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Media Release

2010 Full Year Results Released

22 February 2011: InvoCare Limited, Australia's largest private funeral, cemetery and crematorium operator announced today its results for the full year ended 31 December 2010.

Sales revenues grew 4.6% to $267.4 million. Better prevailing economic conditions during the year helped increase sales of cemeteries and crematoria memorials. The acquisition of Sydney funeral operator WN Bull Funerals continued the company's expansion program. The average funeral contract value also improved. These growth elements helped mitigate an estimated 0.2% decline in the number of deaths in its markets.

Operating profit after tax (that is, excluding the impacts of the accounting policy change to prepaid contracts, non-recurring asset sales, fair value movements in derivative financial instruments, investment allowance benefits, prior period tax adjustments, and acquisition related expenses) increased by 11.9% to $34.2 million.

The change in accounting policy to prepaid contracts and associated funds under management has been made following review by, and discussions with, ASIC. This change along with the other issues mentioned above resulted in a reported profit after tax of $27.4 million.

As a result of the solid operating performance, the Directors determined that a fully franked, ordinary dividend of 15.25 cents per share will be payable on 8 April 2011, with a record date of 18 March 2011 and an ex dividend date of 14 March 2011.

InvoCare has left activated its Dividend Reinvestment Plan (DRP) for this interim dividend. It is not intended that this DRP be underwritten nor will shares be issued at a discount.

On 19 November 2010, InvoCare announced agreement had been reached to purchase Bledisloe, New Zealand's largest provider of funeral services and one of the top four operators in several key Australian markets. The transaction is subject to ACCC approval. On 19 January 2011, the ACCC released a Statement of Issues (SOI) following its initial market inquiries setting out its preliminary views and inviting further public submissions by 4 February 2011. InvoCare responded to the SOI and also provided additional information and persuasive arguments to assist the ACCC in its inquiries. The ACCC has since requested further information and a final decision is expected in March 2011.

Andrew Smith, InvoCare's Chief Executive Officer said:

"The solid operating results have again been supported by our committed employees who are dedicated to delivering outstanding customer service to our client families and supporting local communities in Australia and Singapore.

"Despite reduced numbers of deaths, our employees have also responsibly managed costs during the year to ensure we delivered operating leverage.

InvoCare remains well positioned with a proven, robust business model that gives confidence in our ability to identify opportunities and achieve long term growth objectives."

For immediate Release

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