

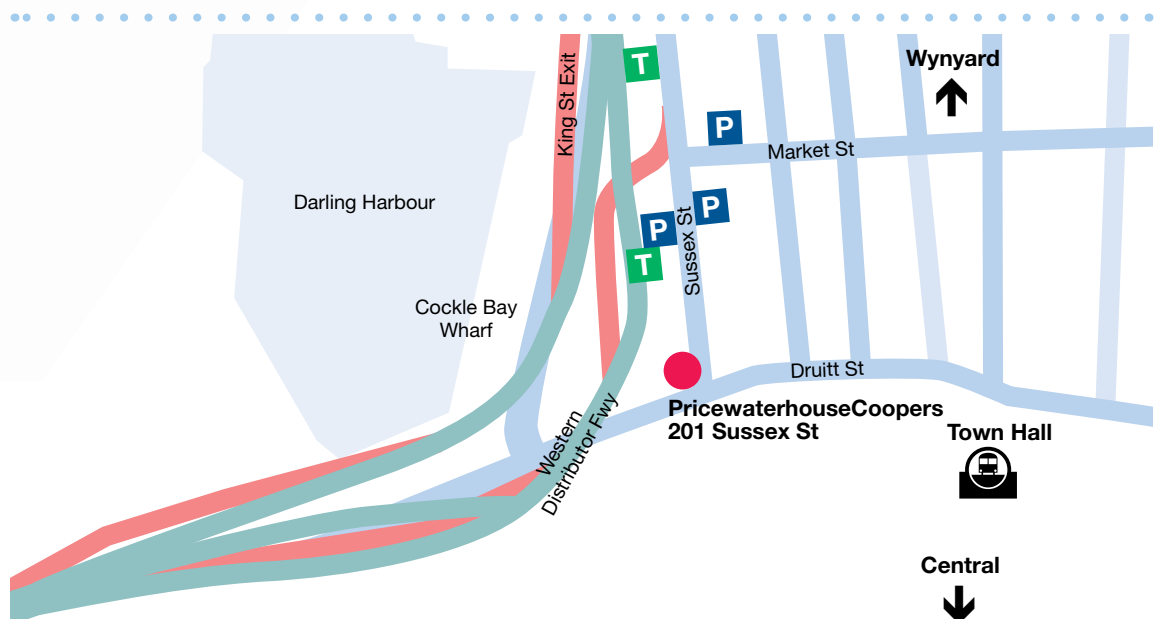


## Notice of Annual General Meeting 2009

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**InvoCare Limited**  
ABN 42 096 437 393

To be held at  
PricewaterhouseCoopers,  
201 Sussex Street,  
Sydney, New South Wales  
on Friday 21 May 2010 at 11.00am



The entry to PricewaterhouseCoopers is located on the corner of Sussex and DrUITt Streets. Please proceed up the escalator and head towards the coffee stand which is immediately in front of the escalator. The PricewaterhouseCoopers' Concierge is located diagonally opposite the coffee stand through the double glass doors.

# Chairman's overview



On behalf of the Board of InvoCare, I would like to invite all shareholders to attend the annual general meeting which will be held on Friday 21 May 2010 at 11.00am.

It gives me great pleasure to report another increase in both InvoCare's profit and dividends, continuing the year on year growth achieved since InvoCare's listing in December 2003. The graphs and summaries in this notice provide a snapshot of InvoCare's performance.

Sales revenues grew due to a combination of increases in memorialisation revenue, higher average case values and market share growth, despite an estimated 1% decline in the number of deaths in InvoCare's Australian markets.

The contributions from prepaid funds remained constrained, caused by continued volatility in the financial markets. However, with improvements in equity returns and reallocation of prepaid funds to equities during the second half of 2009, after a tactical tilt to cash during the worst of the financial crisis, contributions in the second half stabilised and are expected to improve.

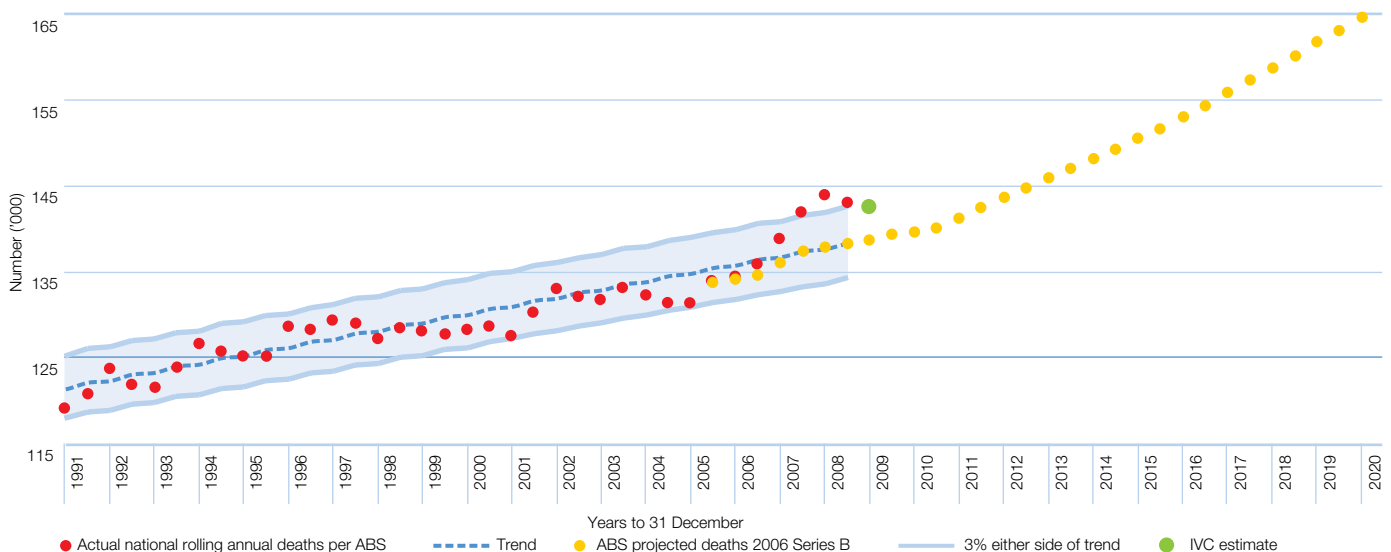
During the year, the Board and management closely monitored and reacted to the economic cycle and the decline in the number of deaths. In this climate, InvoCare successfully improved operating margins, generated strong cash flows and strengthened its healthy financial position.

Once again, InvoCare was involved in a significant number of community events and activities during the year. These have ranged from active participation with, for example, the Chinese community through to training seminars with various groups in the community. I would like to commend all our staff for the amount of time and effort they voluntarily contribute to the communities they serve. It also gives me great pleasure to congratulate our latest staff member to be awarded an OAM, Teresa Leonardi, for her services to the Italian community of South Australia.

Finally, I encourage all our shareholders to attend the forthcoming annual general meeting, where all present will hear more about our 2009 full year results, be given an update on trading so far in 2010 and have the opportunity to raise issues of interest or concern.

**Ian Ferrier** Chairman

## Actual and Projected Deaths – Australia

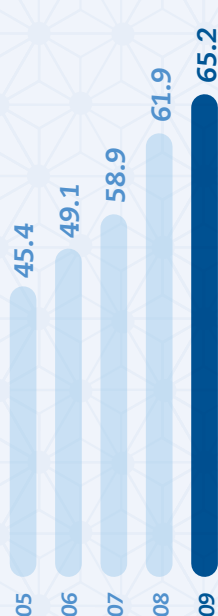


# 2009 performance highlights

**Sales revenue**  
\$ million



**Operating EBITDA**  
\$ million



**Profit after tax**  
\$ million



**Ordinary dividends per share**  
cents



## Five Year Financials

	2009 \$'000	2008 \$'000	2007 \$'000	2006 \$'000	2005 \$'000
Sales revenue					
– Funerals	201,068	192,318	173,235	146,357	131,790
– Cemeteries and crematoria	62,644	58,453	57,295	51,785	50,584
– Elimination of intra-group sales	(6,633)	(6,556)	(6,612)	(6,210)	(5,532)
Revenue from external customers	257,079	244,215	223,918	191,932	176,842
Operating EBITDA	65,193	61,874	58,935	49,140	45,369
Operating EBITDA margin	25.4%	25.3%	26.3%	25.6%	25.7%
Normalised profit after tax*	33,462	28,342	27,073	21,636	18,720
Normalised basic earnings per share (cents)*	33.1	28.3	27.2	22.2	19.5
Profit after tax attributable to members	33,198	28,026	27,554	24,047	20,141
Basic earnings per share (cents)	32.9	28.0	27.6	24.7	21.0
Dividend paid in respect of the financial year (excluding special dividend paid in 2005)	25.25	23.50	22.50	19.50	16.50
Ungeared, tax free operating cash flow	63,094	60,495	62,023	50,611	45,059
Proportion of EBITDA converted to cash	97%	98%	105%	103%	99%
Actual capital expenditure	13,846	16,359	17,366	9,817	6,904
Net debt	148,358	152,452	145,886	146,787	136,000
Operating EBITDA/Net interest (times)	6.7	6.2	6.0	5.4	4.9
Net debt/EBITDA (times)	2.3	2.5	2.5	3.0	3.0
Prepaid funds under management	272,000	237,000	272,000	252,000	221,000
Funeral homes (number)	173	163	152	136	125
Cemeteries and crematoria (number)	12	12	12	12	12
Employees (full-time equivalents)	1,101	1,052	923	842	792

\* Normalised profit after tax is the profit after tax adjusted for the tax effected impacts of the gains and losses arising from the sale, disposal or impairment of non-current assets.

# Key strategies of 2009

*InvoCare's robust business model will deliver growth through anticipated volume increases, business acquisitions and investments in our brands, people and facilities.*

## Brand awareness

InvoCare aims to sustain and improve brand awareness by running integrated TV, radio, press and billboard campaigns. Another critical component of building the brand awareness is the many hours our staff devote to community and social organisations. InvoCare's two Australian national brands, White Lady and Simplicity, along with the primary progressive brands in individual markets, enjoy strong awareness levels. In our latest surveys White Lady achieved an outstanding brand awareness score of 93%. In Sydney, Guardian Funerals aided brand awareness has risen from 19% in 2004 to 56% in 2009.

## New locations and acquisitions

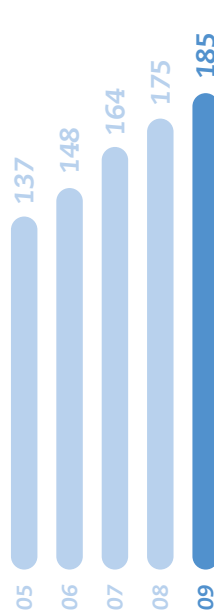
Building on InvoCare's robust business model we continue to seek new locations and acquisitions within the footprint of established shared service functions. The model is based on personal service supported by highly efficient back end processes to ensure client families receive the most professional service possible. To build on InvoCare's existing successful operations in highly populated centres or regions across Australia and in Singapore, more geographically dispersed opportunities and models are being examined.

## People

The professionalism of our staff is constantly being enhanced by investment in training and other learning opportunities presented by InvoCare's learning and development team. In addition to the investment in core operational programmes, including various induction, customer service and occupational health and safety modules, InvoCare anticipates being the first to offer a fully accredited Certificate 3 in Funeral Services to enhance the professionalism of our teams. We are able to offer our staff a career in the industry, as well as an opportunity to own shares in the Company, unlike most of the other family owned and operated business competitors.

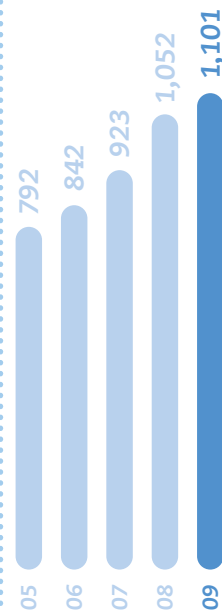
## Locations

Total funeral homes and cemeteries and crematoria



## Employees

Full-time equivalents

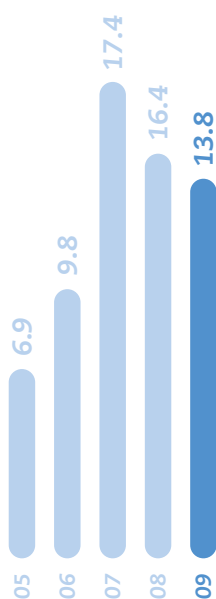


## Facilities

Our focus is to continue to invest in enhancing and improving the facilities available. We aim to ensure that the ambience of our locations continues to meet client expectations and that the most modern facilities, such as audiovisual systems, are available for those who choose them. We also continue to expend substantial sums maintaining our many heritage listed assets, especially in our locations where many generations of individual families are memorialised.

## Actual capital expenditure

\$ million



## Future income streams

The number and value of prepaid contracts continues to grow, providing our clients with the peace of mind from knowing that when the time comes their families are protected from unexpected burdens. We work with our investment managers to ensure that investment strategies are put in place that will continue to ensure surpluses are delivered from our preneed contracts. InvoCare also continues to expand the range of memorialisation options available to our client families, ensuring valuable future revenue streams as these products are delivered.

## Prepaid funds under management

\$ million



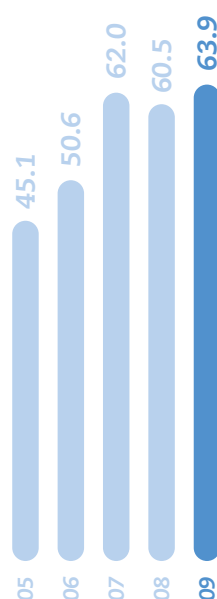
## Capital management

InvoCare's capital management initiatives are designed to ensure that an appropriate mix of debt and equity is maintained to maximise returns to shareholders while ensuring adequate funds are available to support growth and expansion. The Company is in a healthy financial position and its strong operating cash flows provide necessary funds to pay at least 75% of annual profits to shareholders as dividends, meet debt servicing obligations and invest in property, plant and equipment, as well as fund smaller new business acquisitions.

The Company's Dividend Reinvestment Plan has been supported by approximately 25% of shareholders to provide additional funds for the business. In the event that opportunities become limited for investing in the growth of the business, the Company will consider making alternative returns to shareholders.

## Ungearing, tax-free operating cash flow

\$ million



## Operating EBITDA/ Net interest

ratio



# InvoCare Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of members of InvoCare Limited (InvoCare or the Company) will be held at the offices of PricewaterhouseCoopers, 201 Sussex Street, Sydney, New South Wales on Friday 21 May 2010 at 11.00am.

## Ordinary business

### Item 1 – Financial Reports

To receive and consider the Financial Report, Directors' Report and Independent Audit Report of InvoCare Limited and its controlled entities for the year ended 31 December 2009.

### Item 2 – Adoption of Remuneration Report

To consider and, if thought fit, to pass the following ordinary resolution:

#### Resolution 1

"That the Remuneration Report (which forms part of the Directors' Report) for the year ended 31 December 2009 be adopted."

Note: The vote on this resolution is advisory only and does not bind the directors or the Company.

### Item 3 – Re-election of directors

To consider and, if thought fit, to pass the following ordinary resolutions:

#### Resolution 2

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

#### Resolution 3

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

### Item 4 – Increase in directors' fee pool

To consider and, if thought fit, to pass the following ordinary resolution:

#### Resolution 4

"That with effect from the day after the conclusion of the 2009 Annual General Meeting of InvoCare Limited, for the purpose of Article 9.9 of the Constitution, the non-executive directors' aggregate fee pool be increased to an amount not exceeding \$650,000 per annum."

## Explanatory statements

### Financial Reports

The *Corporations Act 2001* requires the Financial Report (which includes the financial statements and Directors' Declaration), the Directors' Report and the Independent Audit Report of the Company to be laid before the Annual General Meeting. There is no requirement either in the *Corporations Act 2001* or in the Company's Constitution for shareholders to approve the Financial Report, the Directors' Report or the Independent Audit Report. Shareholders will be given a reasonable opportunity at the meeting to ask questions and make comments on these reports.

### Adoption of Remuneration Report

#### Resolution 1 – Adoption of Remuneration Report

In accordance with section 250R(2) of the *Corporations Act 2001*, the Remuneration Report is put to shareholders for adoption. The Remuneration Report is set out on pages 35 to 43 inclusive of the 2009 Annual Report and is available on InvoCare's website [www.invocare.com.au](http://www.invocare.com.au).

The vote on this resolution is advisory only and does not bind the directors or the Company. Reasonable opportunity for shareholders to ask questions about or comment on the Remuneration Report will be given at the meeting.

### Re-election of directors

#### Resolution 2 – Re-election of Benjamin Chow

Benjamin Chow retires by rotation in accordance with the Company's Constitution and being eligible offers himself for re-election.

Benjamin Chow was appointed as a director of InvoCare Limited in February 2007 and became a member of the Risk Committee and the Nomination Committee at the same time. Benjamin has worked continuously in the land development industry, both in Australia and in South East Asia, since 1968, having emigrated to Australia in 1962. He chaired the Council for Multicultural Australia, which assists the Australian Government implement its multicultural policies. He has previously served as President of the Australian Chinese Community Association of NSW, President of the Chinese Australian Forum of NSW and Vice-President of the Ethnic Communities Council of NSW. He is a former member of the Council of the National Museum of Australia, a member of the Bond University Council, President of Sydney University Nerve Research Foundation, a Trustee and current President of the Australian Chinese Charity Foundation and a Director of Chain Reaction Foundation Ltd.

The directors (with Benjamin Chow abstaining) recommend you vote in favour of this resolution.

### Resolution 3 – Re-election of Tina Clifton

Tina Clifton retires by rotation in accordance with the Company's Constitution and being eligible offers herself for re-election.

Tina Clifton is a registered medical practitioner. Tina has been a director of InvoCare Limited since October 2003 and her other current directorships include the Hospitals Contribution Fund of Australia Limited (HCF) and Healthcare Australia. She is also a Councillor of the University of New South Wales. Prior to 2001, Tina held various positions in the public and private healthcare sectors, including Chief Executive Officer of the Sisters of Charity Health Service in New South Wales and Deputy Chief Executive Officer of the Northern Sydney Area Health Service. From 1980 to 1988 Tina was a general practitioner. Tina holds degrees in medicine and health administration and obtained a specialist qualification in medical administration.

The directors (with Tina Clifton abstaining) recommend you vote in favour of this resolution.

### Increase in directors' fee pool

#### Resolution 4 - Increase in directors' fee pool

Under the Company's Constitution, non-executive directors are entitled to be remunerated for their services as directors and the total amount of fees for all non-executive directors must not exceed the amount determined by the Company in general meeting. The remuneration is to be divided among the non-executive directors in the proportion and manner agreed by the directors or, in default of agreement, equally. The remuneration is taken to accrue from day to day. Additional remuneration may be, but none has been, paid to directors for performing additional or special duties for the Company.

At the Annual General Meeting held on 23 May 2008, shareholders approved a maximum aggregate non-executive directors' fee cap of \$575,000 per annum.

The directors' remuneration for the year ended 31 December 2009 is disclosed in the Remuneration Report set out on pages 35 to 43 inclusive of the 2009 Annual Report. The aggregate fees paid to the non-executive directors for that year amounted to \$520,000.

Based upon an external review of non-executive director compensation which was commissioned by the Board Remuneration Committee, the 2010 fees will total \$535,500, comprising \$160,700 for the Chairman (an increase of \$4,700 from the 2009 fee of \$156,000) and \$93,700 for each of the other four non-executive directors (an increase of \$2,700 from the 2009 fee of \$91,000).

The directors consider that the aggregate amount of non-executive directors' fees in any calendar year should be increased from \$575,000 to \$650,000, an increase of 13% or \$75,000, with effect from the day after the conclusion of the Company's 2009 Annual General Meeting. It is not intended that any of this increase be used to pay non-executive directors' fees during 2010. The increase is proposed:

- (a) to provide sufficient flexibility to accommodate unexpected increases in non-executive directors' fees during 2010, for example should the need arise to appoint a new or replacement director;
- (b) to allow the Company to continue to be able to attract and retain directors with appropriate experience, calibre and integrity, especially in recognition of the significantly increased responsibilities under the *Corporations Act 2001*, ASX Listing Rules, other regulatory requirements and community expectations;
- (c) to respond to market rate annual increases for directors over the next three years based upon advice received from external consultants; and
- (d) to continue the development and growth of the Company and shareholder value which have been experienced since the Company listed in 2003.

ASX Listing Rule 10.17 and article 9.9 of the Company's Constitution require shareholder approval be obtained for any proposed increase in total non-executive directors' fees.

### Voting exclusion statement

The Company will disregard any votes on resolution 3, by any director of the Company, being Ian Ferrier, Andrew Smith, Tina Clifton, Roger Penman, Benjamin Chow and Richard Fisher, and an associate of any of the directors.

However, the Company need not disregard a vote, if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The directors make no recommendation in relation to the proposed increase due to the non-executive directors' personal interest in the resolution. Shareholders should judge for themselves whether or not the fee cap increase should be approved.

### Other business

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

By order of the Board

#### Phillip Friery

Company Secretary  
16 April 2010

#### Note:

InvoCare Limited has determined, in accordance with regulation 7.11.37 of the *Corporation Regulations 2001*, that Shares quoted on ASX at 7.00pm on 19 May 2010 are taken, for the purposes of the Annual General Meeting, to be held by the persons who held them at that time. Accordingly, those persons are entitled to vote (if not excluded) at the meeting.

## Voting notes

### How to vote

A. By attending the meeting and voting either in person or by attorney or, in the case of corporate shareholders, by corporate representative; or

B. By appointing a proxy to attend and vote on their behalf, using the enclosed proxy form.

### Voting in person (or by attorney)

Shareholders and their attorneys who plan to attend the meeting are asked to arrive at the venue 60 minutes prior to the time designated for the meeting, if possible, so that their shareholding may be checked against the share register and attendances noted. It would also be appreciated if shareholders could bring with them their proxy form which contains a bar code to facilitate entry to the meeting hall. Attorneys should also bring with them original or certified copies of the power of attorney under which they have been authorised to attend and vote at the meeting.

In order to vote in person at the meeting, a person who is a shareholder may appoint an individual to act as his/her representative. The appointment must comply with the requirements of section 250D of the *Corporations Act 2001*. The representative should bring to the meeting evidence of his/her appointment, including any authority under which it is signed.

### Voting by proxy

1. A member who is entitled to vote at the meeting may appoint:
  - (a) one proxy if the member is only entitled to one vote; or
  - (b) two proxies if the member is entitled to more than one vote.
2. Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one half of the votes, in which case any fraction of votes will be discarded.
3. A proxy need not be a member of InvoCare.

4. If you require an additional proxy form, please contact the InvoCare Share Registry on 1300 854 911, which will supply it on request.
5. The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by InvoCare's Share Registry, Link Market Services Limited, **no later than Wednesday 19 May 2009 at 11.00am (that is, at least 48 hours before the meeting). Proxies received after this time will not be accepted.** Instructions for completing the proxy form are outlined on the form, which may be returned by:
  - (a) posting it in the reply paid envelope provided; or
  - (b) posting it to InvoCare Limited C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235; or
  - (c) hand delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000; or
  - (d) faxing it to Link Market Services Limited on fax number (02) 9287 0309; or
  - (e) lodging it online at **[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)** in accordance with the instructions provided on the website. You will need your Holder Identification Number (HIN) or Security Reference Number (SRN) to lodge your proxy form online; or
  - (f) posting it to InvoCare's registered office, Level 4, 153 Walker Street, North Sydney NSW 2060; or
  - (g) faxing it to InvoCare's registered office on fax number (02) 9978 5299.
6. Proxies given by corporate shareholders must be executed in accordance with their Constitutions, or signed by a duly authorised attorney.
7. A proxy may decide whether to vote on any motion except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as a proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, a proxy may vote how he or she thinks fit.
8. The Constitution provides that where the appointment of a proxy has not identified the person who may exercise it, the appointment will be deemed to be given in favour of the Chairman of the meeting to which it relates or to such other person as the Board determines.
9. If a shareholder appoints the Chairman of the meeting as the shareholder's proxy and does not specify how the Chairman is to vote on an item of business, the Chairman will vote, as a proxy for that shareholder, in favour of the item on a poll.

### Shareholders who are entitled to vote

The Board has determined that a shareholder's entitlement to vote at the Annual General Meeting will be the entitlement of that shareholder set out in the Register of Shareholders at 7.00pm on 19 May 2009.