,480	$ 48,856	$ 55,012
Cost of revenue	52,562	62,194	63,348	30,782	35,724
Gross margin	25,626	30,756	35,132	18,074	19,288
Salaries and benefits	10,225	13,352	12,633	6,501	6,735
Other selling, general & administrative	7,158	8,011	9,365	4,291	4,593
Depreciation and amortization	7,918	8,442	7,894	4,150	3,879
	25,301	29,805	29,892	14,942	15,207
Operating income	325	951	5,240	3,132	4,081
Interest income	184	73			
Interest expense	(5,073)	(4,287)	(3,961)	(1,984)	(1,867)
Loss on early extinguishment of debt		(176)			
Gain on legal settlement			152		151
Income (loss) before income taxes	(4,564)	(3,439)	1,431	1,148	2,365
Income tax (expense) benefit	1,262	1,277	1,282	283	616
Net income (loss)	$ (5,826)	$ (4,716)	$ 149	$ 865	$ 1,749
Cash Flow Data:					
Net cash provided by operating activities	$ 4,422	$ 9,490	$ 13,287	$ 5,095	$ 5,447
Net cash used in investing activities	(1,940)	(2,258)	(5,333)	(2,471)	(2,008)
Net cash used in financing activities	(2,318)	(2,210)	(2,843)	(1,345)	(1,867)
Balance Sheet Data:					
Cash and cash equivalents	$ 6,035	$ 11,057	$ 16,168	$ 12,336	$ 17,740
Working capital	3,593	7,901	11,615	10,853	107
Intangible assets, net	24,889	17,645	11,793	14,540	9,290
Goodwill	49,764	49,764	49,764	49,764	49,764
Total assets	91,962	89,705	93,969	91,792	97,287
Redeemable preferred stock	56,688	56,688	56,688	56,688	56,688
Total stockholders deficit	(15,769)	(18,435)	(16,871)	(16,819)	(14,470)

Table of Contents

Selected Historical Consolidated Financial Data of CreditCards.com, Inc.

The following table presents CreditCards selected historical consolidated financial data. The selected historical financial data as of and for each of the years ended December 31, 2008 and 2009 have been derived from CreditCards audited consolidated financial statements, included elsewhere in this prospectus. The selected historical financial data as of and for the year ended December 31, 2007 have been derived from CreditCards audited consolidated financial statements, not included in this prospectus. The selected historical financial data as of June 30, 2010 and for the six months ended June 30, 2009 and 2010 have been derived from CreditCards unaudited interim consolidated financial statements, included elsewhere in this prospectus. The selected historical financial data as of June 30, 2009 have been derived from CreditCards unaudited interim consolidated financial statements, not included in this prospectus. The operating results for the six months ended June 30, 2009 and 2010 include all adjustments, consisting of only normal and recurring adjustments, that we consider necessary for a fair statement of the results of such interim periods. The interim results are not necessarily an indication of the results for the full year.

($ in thousands)	Year ended December 31, 2007	Year ended December 31, 2008	Year ended December 31, 2009	Six months ended June 30, 2009 (unaudited)	Six months ended June 30, 2010 (unaudited)
Statement of Operations Data:					
Revenues	$ 63,273	$ 72,413	$ 42,851	$ 24,603	$ 20,738
Operating Costs and expenses:					
Cost of revenues	27,669	33,616	18,975	11,197	6,855
Sales and marketing expense	3,762	5,673	4,220	2,167	1,847
General and administrative expense	8,086	8,948	6,017	3,416	4,796
Impairment of intangibles			39,202		
Amortization of intangibles	2,778	3,337	3,630	1,795	1,683
Total operating costs and expenses	42,295	51,574	72,044	18,575	15,181
Income (loss) from operations	20,978	20,839	(29,193)	6,028	5,557
Other (income) expense	(63)	214	(18)	(38)	(20)
Interest expense (net of interest income)	14,923	19,611	22,040	11,034	2,632
Income before income taxes	6,118	1,014	(51,215)	(4,968)	2,945
Income tax expense (benefit)	2,597	606	1,297	94	17
Net income (loss)	$ 3,521	$ 408	$ (52,512)	$ (5,062)	$ 2,928
Cash Flow Data:					
Net cash provided by (used in) operating activities	$ 9,900	$ 12,252	$ (1,270)	$ 19	$ 3,758
Net cash used in investing activities	(1,005)	(18,316)	(2,752)	(670)	(75)
Net cash provided by (used in) financing activities	(7,661)	15,469	(2,856)	(1,364)	(1,143)
Balance Sheet Data:					
Cash and cash equivalents	$ 7,676	$ 11,576	$ 4,308	$ 8,824	$ 6,738
Working capital	13,351	(5,837)	5,785	9,201	9,471
Intangible assets, net	83,237	88,094	60,666	91,508	58,546
Goodwill	41,691	50,993	35,803	47,759	35,006
Total assets	149,426	167,468	108,704	162,644	111,092
Total stockholders equity	(13,246)	(16,502)	(39,619)	(1,681)	(37,664)

Table of Contents

MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

AND RESULTS OF OPERATIONS

You should read the following discussion of our results of operations and financial condition with the Selected Historical Consolidated Financial Data and the financial statements and related notes included elsewhere in this prospectus. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs, and that involve numerous risks and uncertainties, including, but not limited to, those described in the Cautionary Statement Concerning Forward-Looking Statements and Risk Factors sections of this prospectus. Actual results may differ materially from those contained in any forward-looking statements. See Cautionary Statement Concerning Forward-Looking Statements.

Introduction

Our Company

We are a leading publisher, aggregator and distributor of personal finance content on the Internet. We provide consumers with proprietary, fully researched, comprehensive, independent and objective personal finance editorial content across multiple vertical categories including mortgages, deposits, insurance, credit cards, and other personal finance categories.

Our sources of revenue include display advertising, performance-based advertising, lead generation, distribution arrangements and traditional media avenues, such as syndication of editorial content and subscriptions.

We generate revenue through the sale of leads in the mortgage, credit card and insurance vertical categories. Through Bankrate Select we sell leads to mortgage lenders. Through Nationwide Card Services, *CreditCardGuide.com*, and *CreditCards.com*, we sell leads to credit card issuers. Through InsureMe.com and NetQuote, we sell leads to insurance agents and insurance carriers. We generate revenue on a per-lead basis based on the actual number of qualified insurance leads generated, and on a per-action basis for credit card applications (i.e., upon approval or completion of an application). Leads are generated not only organically within the Bankrate network of websites, but also through our various affiliate networks, via co-brands, and through display advertisements. We sell to advertisers targeting a specific audience in a city or state and also to national advertisers targeting the entire country.

Advertisers that are listed in our mortgage and deposit rate tables have the opportunity to hyperlink their listings. Additionally, advertisers can buy hyperlinked placement within our qualified insurance listings. By clicking on the hyperlink, users are taken to the advertiser s website. We typically sell our hyperlinks on a per-click pricing model. Under this arrangement, advertisers pay Bankrate a specific, pre-determined cost each time a consumer clicks on that advertiser s hyperlink or phone icon (usually found under the advertiser s name in the rate or insurance table listings). All clicks are screened for fraudulent characteristics by an independent third party vendor and then charged to the advertiser s account.

We provide a variety of digital display formats. Our most common digital display advertisement sizes are leader boards and banners, which are prominently displayed at the top or bottom of a page, as well as skyscrapers, islands, and posters. We charge for these advertisements based on the number of times the advertisement is displayed or based on a fixed amount for a campaign. Advertising rates may vary depending upon the product areas targeted, geo-targeting, the quantity of advertisements purchased by an advertiser, and the length of time an advertiser runs an advertisement on our online network. We sell to advertisers targeting a specific audience in a city or state and also to national advertisers targeting the entire country.

Lead generation, display advertisements and hyperlink listings, which we refer to as online revenue, represented approximately 98% and 97% of our revenue for the nine months ended September 30, 2011 and the year ended December 31, 2010, respectively. We also derive revenue through the sale of print advertisements and the distribution (or syndication) of our editorial content, which we refer to as print publishing and licensing revenue.

Significant Developments

Credit Agreement

On June 10, 2011, we entered into the Credit Agreement, pursuant to which revolving credit facilities (the Revolving Credit Facilities) in an aggregate amount of $100.0 million, consisting of two tranches, tranche A (the Tranche A Revolving Credit Facility) for $30.0 million which matures on July 15, 2015 and tranche B (the Tranche B Revolving Credit Facility) for $70.0 million which matures on April 15, 2015 were made available to the Company. The Company s obligations under the Revolving Credit Facilities are guaranteed by each direct and indirect, existing and future, domestic restricted subsidiary that guarantees the Company s obligations under the Notes. The obligations under such credit facilities are equally and ratably secured by liens on the same collateral that secures the Notes (it being understood that upon any enforcement of remedies resulting in the realization of proceeds from such collateral, up to $30.0 million of revolving loans under the Tranche A Revolving Credit Facility would be paid in full first before applying any such amount to pay the Notes and the revolving loans under the Tranche B Revolving Credit Facility on a pari passu basis). The agreements governing such credit facilities contain terms generally commensurate with issuers of the same debt rating, and our ability to draw down any such credit facilities is subject to certain limitations, including that at the time of and immediately after giving effect to such drawing and the application proceeds thereof the Consolidated Secured Debt Ratio (as defined in the Revolving Credit Agreement) on a pro forma basis shall not exceed 3.50:1.00.

At the Company s election, the interest rate per annum applicable to the loans under the Revolving Credit Facilities is based on a fluctuating rate of interest determined by reference to either (i) a base rate determined by reference to the higher of (a) the prime rate quoted in the print edition of *The Wall Street Journal*, Money Rates Section as the prime rate and (b) the federal funds effective rate plus 0.50%, plus an applicable margin equal to 2.00%, or (ii) a Eurodollar rate determined by reference to LIBOR, adjusted for statutory reserve requirements, plus an applicable margin equal to 3.00%; provided, however, that at any time less than $20,000,000 in aggregate principal amount of loans are drawn under the Tranche A Revolving Credit Facility, the applicable margin with respect to loans under the Tranche B Revolving Credit Facility at the base rate will be 2.25% and the applicable margin with respect to loans under the Tranche B Revolving Credit Facility at the Eurodollar rate will be 3.25%.

Interest accrues daily and is payable in arrears for both base rate and Eurodollar loans. For base rate loans, interest is payable on the last business day of March, June, September and December. For Eurodollar loans interest is calculated based on elected interest periods of one, two, three or six months (or, if each affected lender so agrees, nine or twelve months) and payable, as applicable, at the end of each one-month, two-month or, if the applicable interest period is three months or longer, three-month interval. There were no amounts outstanding under the Revolving Credit Facilities as of September 30, 2011, nor did the Company incur any interest during the three and nine months ended September 30, 2011.

The Revolving Credit Facilities agreement contains customary financial and other covenants as described below under Description of Indebtedness. The Company was in compliance with all required covenants as of September 30, 2011.

Initial Public Offering

Pursuant to the Initial Public Offering, on June 22, 2011, the Company and certain of its existing stockholders sold 22,994,455 shares of common stock at a public offering price of $15.00 per share, including 2,994,455 shares sold by certain of its existing stockholders upon the exercise of the underwriters option to purchase additional shares. The Company s shares are traded on the New York Stock Exchange (NYSE) under the symbol RATE. The offer and sale of all of the shares in the IPO were registered under the Securities Act pursuant to a registration statement on Form S-1 (File No. 333-173550), which was declared effective by the

Table of Contents

SEC on June 16, 2011. Our portion of the net proceeds from the IPO was approximately $170.3 million after deducting underwriting discounts of $11.3 million and offering costs of $5.9 million. In addition, during the nine months ended September 30, 2011, we incurred costs associated with the IPO and S-4 registration statement in relation to our Exchange Offer, which included $34.7 million to Apax Partners, L.P. for termination of monitoring fees, merger and acquisition advisory services, IPO services for secondary shares, exchange offer advisory services, and other services provided to Bankrate s management. The payment to APAX has been recorded in the following manner: $30.0 million as a part of acquisition, offering and related expenses and related party fees, $3.8 million netted against IPO proceeds and $917,000 to deferred financing costs.

We