



Annual General Meeting
22 May 2009
11.00 am Radisson Plaza Hotel Sydney



Annual General Meeting
22 May 2009

Chairman's Overview



2008 Year

- Another successful year for InvoCare and its shareholders
- Sales revenues increased 9.1% to \$244.2m
- Operating EBITDA increased 5.0% to \$61.9m
- Profit after Tax increased 1.7% to \$28.0m
- Strong positive cash flows and sound financial position



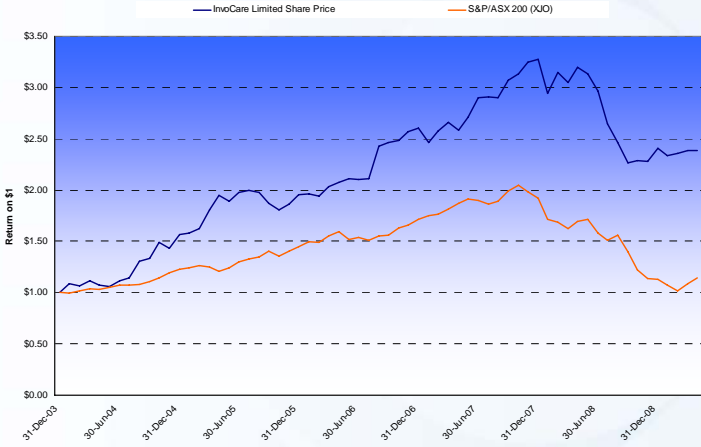
2008 Year (continued)

- Final fully franked ordinary dividend of 13.0 cents per share paid in April 2009
- Total fully franked dividends increased 4.4% to 23.5 cents per share
- Dividend payout ratio 84.3%, exceeding Board's minimum 75% policy
- Share price declines not as great as overall market over last 18 months
- At close of business yesterday InvoCare's share price was \$5.33
- Following charts compare InvoCare's performance to the S&P/ASX 200 index



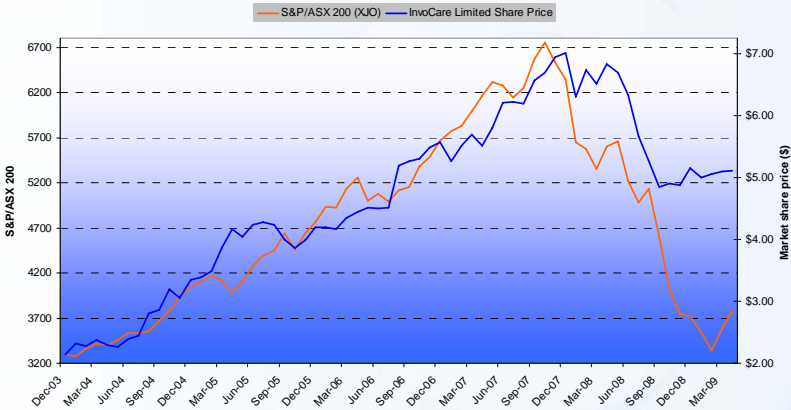
2008 Year (continued)

Return on \$1 excluding dividends - InvoCare Limited against S&P/ASX 200 Index



2008 Year (continued)

Market values - InvoCare vs S&P/ASX 200



Board & Corporate Governance

- Strong commitment to best practice corporate governance
- Includes focus on succession planning and quality of senior management
- Richard Davis retired as CEO and director on 31 December 2008
- Andrew Smith promoted to CEO and appointed director on 1 January 2009
- Board continued its regular program of meetings and location visits
- Audit, Risk, Remuneration and Nomination Committees each functioned effectively throughout year



Employees

- Professionalism and dedication of InvoCare's employees are key to InvoCare's success in Australia and Singapore
- Service excellence stands out in customer surveys with an overwhelming majority continuing to recommend InvoCare's brands
- On behalf of the Board, I would like to publicly acknowledge our employee contributions and efforts, in particular to Richard Davis for his near 20 years service





Annual General Meeting
22 May 2009

CEO's Overview



2008 – solid business model delivers again

- My transition into CEO role
- Growth in all key financial areas
- Strength of business model again proven
- Business model remains unchanged



In delivering my first, of what I hope will be many, many more CEO Overviews of Performance at future AGMs, I would like to publicly acknowledge the Chairman and the other non-executive directors for their support and guidance in my transition into the CEO role. I would also like to pay special tribute to a special person in Richard Davis, our previous CEO, who I know is here amongst us today. Under Richard's stewardship over the past almost 20 years, InvoCare has become by far the industry leader with an enviable reputation for balancing corporate objectives and delivering outstanding customer service to the many thousands of families we serve each and every year. Richard, you have left huge shoes for me to fill but over the last 3 years in my transition, you have been instrumental in teaching me a great deal about the industry, the company, the business model and in particular the very many interesting characters that make this role so diverse and exciting. So on behalf of the management team and all the staff at InvoCare Richard, we thank you for all the years of support & encouragement you have given us. It has certainly been much appreciated by us all.

Coming to the performance of InvoCare for 2008, it is pleasing to be able to report that despite global economic uncertainty and the effects that most companies are experiencing with the global economic crisis, InvoCare has delivered yet another very solid result, with growth in all key financial areas being Revenues, Operating EBITDA, Net profit after tax, Dividends.

This result again proves the strength and resilience of InvoCare's business model which is founded on the basis of our front end retail brands, being supported by our back of house shared services approach. With this model, our leading brands, including our national brands of White Lady, Simplicity and Singapore Casket, as well as our local heritage brands in each major market are positioned to meet specific consumer demands. These demands range from the "traditionalist" who are potential client families looking to funeral directors for guidance and we tend to use our local heritage brands to meet this the most significant segment of the market. In contrast, the "individualists" are those families who are wanting to tailor funerals their way and be heavily involved in the process and the actual service. Our White Lady brand is clearly meeting this need in this ever growing part of the market. Simplicity on the other hand, is appealing to those who are after a simple, practical, affordable funeral.

Lets not forget that behind all of these great brands, and arguably the single most important ingredient making these brands up is our people. They are the teams of professional personnel who are constantly striving to provide that outstanding customer service level that we are so widely acknowledged for. Given the diversity and flexibility of our people, as well as the widespread well positioned location network we have, we are able to generate excellent synergies by pooling our resources without compromising service to our client families. So on top of our service levels, our operating leverage as well as our diversity in operations & people gives us significant competitive advantages over other operators in the industry.

With a change in CEO there is always a risk that the incumbent will want to make change. Be rest assured, however, having been both CFO and in more recent times COO of InvoCare, I have learned first hand how simple, but effective our business model is. So, with the support of our senior management teams driving our operational, day-to-day results, we remain very much committed to the model as it stands. In fact, the biggest risk we face is unfounded pressure to perhaps change the model, when no change is necessary. So for the foreseeable future at least the business model is here to stay.

With that in mind then, what is our vision of growth for InvoCare into the future.

InvoCare's strategic growth pillars

1. Favourable demographics
 - ageing population
2. Pricing
3. Market share growth from core business
 - service, people, brands, facilities & offerings
4. New Locations
5. Acquisitions
6. Prepaid funeral contributions and memorialisation



11



What are InvoCare's strategic pillars of growth going forward. Fundamentally, they remain consistent with those last communicated to you. The first of the six pillars of growth recognises Australia's and Singapore's ageing population. In Australia, the ABS is forecasting exponentially increasing numbers of deaths year-on-year, greater than the long term 1% trend, with the baby boomers coming through from around 2012 and steadily increasing to around a peak of 2.7% increase in 2030, taking into account our birth rates and immigration policies amongst other things. We also expect Singapore to have consistent increases albeit at much smaller rates than Australia over the same timeframes.

The second pillar of growth is something internally we have been achieving year-on-year successfully for a very long period of time. Price increases of 3% - 4% going forward is something that we therefore continue to feel comfortable in being able to achieve.

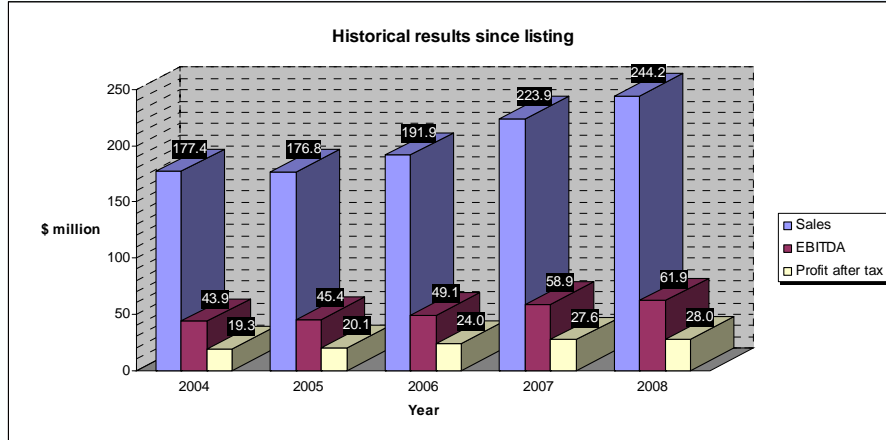
The next pillar of growth is crucial to the long-term success of InvoCare and it is market share growth from our core business. This will be achieved by continuing our focus and concerted operational efforts on enhancing service levels to our client families and ensuring this remains an area of competitive strength. Continued investment in learning & development programs and succession planning with our people and our teams will ensure this area receives sustainable improvements over time. In addition to investing in our people we will also continue to invest into our stable of brands ensuring strong brand awareness & alignment to market segments is achieved with high conversion rates in our brands. Investing in our facilities over long periods of time with major refurbishments and projects meeting emerging trends, such as after funeral catering & condolence facilities, to ensure we remain competitive and innovative will also be key to our success from our core business.

In addition to our core business strategy, we will review greenfield opportunities and bolt-on acquisitions on a case by case basis to ensure we are best servicing our communities geographically and with the relevant brand or brands. And when these operations are integrated into our core business, we must ensure we drive efficiencies to improve our operating margins. As we mature these opportunities in our existing markets, we will also assess new markets both domestically and internationally on the major proviso, that our risk profile is not materially affected. This may come in the form of a more regional centric model for major regional areas around Australia. It may even mean we entertain entering new international markets, such as New Zealand, or other parts of Asia, albeit, with nothing on the cards presently, joint ventures or other business structures may need review before committing to these markets.

Finally, our continued efforts on growing our prepaid funeral and cemetery and crematoria businesses is important to our long-term growth. This part of the business arguably locks in future market share and provides an important opportunity for InvoCare to communicate to client families at a less emotional time, and to start building trusting relationships with these families for long periods of time. On average, the time from a pre-need contract being taken out, to an immediate need is approx. 12 – 15 years and in that timeframe we would expect to receive returns on those prepaid funds in excess of price increases and therefore this area should in normal circumstances add to our long term financial growth prospects. Also as an extension of this area as well, we are attempting to increase the memorialisation rate in our cemetery and crematoria division, albeit that to date, this has been very difficult to achieve and is more community-values driven.

So with these 6 pillars of growth continuing into the future, let us know look back in time and assess how we have performed.

2008 – solid business model delivers again



The strategies for growth, which remain unchanged going forward, have meant we have had consistent & stable year-on-year results, even in more uncertain economic times, proving the robustness & resilience of our business model. Since our listing in December 2003 this slide shows that we have been very successful, year on year in delivering growth from all key financial areas be they Sales, EBITDA and Profit After Tax.

Now that we have an understanding of business model and our strategies for future growth, let us now turn our attention to 2008 in more detail and benchmark our performance against these areas.

2008 – another successful year

- Sales Revenue increased 9.1% to \$244.2m
- Operating EBITDA increased 5.0% to \$61.9m
- Conversion of EBITDA to ungeared, pre-tax cash flow 98% for full year
- Normalised profit after tax increased 4.7% to \$28.3m
- Profit after tax increased 1.7% to \$28.0m
- Ordinary dividends for the year increased 4.4% to 23.5 cents per share



In summary, as I previously mentioned we have achieved another solid result with Revenues growing 9.1% to \$244m, Operating EBITDA improving 5% to \$61.9m, normalised Profit After Tax increasing 4.7% to \$28.3m and dividends increasing 4.4% to 23.5 cents per share. Importantly, converting our EBITDA to cash remained strong at almost 100% conversion rate leaving us in a strong cash and cashflow position coming into 2009.

The only real disappointment is that the impacts from lower pre-need funerals returns, the lower contributions from the higher margin Cemeteries & Crematoria Division, as well as lower operating margins from new locations and acquisitions has meant that operating EBITDA & normalised profits have not grown in line with the growth in revenues. Given the economic environment and the continued impact of performance mix from the various divisions & elements of the business this issue remains in 2009. Be rest assured that this is a high priority for operational management and over time we should expect to see operational leverage return in our Group reported numbers.

2008 – another successful year (continued)

The key contributors in 2008 were:

- Funeral sales revenue increased by 11.0% to \$192.3m
- Death rate increase estimated at 2.1%
- Average funeral selling prices grew by 4.6%
- 9 new funeral homes opened in 2008
- Core funeral market share estimated to have grown 0.4%



Underpinning the solid group result, was an outstanding performance by the Funerals Division. Its revenues were up 11% or almost \$20m to \$192m.

The continued above trend death rate meant that more funeral services were performed in 2008 with the death rate estimated to be up nationally, in the markets we operate in, by 2.1%.

Despite the global economic crisis, the average contract value in the funerals division increased mainly in line with our annual price increase that we put through back in January 2008.

The Funeral Division continued its aggressive new location roll-out strategy with 9 new funeral homes opened during 2008 and bringing to 26 the total number of new locations opened in the last three years. At December 2008 we had 162 locations across Australia.

Based on our estimates of the death rate and the actual number of funeral services we have performed, we calculate that our funeral market share in the markets we operate in, from our core business, has grown 40 basis points, a result, which given the competitive nature of the industry, we are very pleased to be able to report to you.

2008 – another successful year (continued)

The key contributors in 2008 were (continued):

- Full year impact from 2007 acquisitions
 - Chipper Funerals (WA)
 - Liberty Funerals (NSW)
- Part contributions from 2008 acquisitions
 - Christian Funerals (WA)
 - Southern Cross Funerals (Vic)
- Total funeral market share estimated to have grown 1.7%



Also, the Funeral Division result was supported by the annualisation effects of acquisitions completed in 2007, being Chippers Funerals in Perth, and Liberty Funerals in Sydney.

In addition, new acquisitions during 2008 also assisted the growth with Christian Funerals acquired in August in Perth and Southern Cross Funerals in Melbourne in October.

These acquisitions also helped ensure that our total national funeral market share grew an estimated 1.7% overall in the markets we operate in, again a very pleasing result indicating that these acquisitions are performing to plan or better.

2008 – another successful year (continued)

The key contributors/impacts in 2008 were (continued):

- Decline of \$2.6m in returns from prepaid funerals performed
- Number of prepaid funeral contracts sold up 18.8%
- Average prepaid funeral contract value up 7.2%
- New prepaid funeral contracts exceeded redemptions by 6.9%
- Cemetery/crematoria sales revenue increased by only 2.0%



On a more sombre note, we were disappointed in the decline of \$2.6m in returns year-on-year from prepaid funerals performed. Because of the skewing of the pre-need funds investments to Australian equities and due to the impact of the global financial crisis on the broader ASX values, arguably this decline was a little out of our control. Having said that, we did, however, take the opportunity in August last year to change the short term tactical tilt for these investment and moved a significant portion of the funds to fixed term deposits to minimise impacts of continued major equity market volatility. We are presently waiting for stability to return to the equity markets before moving investments back into their previous normal asset allocation levels. Despite the short term adverse conditions, longer term revenue and profit growth is still expected from prepaid funerals.

Pleasingly our continued operational focus on the pre-need side of the business meant that the number of prepaid funeral contracts sold was up 18.8%. This result was supported by additional pre-need consultants within the business as well as increased marketing dollars to promote our pre-need offering to our client families. Despite the broader effects of the global economic crisis this part of our business, which is arguably discretionary in nature, has therefore held up well. Average prepaid funeral contract values were up 7.2%, greater than the average increase in our normal annual price increase indicating our client families are spending more on their prepaid funeral contracts and including more items into the actual service elements as well. Importantly, the number of new prepaid funeral contracts exceeded redemptions by 6.9% which is a major improvement over previous years where redemptions have exceeded new contracts. Over the long term, we aim to at least replenish the pool of contracts, so in 2008 we achieved a very solid performance from this part of the business.

Despite increasing pricing in our Cemeteries and Crematoria Division by our normal approx. 4% level, we have seen a noticeable reduction in expected revenues, particularly in the second half of the year. Sales revenue in this Division increased by only 2.0% for the year. This Division is arguably the most discretionary in nature, and unlike prepaid funerals, has not been immune from the effects of the global economic crisis. Average contract values have decreased and the memorialisation rate has dropped as people chose to delay their memorial decisions in the case of cremation services. We were successful in bringing forward memorial property construction, sold as pre-need contracts in previous reporting periods, which under the accounting standards, allows us to recognise this previously deferred revenues in the year the memorials are delivered. This has somewhat mitigated & smoothed the negative effects brought about by the lower than expected revenues.

2008 – another successful year (continued)

Capital Management in 2008

- Capital expenditure \$16.4m
- Borrowings \$158.9m (net debt \$152.5m)
- \$21m in available headroom on \$180m total borrowing facilities
- Bank debt facilities mature January 2011
- All debt covenants comfortably met
- Debt 96% hedged to end 2010 – effective interest rate 6.4%



Turning our attention now to more capital management related items.

InvoCare invested \$16.4m in capital expenditure for 2008 with continued significant investment in upgrading properties and facilities to remain competitive in key markets and areas of the business. Capital expenditure included enhancements of chapels & new cremators at cemeteries and crematoria locations, extensive refurbishments of funeral homes at Granville in Sydney, Ferntree Gully in Melbourne and the commencement of a new operations centre at Glen Waverley in Melbourne.

InvoCare remains in a very strong cash and balance sheet position. Borrowings at December 2008 were around \$159m, leaving approximately \$21m in available headroom on \$180m total borrowing facilities. In addition there is a \$5m working capital line as well. These facilities are bi-lateral facilities with two of Australia's big four banks, ANZ and NAB. The debt facilities, which are currently unsecured, expire in January 2011 when all the debt becomes due and payable, so within the next 12 months or so, we will look to finalise our refinancing arrangements.

InvoCare has comfortably complied with its two debt covenants, being interest cover and leverage ratio.

Another important capital management objective is to avoid excessive exposure to interest rate fluctuations. At December 2008 96% of our debt was hedged resulting in an effective interest rate of 6.4% inclusive of margins. The hedge contracts extend to the end of 2010.

Outlook

Results for four months to 30 April 2009

Total IVC

- Sales revenue up 7.5% (comparable up 6.4%)

Australian Funerals:

- Revenue up 9.4% (comparable up 7.9%)
- Volume up 3.9% (comparable up 2.2%)
- Est. death rate up 1.3%
- Est. comparable market share slightly improved
- Av. revenue per funeral up 5.3% (comparable up 5.6%)



Turning our attention now to how we have performed for the 4 months to 30 April 2009.

Total revenues are up 7.5% and backing out the annualisation effects of acquisitions, our core business is up 6.4%.

Underpinning this solid revenue performance is the Funeral Division. Its revenues are up 9.4% overall or up 7.9% on a comparative basis. The death rate we estimate is up 1.3% in the markets we operate in indicating that the above trend death rate from 2008 has continued into 2009.

We also believe that we have achieved slight improvement in our core market share versus pcp, indicating that the improvements in share from H2 2008 have been sustained into 2009.

Our average revenue per funeral is up 5.3% indicating that we again were successful in putting our approx. 4-4.5% price increase through. The balance represent a mix benefit as to where the deaths have occurred. As widely reported in the media, the Southern states experienced extreme heat conditions for much of January and February and the death rate in these higher average states has meant that our overall national case average has risen greater than our price increases.

Outlook

Results for four months to 30 April 2009 (continued)

Australian Funerals (continued):

- 9 new funeral locations from 2008 performing in line with plan
- 2 new funeral locations opened in 2009, with 3 more planned
- 4 out of the 5 new locations in 2009 are White Lady Funeral Homes
- 2008 acquisitions, Christians and Southern Cross, performing to plan
- InvoCare considering acquisition opportunities, but timings uncertain



The 9 new locations from 2008 are also performing to plan and we remain very happy with our new location greenfield roll-out strategy.

Since year end we have opened 2 more new funeral home locations, and we have 3 more in the pipeline for the balance of 2009.

In line with an emerging trend in client families wanting more involvement in funerals and to also ensure we have appropriate brand representation in key markets, 4 out of the 5 new funeral locations this year will be in our major growth brand, White Lady Funerals.

Importantly the 2008 acquisitions, Christians and Southern Cross, are performing to plan.

InvoCare is considering acquisition opportunities domestically and in the broader Asia-Pacific region, but due to the main motivators for selling being less financially oriented, focusing on such things as succession, health or family issues, then obviously timings are uncertain.

Outlook

Results for four months to 30 April 2009 (continued)

Australian Funerals (continued):

- Prepaid funeral fund contribution down \$0.7m, from positive \$0.3m to negative \$0.4m
- Number of prepaid funeral contracts sold up 12%
- Average prepaid funeral contract value up 4.5%
- New prepaid funeral contracts exceeded redemptions by 17.9%



Again, returns year-on-year from prepaid funerals performed during the first 4 months of 2009 declined \$0.7m from a positive \$0.3m position to a negative \$0.4m impact on our revenues and our profits.

Pleasingly, however, our continued operational focus on the pre-need side of the business has continued to pay dividends with the number of prepaid funeral contracts sold up 12% this yr vs last yr.

Average prepaid funeral contract values are holding up well despite the continued uncertain economic times being up basically in line with normal at-need price increases of around 4-4.5%.

The number of new prepaid funeral contracts exceeded redemptions by 17.9% which means we are more than replenishing the pool of contracts so far this year, which is a fantastic result given we are now annualising from the improvements in this area we reported this time last year.

Outlook

Results for four months to 30 April 2009 (continued)

Cemeteries & Crematoria:

- Total revenue down 0.9%
- Average revenue per memorial sale only up 1.8%
- Memorialisation rates down
- Estimated death rate down 0.4%
- At need case volume up 1.9%
- Estimated market share improved
- Increased memorial property construction



Despite increasing prices in our Cemeteries and Crematoria Division by our normal approx. 4% level again this year, we have seen a continued noticeable reduction in expected revenues, with sales revenues decreasing by almost 1% for the 4 months to April. Average contract values and lower memorialisation rates, brought about by the continued uncertain economic environment, has again affected this Division's performance.

Also, because this Division operates in NSW & Qld only we estimate the death rate has dropped 0.4% in the first 4 months of this year pcp. We have certainly seen a correction in the number of deaths in this Division's major markets with Brisbane down an estimated 2.3% and Sydney down an estimated 1.8%.

Because the number of services we have performed is up almost 2% in this Division, the fundamentals are solid and we estimate therefore we have had market share improvements.

We also continue to focus on memorial property construction, to recognise previously deferred revenues, as a way of mitigating & smoothing the negative effects brought about by the lower than expected revenues.

Outlook

Results for four months to 30 April 2009 (continued)

Operational:

- Capital expenditure \$4.0m
- Generating operating leverage continues to be a priority, but is adversely impacted by:
 - Lower prepaid funerals returns
 - Lower sales from the higher operating margin cemeteries & crematoria business
 - New locations with lower margins
 - Acquisitions, again with lower margins



InvoCare invested \$4m in capital expenditure for the first 4 months of 2009. Continued significant investment in upgrading properties and facilities to remain competitive in key markets and areas of the business will continue for the balance of 2009 and for the next few years, subject to appropriate hurdles being met.

As I mentioned earlier, generating operating leverage continues to be a priority, but the results in 2009 are being adversely impacted by the lower prepaid funerals returns and the lower reported sales from the higher operating margin cemeteries & crematoria business. They have also been affected by the recent 2008 and 2009 new locations with lower margin operations which take time to establish in their communities. Similarly the 2008 acquisitions have lower margins and whilst they are improving since integration, they are still affecting overall Group EBITDA %s.

Robust Business Model Continues To Perform

- Growth pillars evident in four months to 30 April 2009:
 - Favourable demographics ✓
 - Pricing / Average cem crem contract values ✓ / ✗
 - Market share improvements ✓
 - Prepaid surpluses ✗
 - New locations ✓
 - Business acquisition annualisations / New acquisitions ✓ / ✗ (uncertainty over timing)
- However, caution using this as an indicator for full 2009 year as each element is subject to change



In summary then, the robust business continues to perform into 2009.

With the exception of prepaid funeral returns, all growth pillars show continued signs of improvements be it the death rate, price increases, market share gains, new locations and acquisitions.

The cemeteries and crematoria Division which arguably has shown the most impact from the uncertain economic conditions, has seen contraction in averages contract values but it will be using memorial constructions to in part mitigate this.

With respect to new acquisitions in 2009, whilst we are in discussions with potential vendors, sufficient uncertainty exists at present, particularly around timings, to dampen any potential enthusiasm on this front.

Generating operating leverage this year has been a challenge and as previously mentioned will be a priority focus for management going forward.

As we have said on all previous occasions with our snap-shot results in time, when projecting results forward that there is uncertainty around the death rate and the mix of where deaths occur which can affect our Group average contract values, so we caution using our YTD numbers as indicators of full year performance.

Finally, I would like to take this opportunity to publicly acknowledge my senior management team and their respective teams. It is their drive and commitment and their dedication to delivering outstanding customer service to our client families that really makes InvoCare such a successful company. I have certainly inherited a very experienced and market leading team of people, and for shareholders out there, you should feel very proud of your Company and its people.

Thank You !!!

Disclaimer

This presentation contains forward looking statements, which may be subject to significant uncertainties outside InvoCare's control. No representation is made as to the accuracy or reliability of these forecasts or the assumptions on which they are based. Actual future events may vary from these forecasts.





Annual General Meeting
22 May 2009

Ordinary Business



Financial Reports

- To receive and consider the Financial Reports, Directors' Report and Independent Audit Report of InvoCare Limited and its controlled entities for the year ended 31 December 2008
- Mr John Feely, partner from PricewaterhouseCoopers, InvoCare's external auditor is in attendance
- Questions to the Board or InvoCare's external auditor are now invited



Resolutions

- Adoption of Remuneration Report
- Re-election of Directors
- Other business



Resolution 1

Adoption of Remuneration Report

- That the Remuneration Report (which forms part of the Directors' Report) for the year ended 31 December 2008 be adopted.



Resolution 2

Re-election of Ian Ferrier

- That Ian Ferrier, who retires by rotation in accordance with the Company's Constitution, be re-elected as a director of the Company.



Resolution 3

Re-election of Richard Fisher

- That Richard Fisher, who retires by rotation in accordance with the Company's Constitution, be re-elected as a director of the Company.



Other Business

- To transact any other business that may be lawfully brought forward in accordance with the Constitution and Corporations Act 2001.





Annual General Meeting
22 May 2009

Thank You



