

7 December 2015

Cessation of bid process and commencement of on-market buyback

The Board of iSelect Limited (ASX:ISU or the “**Company**”) announced on 13 October 2015 that it had received a confidential, indicative, non-binding and conditional proposal from a well-credentialed international private equity firm to acquire all of the shares of the Company. It was subsequently confirmed on 14 October 2015 that the proposal was received from Providence Equity Partners LLL (“**Providence**”).

Providence was provided with preliminary due diligence information and access to senior management over several weeks. Limited information has also been provided to a select number of other parties who recently expressed an interest in iSelect.

Whilst the Board had determined it was in the best interests of iSelect shareholders to engage with Providence and other interested parties, recent volatility in iSelect’s health insurance business and management changes have informed the Board’s view that there are no reasonable prospects at this time of a Board recommended transaction being achieved at a price and on terms that are in the best interests of iSelect shareholders.

Accordingly the Board has determined that all discussions with Providence and other parties should now cease, and the Company focus on operational and capital management initiatives.

Should future proposals be received, the Board will review them in the context of value maximisation for iSelect shareholders.

The Board is confident in the strategic plans to grow the Company through its CEO, Scott Wilson and will continue to diligently work to deliver value to its shareholders.

As previously announced to the market, and following conclusion of the bid process, iSelect will now implement an on-market buy-back over a 12 month period of up to 10% of the Company’s ordinary shares on issue, currently 26,148,989 shares. The buyback will be funded using the Company’s cash balance.

The Board has conducted a review of the company’s expected cash flows and capital requirements over the medium term and determined that an on-market buyback is the most effective mechanism to deliver value to shareholders at this time.

iSelect will only buy back shares at such times and in such circumstances as it considers beneficial to the efficient capital management of the Company. The buyback is therefore dependent upon market conditions, volumes and other relevant factors.

It also remains the Board’s current intention to commence paying a fully franked ordinary dividend once a sufficient franking credit balance has been accumulated.

iSelect Chairman, Chris Knoblanche, commented, “An on-market share buyback is an effective method of returning capital to shareholders. Our strong balance sheet and positive outlook for the business have helped to create this opportunity to consolidate the company’s capital base for the benefit of all shareholders.”

In addition, given the significant cash reserves that iSelect will continue to retain following completion of the 10% on-market buy-back (which is subject to market liquidity and pricing), the Board is considering other options available to return capital to shareholders in the most efficient and tax effective manner. These are in addition to the announced 10% buy-back program. Options under consideration include seeking shareholder approval to conduct a larger on-market buyback of shares.

It is the Board's view that the company has substantial capacity to undertake further capital management up to a total of AUD \$50m, for all initiatives whilst still maintaining an appropriate and prudent capital structure. Announcements about further capital management initiatives will be made in 2016.

ENDS

Investor and analyst enquiries:

Matthew Cuming

Head of Corporate Affairs & Investor Relations
iSelect Limited
Ph: +61 3 9276 8176
Mob: +61 421 566 787
Email: mcuming@iselect.com.au

Media enquiries:

Tim Allerton

City Public Relations
Ph: +61 2 9267 4511
Mob: +61 412 715 7087
Email: tallerton@citypublicrelations.com.au

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.

Appendix 3C

Announcement of buy-back (except minimum holding buy-back)

Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/9/99. Origin: Appendix 7B. Amended 13/3/2000, 30/9/2001, 11/01/10

Name of entity	ABN
iSelect Ltd	48 124 302 932

We (the entity) give ASX the following information.

Information about buy-back

1	Type of buy-back	On-market
2	⁺ Class of shares/units which is the subject of the buy-back (eg, ordinary/preference)	Ordinary
3	Voting rights (eg, one for one)	One for one
4	Fully paid/partly paid (and if partly paid, details of how much has been paid and how much is outstanding)	Fully paid
5	Number of shares/units in the ⁺ class on issue	261,489,894
6	Whether shareholder/unitholder approval is required for buy-back	Shareholder approval not required.
7	Reason for buy-back	Ongoing capital management.

Appendix 3C Announcement of buy-back

- 8 Any other information material to a shareholder's/unitholder's decision whether to accept the offer (*eg, details of any proposed takeover bid*)
- The entity refers to the ASX release issued in conjunction with this announcement.

On-market buy-back

- 9 Name of broker who will act on the company's behalf
- Bell Potter Securities Ltd
- 10 Deleted 30/9/2001.
- 11 If the company/trust intends to buy back a maximum number of shares - that number
- Note: This requires a figure to be included, not a percentage.
- Up to 26,148,989 shares may be bought back
- 12 If the company/trust intends to buy back shares/units within a period of time - that period of time; if the company/trust intends that the buy-back be of unlimited duration - that intention
- The buy-back will not commence before 22 December 2015 and will end no later than 21 December 2016.
- 13 If the company/trust intends to buy back shares/units if conditions are met - those conditions
- The Company will only buy-back shares at such times and in such circumstances as are considered beneficial to the efficient capital management of the Company.

Employee share scheme buy-back

- 14 Number of shares proposed to be bought back
- N/a
- 15 Price to be offered for shares
- N/a

⁺ See chapter 19 for defined terms.

Selective buy-back

- 16 Name of person or description of class of person whose shares are proposed to be bought back N/a
- 17 Number of shares proposed to be bought back N/a
- 18 Price to be offered for shares N/a

Equal access scheme

- 19 Percentage of shares proposed to be bought back N/a
- 20 Total number of shares proposed to be bought back if all offers are accepted N/a
- 21 Price to be offered for shares N/a
- 22 ⁺Record date for participation in offer N/a
Cross reference: Appendix 7A, clause 9.

Compliance statement

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.

or, for trusts only:

1. The trust is in compliance with all requirements of the Corporations Act as modified by Class Order 07/422, and of the trust's constitution, relevant to this buy-back.
2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.



Sign here: Date: 7 December 2015
(Company secretary)

Print name: David Christie

⁺ See chapter 19 for defined terms.