



InvoCare Limited
Macquarie Capital Securities Australia
Conference, Sydney

7 May 2009

Presenter:
Andrew Smith CEO
Phillip Friery CFO



InvoCare Overview

- Largest operator in funeral, cemetery & crematorium industry in Australia and Singapore
- ASX listed since December 2003 - market capitalisation \$0.5 billion
- Sales revenues in 2008 \$244.2 million
- Estimated 29% of industry revenues in Australia *(note)*
- 175 locations across Australia, including 12 cemeteries & crematoria
- Over 1,100 employees
- Simple & robust business model

Note - IBISWorld Pty Ltd Industry Report, Funeral Directors, Crematoria and Cemeteries in Australia, 2 December 2008



Strategies for Long Term Revenue Growth

Pillars of Growth:

1. Favourable demographics
2. Pricing
3. Market share growth through:
 - Enhancing service levels
 - Investment in learning & development and succession planning
 - Increasing brand awareness & alignment to market segments
 - Upgrading and investing in existing locations
 - Opening new locations
 - Increasing prepaid funeral and cemeteries & crematoria sales
 - Business acquisitions
4. Memorialisation and prepaid funeral contributions

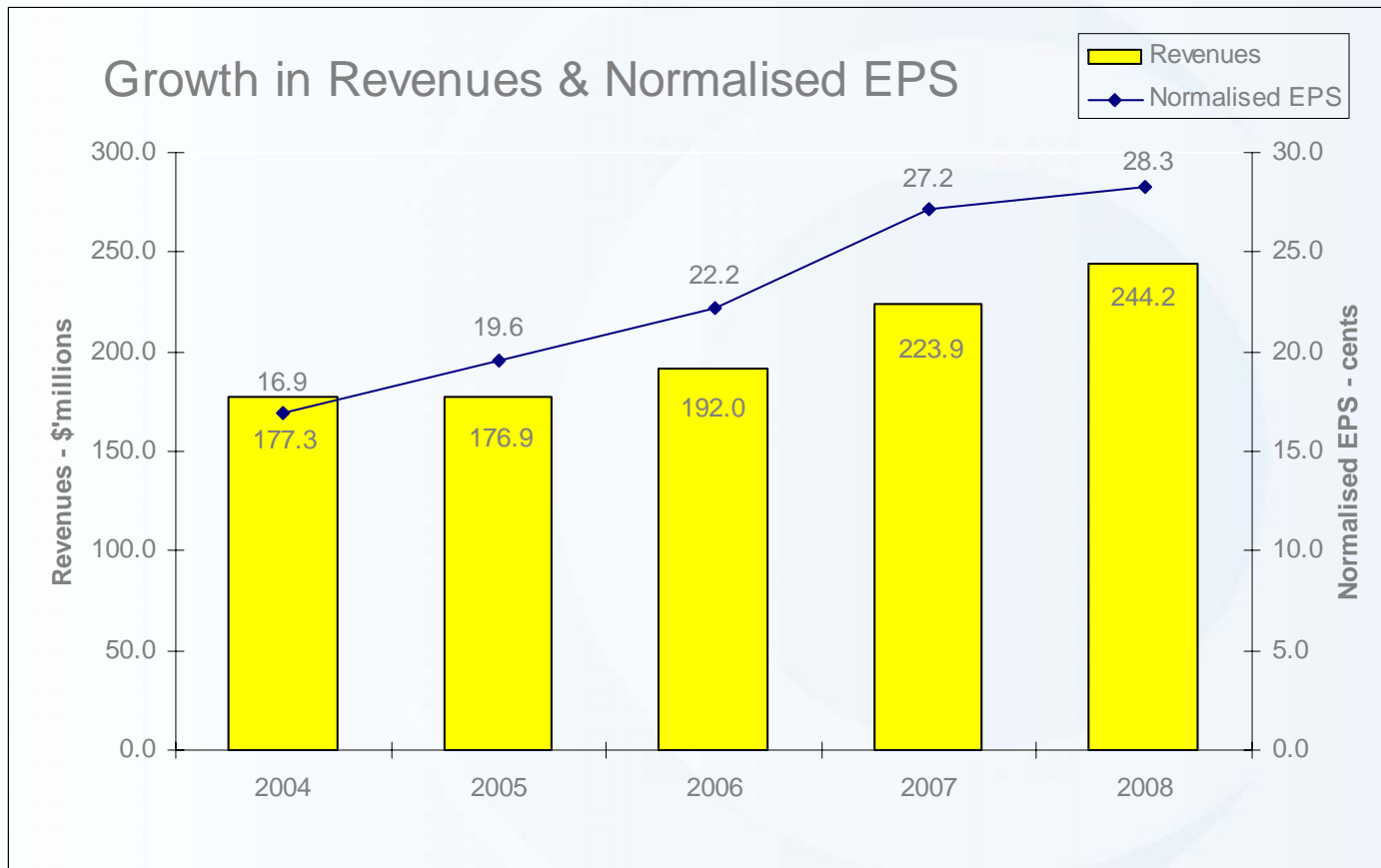


Summary of Key Business Strengths

- **Other key business strengths include:**
 1. Strong conversion of EBITDA to cash
 2. Consistent cash flows
 3. Scale efficiencies achievable
 4. Strong asset rich balance sheet
 5. Existing \$180m debt facility matures January 2011
 6. Secure debt ratios with headroom and ability for further leverage
 7. Defensive characteristics in a weak economy

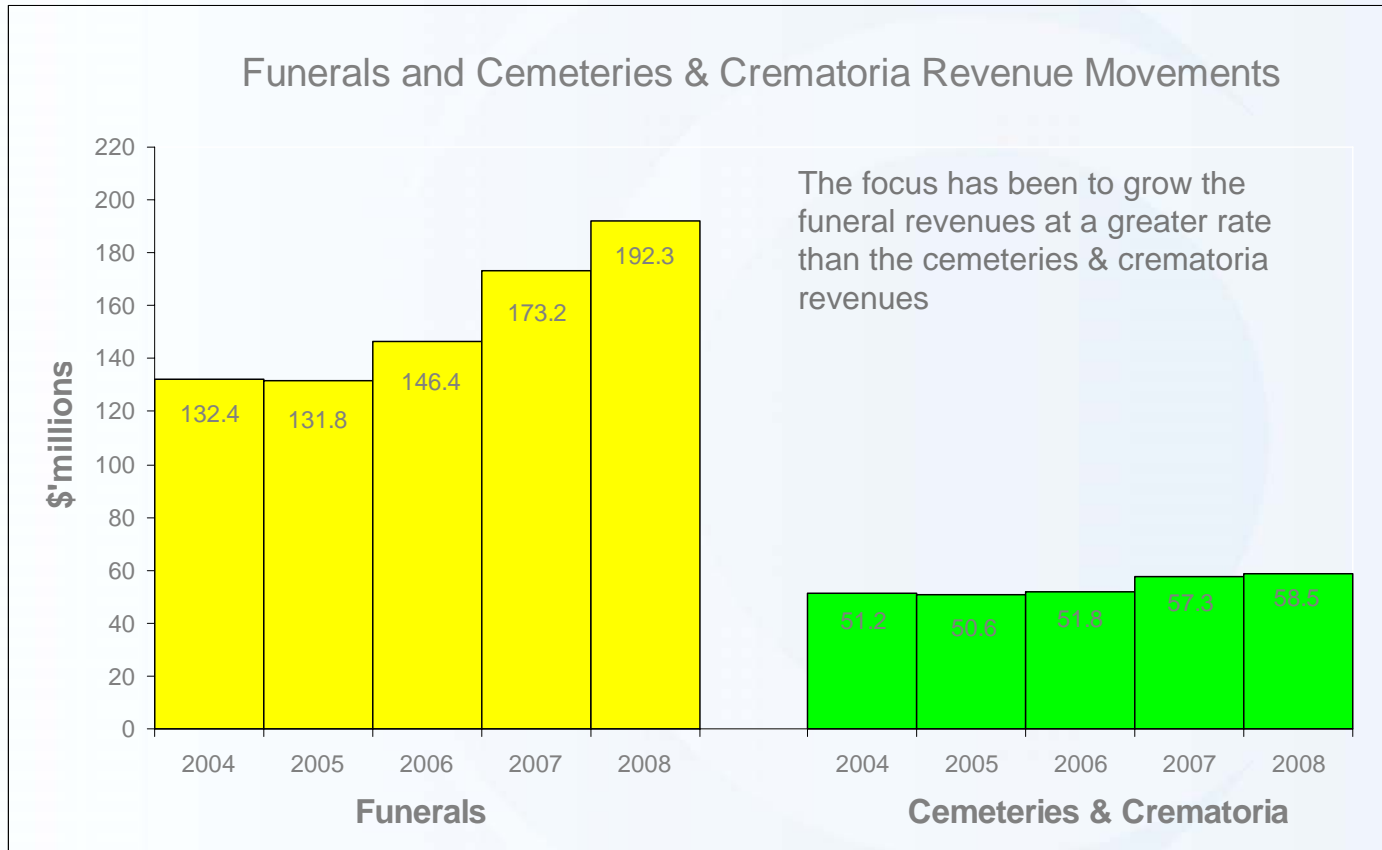


Historical Financial Highlights

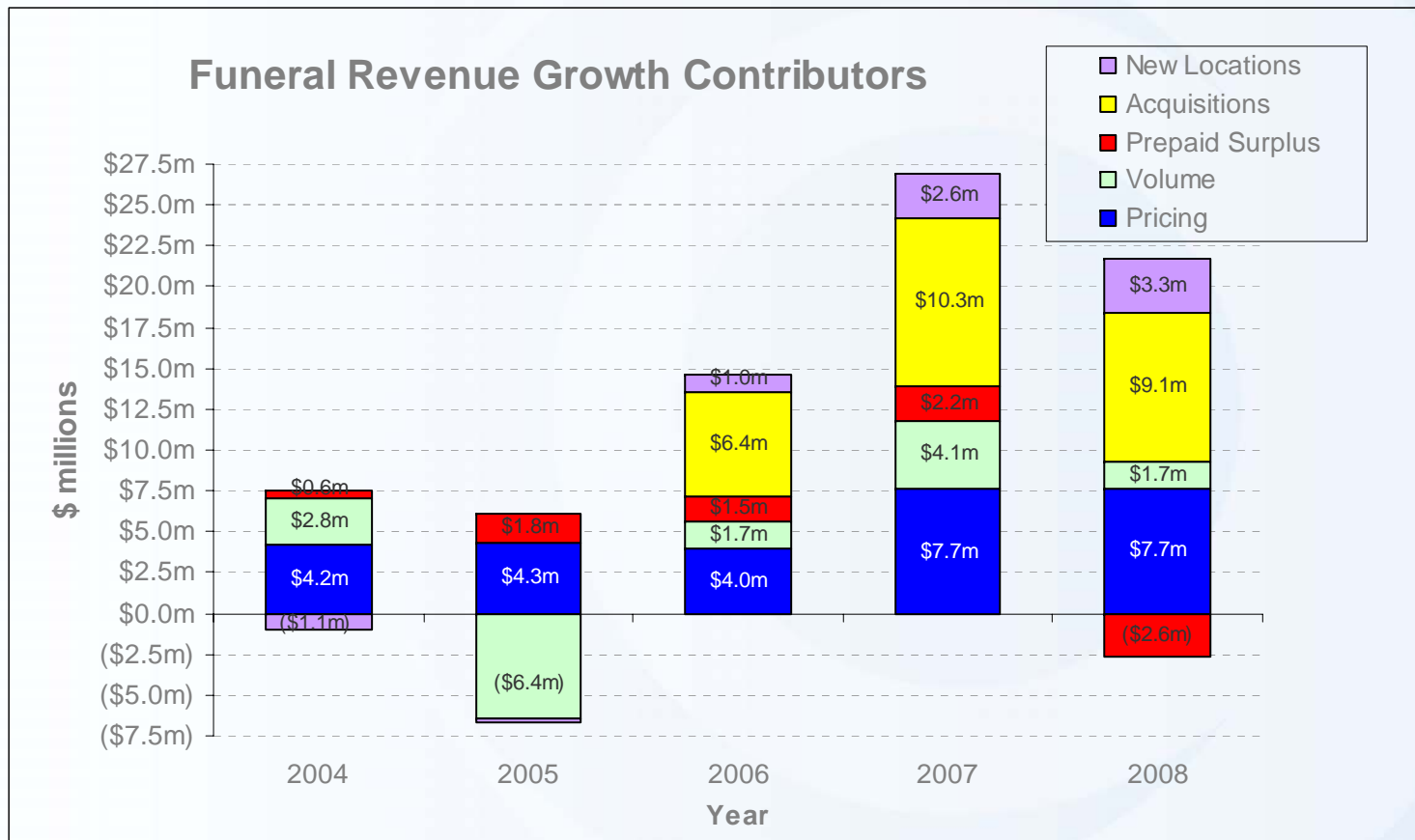


Historical Financial Highlights

(continued)



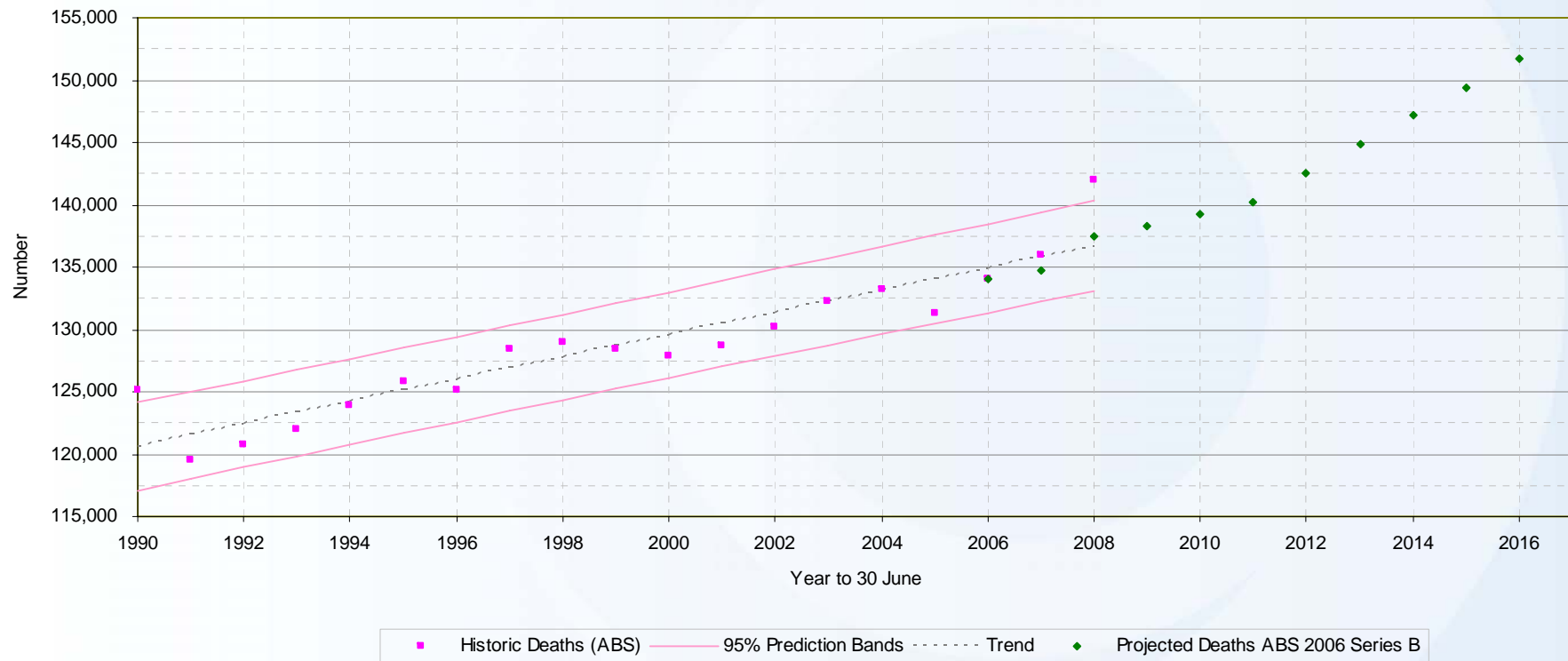
Historical Funeral Revenue Growth Contributors



Pillars of Growth

1. Favourable Demographics

Actual and Projected Deaths - Australia



Pillars of Growth

2. Pricing

Funerals

- Historically achieved price increases of 3-4% pa
- 87% of InvoCare's clientele indicate pricing is in line with or below their expectations
- Price increases achieved despite weaker economic conditions
- Mix of where deaths occur can affect overall average funeral revenue



Pillars of Growth

2. Pricing (continued)

Cemeteries & Crematoria

- Historically achieved price increases of 3-4% pa
- 97% of InvoCare's clientele indicate pricing is in line with or below their expectations.
- In current weaker economic conditions high value memorial sales have declined and average revenue per memorial sale increased only 2.4% in 2008 (decreased 3.1% in H2 2008)



Pillars of Growth

3. Market Share Growth

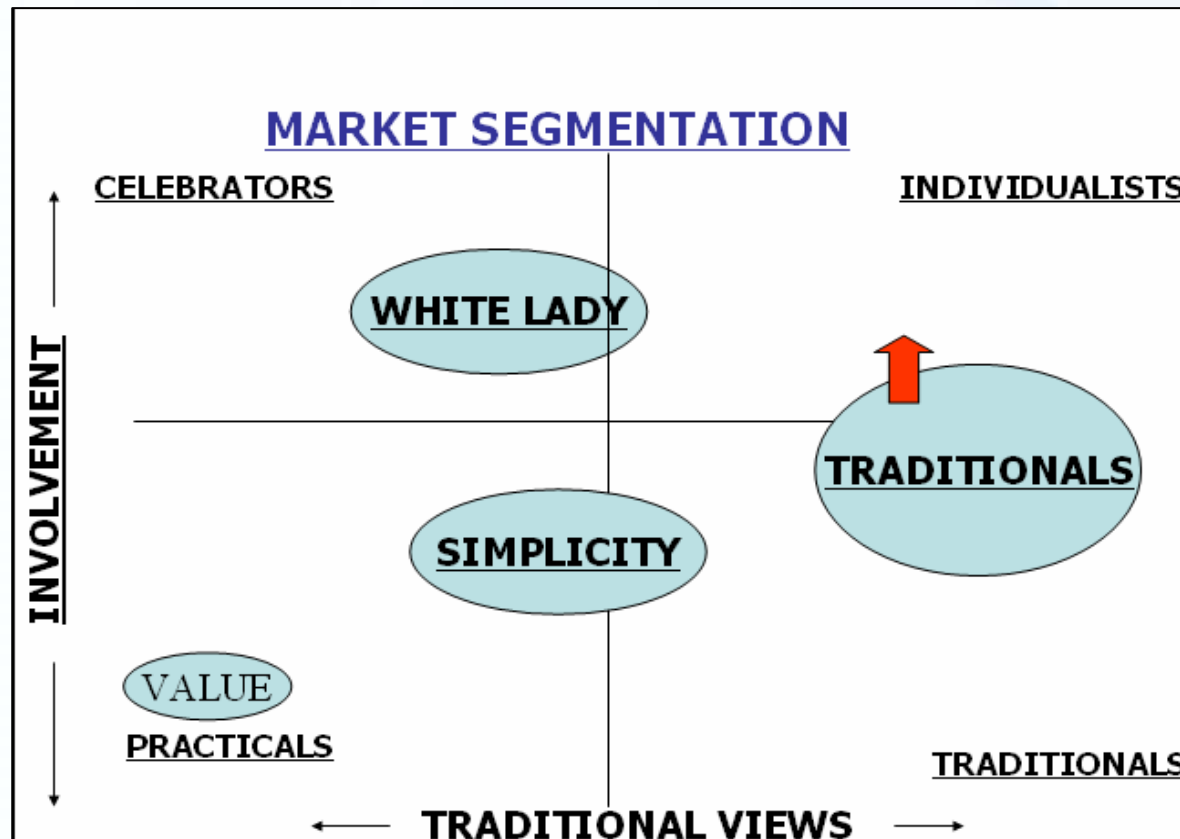
- Consistent year on year market share improvement since 2005
- Market share estimates for InvoCare's main funeral markets are:
 - Sydney – 41%
 - Melbourne – 22%
 - Brisbane – 29%
 - Adelaide – 27%
 - Perth & surrounds – 50%
 - Singapore - 10%
- Latest market surveys indicate:
 - 97% of IVC clients continue to definitely or probably recommend an IVC funeral provider at time of need
 - 93% of IVC clients continue to definitely or probably recommend an IVC cemeteries & crematoria provider at time of need



Pillars of Growth

3. Market Share Growth (continued)

Research indicates consumers seeking greater involvement in all segments



Brand alignment to major customer segment needs continues



Pillars of Growth

3. Market Share Growth (continued)

Australian Funeral Market Segmentation (excluding acquisitions)

	2004	2005	2006	2007	2008
Practical	20%	20%	23%	23%	24%
Traditional	60%	60%	56%	54%	52%
Involved	20%	20%	21%	22%	24%
Total	100%	100%	100%	100%	100%

Australian Funeral Location Segmentation (excluding acquisitions)

	2004	2005	2006	2007	2008
Practical	24%	25%	29%	31%	33%
Traditional	59%	56%	51%	48%	46%
Involved	17%	19%	20%	21%	21%
Total	100%	100%	100%	100%	100%



Pillars of Growth

3. Market Share Growth (continued)

New Funeral Location Openings (Net of Closures)

	NSW	QLD	VIC	SA	WA	TOTAL
2004	0	0	0	(1)	0	(1)
2005	1	0	1	0	(1)	1
2006	2	3	2	1	0	8
2007	1	3	3	1	1	9
2008	4	2	1	1	1	9
Total	8	8	7	2	1	26
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Practical	5	2	4	2	2	15
Traditional	1	4	0	0	(1)	4
Involved	2	2	3	0	0	7
Total	8	8	7	2	1	26

❖ 4 New Involved locations have been planned for 2009



Pillars of Growth

3. Market Share Growth (continued)

Prepaid Funerals

- Lock in InvoCare market share
- Take financial and emotional burdens away from family and friends
- Guaranteed future service at today's price
- Approximately 13% of InvoCare's services are prepaid
- New prepaid contract sales exceed number performed to maintain and grow number of prepaid contracts



Pillars of Growth

3. Market Share Growth (continued)

Business Acquisitions

- Australian and Singapore funeral industry fragmented with most businesses small and family owned & operated
- Succession planning is the main issue for these businesses
- Health and relationship breakdowns often trigger business sales
- EBITDA multiples for businesses, including earnouts, depend on factors such as size, reputation, location, management, staff and property ownership.
- Vendor multiple expectations often too high to warrant serious consideration
- InvoCare not expecting any distressed funeral business sales in current economic climate
- Most small funeral businesses are not highly leveraged



Pillars of Growth

4. Prepaid Funeral Contributions

Prepaid Funeral Contributions

- Investment returns must exceed annual selling price increases to protect margins
- Long term investment strategy with bias to growth assets (typically 60% equities)
- Short term tactical tilt away from equities in current volatile market (equities now estimated 18% of funds under management)
- Current short term investment returns remain lower than long term target



2009 Outlook

Preliminary 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%)
- Estimated death rate up 1.5%*
- Estimated comparable market share slightly improved*
- Average revenue per funeral up 5.3% (comparable up 5.6%)
- Prepaid funeral fund contribution down \$0.7m, from positive \$0.3m to negative \$0.4m

* Based on IVC's Australian Funeral markets & based on quarter ended March 2009



2009 Outlook

Preliminary results for four months to 30 April 2009 (continued)

Singapore Funerals:

- Revenue up 4.9% in Sing \$ mainly driven by price increases

Australian Prepaid Funerals:

- Number of new contracts sold up 12.6%
- New sales exceed redemptions by 17.9%
- New contract average values up 4.5%



2009 Outlook

Preliminary results for four months to 30 April 2009 (continued)

Cemeteries & Crematoria:

- Total revenue down 0.9%
- At need case volume up 1.9%
- Estimated death rate down 1.3%*
- Estimated market share improved*
- Average revenue per memorial sale up 1.8%
- Memorialisation rates down
- Increased memorial property construction to be used to mitigate revenue impacts going forward

* Based on IVC's Cemeteries & Crematoria markets & based on quarter ended March 2009



2009 Outlook

Preliminary 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



Robust Business Model Continues To Perform

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



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.



