

**ASX announcement****Scheme of Arrangement update and intention to declare Special Dividend**

**Sydney, 3 February 2017:** Following its announcement that it had entered into a Scheme Implementation Agreement (**SIA**) with Zurich Insurance Company Ltd (**Zurich**) on 12 December 2016, Cover-More Group Limited (**Cover-More**) advises that it intends to lodge a draft scheme booklet (**Scheme Booklet**) in relation to the proposed acquisition of all of the shares in Cover-More by Zurich by way of a scheme of arrangement (the **Scheme**) with the Australian Securities and Investments Commission (**ASIC**) on Friday, 3 February, 2017. Following review by ASIC and subject to the approval of the issuance of orders by the Federal Court of Australia (the **Court**) approving dispatch of the Scheme Booklet to Cover-More shareholders, the Scheme Booklet is expected to be dispatched to Cover-More shareholders on or around Friday, 24 February, 2017.

In connection with the Scheme, the Cover-More Board has also determined that it intends to declare a fully-franked special dividend of A\$0.05 per share (**Special Dividend**) if the Scheme proceeds. It remains the discretion of the Cover-More Board whether the dividend is ultimately paid.

Under the SIA, Cover-More is permitted to declare and pay an interim and/or special dividend of up to A\$0.05 per share on or prior to implementation of the Scheme, with the Scheme consideration of A\$1.95 per share being reduced by the cash amount of any such dividend. Therefore, if the Scheme proceeds and the Special Dividend is declared, Cover-More shareholders will receive scheme consideration of \$1.90 cash per share (being \$1.95 cash per share less the Special Dividend of \$0.05 per share). If the Scheme proceeds but the Special Dividend is not declared, Cover-More shareholders will receive Scheme consideration of \$1.95 per share.

As the Cover-More Board has determined that it intends to declare the fully-franked Special Dividend of A\$0.05 per share (being the maximum permissible under the terms of the SIA) in the event that Scheme proceeds, no interim dividend will be declared for FY2017.

However, if the Scheme proceeds in accordance with the expected timetable, and the intended Special Dividend is declared, the payment date of the Special Dividend is expected to occur by mid-April 2017, which is approximately the same time as Cover-More's historic interim dividend payment dates.

Cover-More is scheduled to release its 1H17 half year results on Monday 13 February, 2017.

*ENDS*

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## About Cover-More Group

Cover-More Group Limited is a specialist and integrated travel insurance, medical assistance and employee assistance provider. The group listed on the Australian Securities Exchange (ASX) in 2013. Cover-More has the leading market position in Australia—with an approximate 40% share of the national travel insurance market and a growing footprint in India and China as well as a presence in Malaysia, Singapore, New Zealand and the United Kingdom and now the United States. Visit <https://www.covermoregroup.com> for more information.