

17 November 2015

iSelect Limited FY15 Annual General Meeting
CEO's address by Mr Scott Wilson

Thank you, Chris, and good afternoon everyone.

I very much appreciate the opportunity to speak with all of you today regarding the performance of your company last year and our key strategies for growth over the next 12 months and beyond.

As this is my first AGM since being appointed CEO, I would like to thank the Board for their confidence in appointing me CEO and acknowledge our Chairman's kind words in his speech on behalf of the Board. I am very humbled and honored to be leading such a great company like iSelect, which after 15 years of successful growth has gone from an entrepreneurial start-up to become Australia's leading multi-channel comparison service.

For those shareholders who I haven't had the chance to meet, I thought I should take the opportunity to briefly introduce myself. I joined iSelect in 2013 as Commercial Director and since that time I have maintained Executive responsibility for the Company's commercial relationships with our 98 product partners who provide iSelect with the more than 140 brands and 25,000 products on our panel.

Prior to joining iSelect, I worked in many customer-focused industries like iSelect, across retail, fast moving consumer goods and entertainment within a range of multi-national companies, most recently as Sales Director for Australia and New Zealand at 20th Century Fox Home Entertainment.

Each year iSelect completes over 6 million product comparisons across insurance, finance and utilities creating a significant marketplace of potential customers for our valued product partners. Our customer's needs are constantly changing; in fact the pace of change and disruption in today's digitally connected world is increasing at an exponential rate. The disruption of customers, companies, industries and society at large is happening all at once. Customer expectations of products and services are being reset, and not just by their traditional competitors. They are now being reset by every experience the customer has in their daily life.

Importantly our more than 600 employees located here in Melbourne are focused on providing outstanding advice and service to our millions of potential customers, working closely in partnership with our product partners and continuing to disrupt traditional distribution models, like we have successfully done over the past 15 years.

FY2015 in review

Reflecting for a moment on the 2015 financial year, we maintained our market leading position with a robust set of financial results, confirming the strength of our unique and established business model.

The Group reported normalised revenue growth of 15%, EBIT growth of 10% and NPAT growth of 17% versus prior year. And pleasingly, our operating cash flow improved by 122% over the period to reach an all-time-high cash conversion rate of 88%.

In our core business of Health Insurance, I was pleased with the sales volume growth of 10% on prior year, however as the Chairman mentioned earlier, we have experienced a number of short-term issues with our health insurance business, both internal operational issues and external market conditions.

iSelect is at the forefront of understanding the affordability challenges for consumers of Private Health Insurance due to continued rising costs. This is a major issue for many Australians and something that we hear about from our customers every day as they continue to struggle managing the increasing cost of their Private Health Insurance cover.

In relation to affordability and down trading, I note and welcome Federal Health Minister Sussan Ley's recently announced review of Private Health Insurance. iSelect now represents more than 20% of all private health insurance sales annually in Australia and on behalf of the many Australians that visit iSelect to review their health insurance each year, we will be actively engaging in the upcoming Government review into Private Health Insurance.

Moving now to Energy, a business that is very close to my heart having been involved in the rapid development of this business over the last 18 months, the Energy Business was a key standout success in FY15 for the group. We invested heavily in our Energy business and these investments included the expansion of our unique technology platform and in our people; these investments have delivered very strong growth with the Energy Business now representing 18% of the group's revenue. This performance stands as a clear example of the incremental opportunity inherent in the iSelect business model when it is applied to new markets. Our investment behind the Energy Business will continue in FY16, including the further expansion of our proprietary iConnect platform.

I was very pleased to see iSelect move beyond the NIA Health loan arrangement in July this year and secure a cash settlement of \$42.1 million in satisfaction of the outstanding loan. This was a favourable outcome for our shareholders and was further enhanced by the addition of the GMHBA brand and the return of the health.com.au brand to the iSelect panel.

Over the last year, we welcomed 12 new partner brands to the iSelect panel across Life Insurance, Energy and Health Insurance. Significantly iSelect has been able to secure a

number of multi-year health insurance distribution agreements including NIB, HBF and GMHBA's multiple brands, strengthening our health insurance panel significantly.

Today I am very pleased to have announced the signing of a multi-year distribution agreement with Medibank Private for the "ahm by Medibank" brand. This builds on our existing relationship with Medibank, Australia's largest health fund. iSelect's customers will now be able to compare and purchase "ahm by Medibank" products through iSelect 365 days a year, thereby further enhancing iSelect's very strong market leading position in health insurance.

This year's signing of several multi-year distribution agreements demonstrates that major industry participants view iSelect as a highly efficient and cost-effective customer acquisition and retention channel, providing access to millions of potential Australian customers.

FY16 outlook

Now turning to the outlook for FY16 and beyond.

I have been in the role of CEO for a just a month now and as you would expect I'm in the process of reviewing our business functions, trading performance and current business strategy, especially in our core health insurance business.

In that time, I have also been working on correcting a number of recent strategic and operational miss-steps in our health insurance business. Four months into the new financial year, we have been experiencing some strong head winds in health insurance.

There are two key challenges impacting the first half performance in health insurance.

Firstly, as I mentioned earlier, we are operating in a challenging external environment. The affordability issue of Private Health Insurance that the industry experienced in FY15 has continued well into the first part of this financial year. Although these issues have continued this year, we are optimistic of the Government's review of Private Health Insurance and look forward to the recommendations and outcome of this review.

The second key challenge has been a reduction in iSelect's historically strong conversion of our customer leads into fully completed sales through our Health Insurance call centre. Our conversion has been significantly impacted in the first half of the year as a result of substandard recruitment, training and development of a number of new health insurance consultants hired over the last year in particular. Our Health Insurance consultant's "speed to competency", a measure of how long it takes for a consultant to reach their full performance potential, is materially behind our historical performance standards for new recruits and the first quarter health conversion is at the lowest level seen over the last two years.

In our FY15 results presentation in August, we communicated that our H1 EBIT would be materially down on the previous year, mainly due to the investments in direct staffing. We did make the intended investment in direct staffing in Health Insurance, however, the anticipated performance has not materialised despite incurring these investment costs.

Due to the strategic and operational impacts outlined above, we are now expecting the H1 FY16 EBIT result to be significantly lower than originally planned. We have put into place a number of corrective actions; management is currently undertaking an internal review of health insurance to focus on improving our health insurance performance.

I firmly believe the internal factors within our Health Insurance business can be addressed in time for our peak trading periods of March and June where the majority of our private health insurance sales occur. Although it is early days, during November trading we have started to see some encouraging improvements flowing through in our health insurance business and we expect a significantly stronger H2.

I have commenced a cost-out program and yesterday implemented a new Board-approved company structure, centred around our customers and partners. This structure will enable the company to realise a reduction in corporate overheads of \$3.2m during FY16 or \$5.2m on an annualised basis. In addition, we are reducing our planned direct staffing costs in health insurance by a further \$0.7m in FY16 or \$1.2m on an annualised basis.

There are a number of things unfolding in the business at present and I will be taking an appropriate amount of time to complete a more detailed and thorough review, including a review of our strategic marketing mix and associated spend.

I note the presence of Paul McCarthy our CFO and wish Paul and his family all the best for the future. Given Paul's resignation and to ensure the appropriate financial support during my review, the Company has engaged an experienced financial executive in a contract role whilst the search for a CFO is undertaken.

Despite some of the short-term challenges we face in health insurance, the performance of our other businesses is broadly in-line with our expectations. We have experienced some weakness in our life insurance business due to some anticipated recruitment being slightly behind plan, however we still believe that life insurance, car insurance and our financial services business will add substantial growth potential to our platform.

In contrast, our energy and broadband businesses are materially outperforming our expectations and, in addition to health insurance, now form core parts of our business, within our expanding platform. Certainly the standout performance so far this financial year has been our broadband business. Following the implementation of a new CRM platform and website we are seeing growth rates similar to what we experienced over the last 18 months in Energy. With the rollout of the NBN starting to now gain traction and a number of recent market disruption events, such as the acquisition of iiNet by TPG and

the launch of entertainment streaming services like Netflix, Stan and Presto entering the Australian market, we see strong growth potential for telco over the year ahead.

Finally turning our attention to our cross-serve initiative or as many others call it “cross-sell.” Cross serve at iSelect continues to go from strength to strength, growing at very high double digits so far this financial year and we anticipate this will continue into the future. Cross-serve is becoming a material contribution to the group’s growth and is improving our marketing efficiency at the same time. To support this important growth initiative we are continuing to develop our unique technology platforms that cross-serve relies upon.

Vision and Strategy Refresh

The iSelect leadership team and I are incredibly optimistic about iSelect’s future as a growth company in the medium and long term and I would now like to take the opportunity to provide you with an update on our refreshed strategic direction.

Our vision is to turn iSelect into a verb, just like when people are searching for information on the web they “Google it”, when Australians are looking for any complex insurance, finance or utilities products we would like them to simply “iSelect it...”.

Our vision will help iSelect build on its market leading position in the Australian comparison market. Underpinning our vision are five key strategies that lay the foundation for iSelect to enter a new period of sustainable growth and expansion over the years ahead.

- A new business unit structure where Group Executives have full P&L responsibility
- Investment in scalable, unique technology platforms and the enhancement of our cross-serve capabilities
- The rollout of our proprietary iConnect platform in H2 beyond Health and Energy
- The launch in H2 of new businesses on iSelect.com.au including Credit Cards, Travel Insurance and mobile phone sims
- Increased investment in marketing to expand our core growth and new businesses, including a new creative platform in the second half

At iSelect we aim to help our customers when making important life decisions, by alleviating the burden of wading through endless options, we make it easy for our customers to find great value products that fit their needs perfectly.

Finally, I would like to thank you our shareholders and the staff of iSelect for the support and the warm welcome you have shown me since my appointment as CEO last month, I would also like to thank our Chairman and the entire Board for their continued guidance, encouragement and support during this next chapter for our Company.

Thank you.

ENDS

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About iSelect

iSelect is Australia's leading online comparison service, providing Australian consumers with trusted product comparison and advice on more than 12,500 insurance, energy, personal finance and broadband products from over 95 partner providers. With a household brand that attracts over 8 million unique visitors to its website every year, iSelect now distributes 1 in 5 of all private health insurance policies in Australia. Owing to its digitally enabled and customer-centric advice model, iSelect continues to grow its market-leading position in health insurance, energy, life insurance and personal finance comparison.

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