

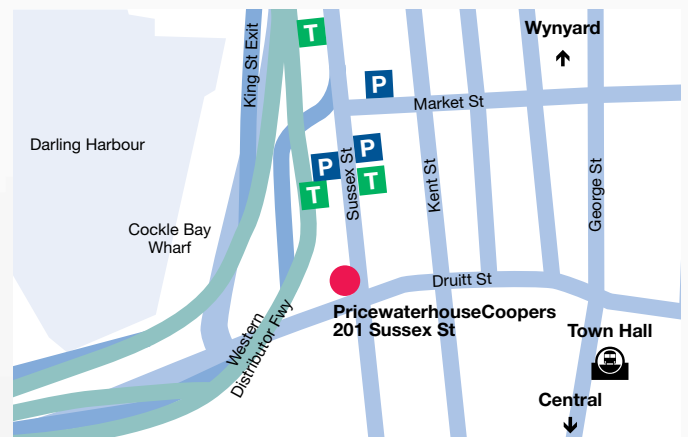
INVOCARE LIMITED
ABN 42 096 437 393

Notice of Meeting 2013

To be held at PricewaterhouseCoopers,
201 Sussex Street, Sydney, New South Wales

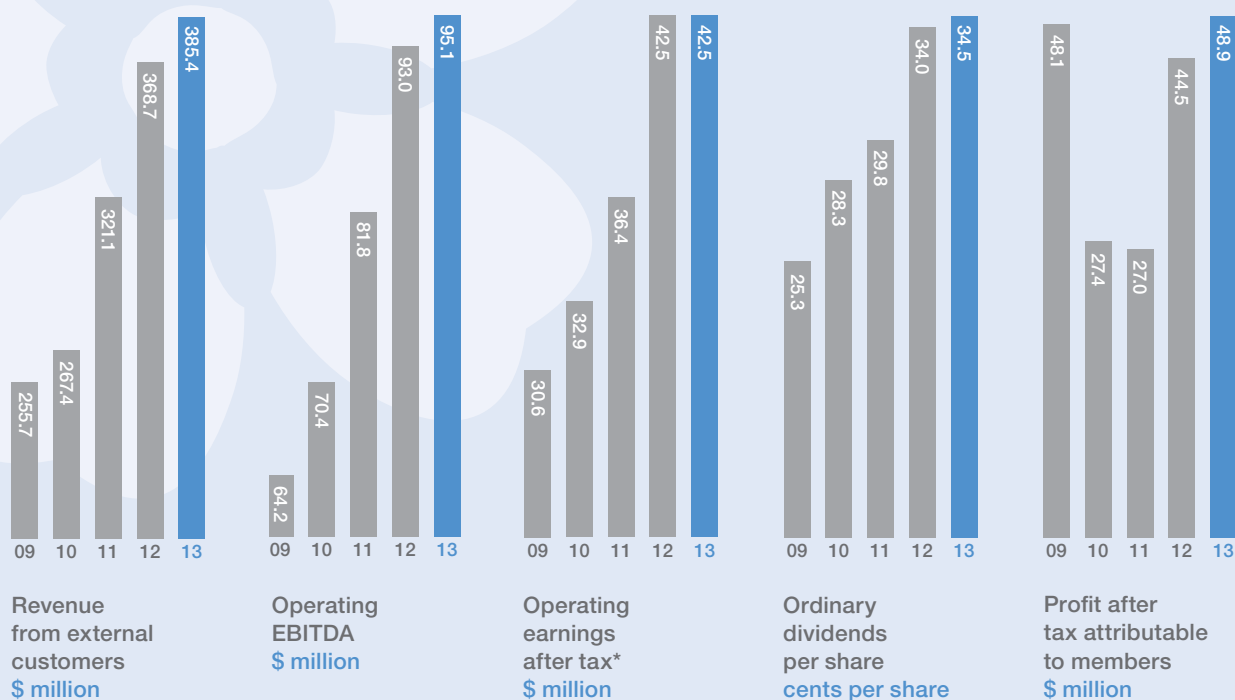
Friday 23 May 2014 at 11.00am.

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.



Performance highlights

InvoCare's solid financial performance in a year when the number of deaths were down confirms the continuing effectiveness of the business model.



Five year financials

\$'000	2013	2012	2011	2010	2009
Revenue from external customers	385,352	368,652	321,113	267,449	255,676
Operating EBITDA	95,072	93,026	81,802	70,411	64,273
Operating EBITDA margin	24.7%	25.2%	25.5%	26.3%	25.1%
Operating earnings after tax*	42,498	42,479	36,406	32,928	30,607
Operating earnings per share (cents)	38.9	38.8	34.5	32.4	30.3
Profit after tax attributable to members	48,869	44,479	27,012	27,366	48,141
Earnings per share (cents)	44.7	40.6	25.6	26.9	47.7
Dividend paid in respect of the financial year (cents)	34.5	34.00	29.75	28.25	25.25
Ungeared, tax free operating cash flow	104,311	88,542	75,411	69,059	63,094
Proportion of EBITDA converted to cash	110%	95%	92%	98%	98%
Actual capital expenditure	19,264	18,412	16,723	14,266	13,846
Net Debt	215,057	217,136	209,114	147,538	148,358
Operating EBITDA / Net interest (times)	6.8	6.3	6.5	7.1	6.6
Net debt / EBITDA (times)	2.3	2.4	2.6	2.1	2.3
Funeral homes (number)	237	232	226	177	173
Cemeteries and crematoria (number)	14	14	14	12	12
Employees (full time equivalents)	1,470	1,470	1,430	1,112	1,101
Prepaid contract sales / prepaid redemptions	113%	115%	119%	117%	118%

*Operating earnings after tax excludes the net gain/(loss) on undelivered prepaid contracts, acquisition related costs, prior period tax movements, investment allowance benefits, non cash interest rate swap movements, gain/(loss) on sale, disposal or impairment of non-current assets and minority interests.

Chairman's message



InvoCare was challenged in 2013 by lower numbers of funeral, burial and cremation cases. Tight cost management and strong cash flows countered the volume effects to deliver a sound financial performance.

**On behalf of the Board of Directors
I invite all shareholders to attend the
Annual General Meeting at 11.00am
on Friday 23 May 2014.**

Operating earnings after tax were static at \$42.5 million for the year. Case volume declines arose from both lower numbers of deaths and market share erosion. The adverse volume impacts were mitigated by a combination of favourable average revenue per case, rigorous cost management, foreign currency gains due to a weakening Australian dollar and the results from recently acquired businesses.

Statutory profit after tax increased 9.9% from \$44.5 million to \$48.9 million. The higher statutory profit was due to gains from sales of surplus assets, net impairment reversals and undelivered prepaid contracts.

During 2013, a number of businesses were acquired in New Zealand, primarily in the key Auckland market, and each made a good contribution to the year's result. Similarly, the Tuckers funeral business in Geelong, Australia, performed well following its acquisition in December 2012.

The focus on the development of the Company's digital strategy continued during 2013, and included enhanced tools to improve the client interface with front line staff, new online offerings and improvements in the core operational and financial systems.

On behalf of the Board and all shareholders I thank and congratulate the management and staff of InvoCare under Andrew Smith's leadership for delivering both great customer service and sound financial results in a difficult year.

I personally encourage all shareholders to attend the Annual General Meeting to hear more about the 2013 results and receive an update on 2014 trading to date. Everyone who attends will have the opportunity to raise issues of interest or concern.



Richard Fisher

CHAIRMAN

Key strategies

InvoCare continued in 2013 to focus on its core strategies to drive growth and profitability.



Demographics

The aging baby boomer generation will see a gradual increase in the number of deaths in InvoCare's key markets, creating possibilities for the business. As experienced in 2013, factors beyond InvoCare's control, such as weather conditions, will impact the number of deaths within specific periods. Changing attitudes to funerals, with more people wanting an involved and celebratory experience, will ensure InvoCare key brands such as White Lady Funerals will continue to prosper.

Brand Awareness

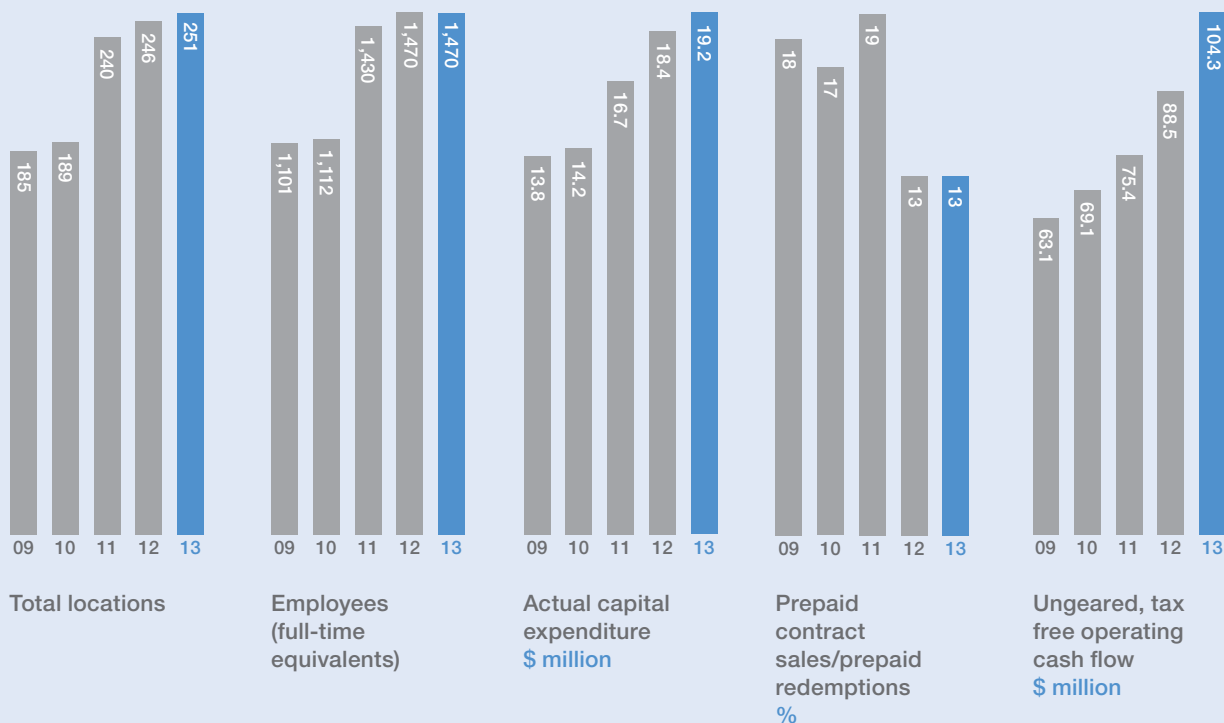
InvoCare aims to sustain and improve brand awareness by running integrated TV, radio, press and billboard campaigns. White Lady Funerals once again achieved aided brand awareness scores above 90% in InvoCare's research. All other brands researched, including Guardian Funerals, Simplicity, Le Pine and Metropolitan, achieved aided brand awareness scores around the same levels as the previous years. Tight controls on marketing expenditure during 2013 may have contributed to these outcomes. The many hours our people devote to community and social organisations are a critical component of building the brand awareness. New or replacement sites are selected in high visibility locations as a cost-effective means to promote brand awareness.

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. During 2013 considerable focus was placed on the Auckland market where InvoCare has been under-represented and this resulted in the acquisition of five existing locations during 2013. As InvoCare has continued to grow, more geographically dispersed locations have been acquired or 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. During 2013 a key focus of training was on developing the skills of InvoCare's personnel to embrace digital technologies being introduced to enhance the customer experience. Additionally the core operational programmes, including various induction, customer service, staff management and occupational health and safety modules, continued in 2013. Unlike most of our competitors, who are often family owned, we are able to offer our staff career advancement in the industry, as well as an opportunity to own shares in the Company.



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 and web-casting, are available for those who choose them. We also continue to invest in the maintenance of our many heritage-listed assets, especially in our locations where many generations of individual families are memorialised.

Future Income Streams

The number and value of prepaid contracts continues to grow, providing our clients with the peace of 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 good returns are delivered from our pre-need 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.

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 operating earnings after tax to shareholders as dividends, meet debt servicing obligations, invest in property, plant and equipment, as well as fund smaller, new business acquisitions. The Company's Dividend Reinvestment Plan has been supported by up to approximately 25% of shareholders. In the event opportunities become limited for investing in the growth of the business, the Company will consider making alternative returns to shareholders.

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 23 May 2014 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 2013.

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 2013 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 Richard Fisher, who retires by rotation in accordance with the Company's Constitution, be re-elected as a director of the Company."

Resolution 3

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

Explanatory statements

Financial Reports

The *Corporations Act 2001* (Cth) (**Corporations Act**) 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* 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*, the Remuneration Report is put to shareholders for adoption. The Remuneration Report is set out on pages 37 to 49 inclusive of the 2013 Annual Report and is available on InvoCare's website 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.

Voting Exclusion Statement

In accordance with the *Corporations Act*, a vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any member of the key management personnel for the Company, details of whose remuneration are included in the Remuneration Report, or a closely related party of such a member.

However, such a person described above may cast a vote on Resolution 1 if:

- the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; or
- the person is the Chairman of the Meeting and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on the resolution; and
- expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Explanatory statements continued

Re-election of directors

Resolution 2 – Re-election of Richard Fisher

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

Richard Fisher has been a director of InvoCare Limited since 24 October 2003 and was appointed Chairman on 22 October 2013. He is General Counsel to The University of Sydney and is an Adjunct Professor in both its Graduate School of Government and Faculty of Law. Richard is the immediate past Chairman of Partners at Blake Dawson and specialised in corporate law during his 25 years as a partner of that firm. He was appointed as a director of Sydney Water effective 1 January 2012. Richard is a former part-time Commissioner at the Australian Law Reform Commission, former Member of the Library Council of NSW and was an International Consultant for the Asian Development Bank. Richard holds a Master of Economics from the University of New England and a Bachelor of Laws from the University of Sydney.

Richard's extensive legal knowledge and experience, particularly in the corporate law areas are very valuable to other board members when issues of this nature are considered by the Board.

The leadership roles that Richard occupied at Blake Dawson and holds at the University have also given him insights into the needs of an organisation that is highly dependent upon the skills and enthusiasm of its staff for its success. Moreover, Richard's portfolio of responsibilities at the University include its internal audit and risk management functions, which enable him to bring to the work of the Company's Committees an understanding of those matters in the context of a large and complex organisation.

The directors (with Richard Fisher abstaining) recommend you vote in favour of this resolution.

Resolution 3 – Re-election of Richard Davis

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

Richard Davis was appointed a non-executive director of InvoCare Limited on 21 February 2012. Richard previously retired as InvoCare's Chief Executive Officer and Managing Director on 31 December 2008 after 20 years with InvoCare. For the majority of that time, he held the position of Chief Executive Officer and successfully initiated and managed the growth of the business through a number of ownership changes and over 20 acquisitions, including Singapore Casket Company (Private) Limited, the Company's first international acquisition.

Richard has been a non-executive director of Australian Vintage Limited since 5 May 2009 and is also Chairman of the Audit Committee of that company. Prior to joining the funeral industry, Richard worked in venture capital and as an accounting partner of Bird Cameron. Richard holds a Bachelor of Economics from the University of Sydney.

Richard's extensive knowledge of the industry combined with his general business skills are particularly useful to the Board in their deliberations.

The directors (with Richard Davis abstaining) recommend you vote in favour of this resolution.

Other business

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

By order of the Board
Phillip Friery Company Secretary
10 April 2014

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 21 May 2014 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 barcode 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*. The representative should bring to the meeting evidence of his/her appointment, including any authority under which it is signed.

Explanatory statements continued

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 21 May 2014 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, 1A Homebush Bay Drive, Rhodes NSW 2138 or 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** 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 5298.
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 21 May 2014.