



Chairman's message

Pleasingly, InvoCare's financial performance was strong despite the lower than expected number of deaths.

The profit after tax grew 5% to \$20.1 million, achieving an earnings per share of 21 cents per share. The results have enabled the Board to declare a fully franked final dividend of 9.5 cents per share. The total fully franked dividends for the year amount to 27 cents per share including the special dividend of 10.5 cents per share and the interim dividend of 7.0 cents per share. This represents an increase of 75%.

Total shareholder returns (price movement plus cash dividends) for the year ended December 2005 amounted to 33%, increasing total shareholder returns since listing in December 2003 to 149%.

The review by CEO Richard Davis highlights the progress made during 2005 and the positioning for continued growth into the future. InvoCare's growth opportunities should lead to further improvements in shareholder value.

We are strongly committed to appropriate corporate governance best practice and continue to embrace the ASX Corporate Governance Guidelines and CLERP 9 reforms. Our Audit Committee, Risk Committee and Remuneration Committee have functioned effectively during the year. In March 2006, the Board strengthened its Corporate Governance further with the establishment of a Nomination Committee.

On behalf of the Board and all its shareholders, I congratulate and thank management and employees for their efforts and contribution in achieving the 2005 result.

A handwritten signature in blue ink, appearing to read 'Ian Ferrier', written over a light blue horizontal line.

Ian Ferrier
Chairman