



10 February 2014

iSelect and Auto & General sign new distribution Agreement

iSelect Limited (ASX:ISU) advises that today it has signed a new two-year distribution agreement ("the Agreement") with Auto & General Services Pty Ltd ("Auto & General"), extending the existing five year commercial relationship between the two companies.

Under the Agreement, iSelect will sell an expanded suite of Auto & General comprehensive motor vehicle insurance products, including the Budget Direct "Gold" car insurance product – recipient of Money Magazine's 2014 "cheapest car insurance" award.

Via a lead-referral model outlined in the Agreement, and for the first time in its 13 year history, iSelect will also now be able to assist consumers seeking to purchase home and contents insurance.

"The strategy for our car business is to improve conversion metrics, expand the number of providers on the panel and increase the breadth of products we offer to ensure we meet the needs of the 700,000 Australians who already come to iSelect to compare their car insurance every year," said David Chalmers, iSelect interim CEO.

"The new Agreement reflects this strategy by restructuring our commissions with Auto & General to a lower rate. We believe this will help us accelerate growth in the panel and better meet the needs of more price-conscious consumers by offering some of Auto & General's most competitive products," said Mr Chalmers.

New commission rates in the Agreement are expected to have a negative effect on 2H FY14 revenue and EBITDA of between \$1.0 million and \$2.0 million. The net financial effect of the new Agreement will depend not only on the sales volume of iSelect's car business, but also the proportion of those sales that are referred to Auto & General.

The new Agreement does not affect iSelect's CY13 or 1H FY14 results, due to be announced on 27 February.

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