

26 October 2011



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MR AB SAMPLE
UNIT 1
3 SAMPLE ST
SAMPLETOWN NSW 2000

Dear Sir/madam,

We are writing to thank you for your continued support, including during the recent uncertainties that have challenged global financial markets. In addition, as you may be aware from our half year results announcement in late August, in June this year we completed InvoCare's acquisition of Bledisloe and we wanted to provide you with an update on the progress of the integration.

Bledisloe is New Zealand's largest and Australia's second largest funeral operator with an EBITDA of \$10.9m. It possesses many trusted and desirable brands within our existing Australian markets (South-East Queensland's Metropolitan Funerals, Sydney's Boland Funerals and Melbourne's WD Rose & Joseph Allison Funerals) and opens up new markets in Hobart, Toowoomba, Mackay and Cairns. The strategic significance of the Bledisloe acquisition is enhanced by its presence in New Zealand providing many opportunities for growth in that market.

The amalgamation of the operations and systems of our two businesses is going very well; thanks largely to the way that Bledisloe's 350 employees, spread across 50 funeral homes and two cemeteries, have integrated into the business. The financial performance of these locations during the first quarter under new management has slightly exceeded expectations. Actions to deliver the predicted \$3.5m annualised EBITDA integration benefits are well advanced and the synergies are progressively emerging. It is expected that by the second half of 2012 the full synergies will materialise so that 2013 will be the first full year to record these benefits.

The merged InvoCare cements its position as the clear market leader across the Asia Pacific region. Our profile now extends to 250 funeral homes and 14 cemeteries. To fully capitalise on the regional and demographic growth opportunities, InvoCare's Board has approved the appointment of a new Non-Executive Director, Ms Aliza Knox. Currently the Managing Director of Online Sales & Operations for Asia Pacific at Google, Ms Knox is a digital media and financial service executive with more than two decades of broad international marketing and management experience. Ms Knox's Asian experience, and her recognised leadership in the technology and marketing spheres, will bring new insights and assist InvoCare to manage its future growth. We are sure you will join us in welcoming Ms Knox to the Board.

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Thank you once again for your ongoing support and we look forward to updating you on our 2011 full year performance in February 2012.

Yours sincerely,

Ian Ferrier
Chairman

Andrew Smith
Chief Executive Officer