

26 August 2014

Company Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney, NSW 2000

Dear Sir/Madam

CVO INVESTOR TELECONFERENCE PRESENTATION SLIDES

Please find attached the slides for the CVO investor teleconference to be held at 10am this morning.



Yours sincerely

John Murphy

Company Secretary



Cover-More Group

2014 Full year results presentation

26 August 2014

Cover-More

We focus on what matters.

Company overview

	Australia, China, India, Malaysia, New Zealand, Singapore, UK	>1,000 employees	
Symbiotic relationship between travel insurance and medical assistance	US\$1.5bn collective value of core markets in Australia, India, China (CAGR to 2016 of c.15%) ¹		>500,000 calls each year
>1.4 million employees helped to get on with their lives and their jobs		2.2 million customers and counting	Market resilient to economic, fx, geopolitical shocks
>35,000 medical cases each year		Strong growth through ecommerce, product innovation, Asian expansion and medical assistance capabilities	

1. Source: Finaccord (2013)

1	Financial performance – results overview
2	Operational highlights
3	Summary and outlook
4	Appendix





Financial performance FY2014 Results

Cover-More has exceeded its prospectus forecasts and achieved strong growth on FY13

	Pro-Forma	Pro-Forma	Prospectus		
	2013	2014	FY14	2014	
	\$m	\$m	Growth	\$m	
Gross Travel Insurance Sales	307.3	369.1	20.1%	363.3	↑
Gross Medical Assistance Sales	60.5	64.8	7.1%	64.0	↑
Total - Gross Sales	367.8	433.9	18.0%	427.3	↑
Net Travel Insurance Sales	135.7	154.3	13.7%	151.7	↑
Net Medical Assistance Sales	60.5	64.8	7.1%	64.0	↑
Total - Net Sales	196.2	219.1	11.7%	215.7	↑
EBITDA	40.9	51.9	26.9%	47.3	↑
EBITDA (exc UW profit share)*	40.9	48.5	18.6%	47.3	↑
EBITA	35.9	46.9	30.6%	42.3	↑
EBIT	28.1	39.1	39.1%	34.5	↑
NPAT	16.6	25.1	51.2%	22.0	↑
NPATA	22.1	30.6	38.5%	27.5	↑
NPATA (exc UW profit share)*	22.1	28.2	27.6%	27.5	↑
Earnings per share		9.6		9.0	↑
Dividend per share		7.2		3.6	↑
Net borrowings		25.6		57.0	↑
Operating free cash flow before capital expenditure		50.5		46.7	↑

* Cover-More received an underwriting profit share related to FY12 financial year. This is not expected to be re-occurring.

Cover-More has continued to focus on delivering against its primary growth levers

Asian Growth	✓	<ul style="list-style-type: none">• Asian EBITDA growth of 75.9%. Asian EBITDA now 9.8% of group EBITDA (up from 7.2% in FY13)• Established underwriting agreement in China• Awarded Best Travel Insurance Provider in India by the Travel Agents Association of India
Medical Assistance	✓	<ul style="list-style-type: none">• Medical Assistance EBITDA growth of 27.8%• Commenced leveraging Cover-More's Asian footprint with Employee Assistance division securing global technology partner's ASEAN contract in the Philippines, Singapore, Thailand, Indonesia, Malaysia and Vietnam• Commenced integration of operational platforms within medical assistance division
e-Commerce	✓	<ul style="list-style-type: none">• Secured Air New Zealand as a key partner and integrated Impulse into their booking platforms• Secured Insurance Australia Ltd (including NRMA Insurance, SGIO and SGIC brands) as travel insurance partner• Launched youGo; an online travel insurance offering in collaboration with Flight Centre• Integrated Impulse into Flight Centre's domestic online booking platform• Established foundation relationship with Qunar – a leading Chinese online travel agent (launch FY15)
One platform	✓	<ul style="list-style-type: none">• Commenced 'one platform project' to create common operating platform throughout all geographies• In medium term this will facilitate operating efficiencies and 'follow the sun' capabilities
Dividends and cash flow	✓	<ul style="list-style-type: none">• Fully-franked dividend per share of 7.2 cents per share (100% above prospectus forecast) and includes one off special dividend of 3.2 cents• Strong cash flow conversion: EBITDA of \$51.9m; operating free cash flow before capex of \$50.5m• Strong balance sheet. Net debt of \$25.6 m (0.5x EBITDA)

Result overview – income statement

A\$ in Millions	Pro-forma	Prospectus forecast	Pro-forma including UW profit share	UW profit share	Pro-forma excluding UW profit share
	2013	2014	2014	2014	2014
Gross Travel Insurance Sales	307.3	363.3	369.1	-5.2	363.9
Gross Medical Assistance Sales	60.5	64.0	64.8	-	64.8
Total - Gross Sales	367.8	427.3	433.9	-	428.7
Net Travel Insurance Sales	135.7	151.7	154.3	-5.2	149.1
% of Gross Travel Insurance Sales	44.1%	41.7%	41.80%		41.0%
Net Medical Assistance Sales	60.5	64.0	64.8	-	64.8
Total Net Revenue	196.2	215.7	219.1	-5.2	213.9
%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Sales	-117.2	-127.3	-125.9	1.8	-124.1
Gross margin	79.0	88.4	93.2	-3.4	89.8
%	40.3%	41.0%	42.50%		42.0%
Employment overheads	-20.5	-23.5	-23.7	-	-23.7
Occupancy costs	-6.3	-5.8	-5.8	-	-5.8
Other overheads	-11.3	-11.8	-11.8	-	-11.8
Total overheads	-38.1	-41.1	-41.3	-	-41.3
EBITDA	40.9	47.3	51.9	-3.4	48.5
%	20.8%	21.9%	23.7%		22.7%
Depreciation	-3.2	-3.0	-3.1	-	-3.1
Amortisation of capitalised IT and software	-1.8	-2.0	-1.9	-	-1.9
EBITA	35.9	42.3	46.9	-3.4	43.5
%	18.3%	19.6%	21.4%		20.3%
Amortisation of acquired intangibles	-7.8	-7.8	-7.8	-	-7.8
EBIT	28.1	34.5	39.1	-3.4	35.7
%	14.3%	16.0%	17.8%		16.7%
Net interest expense	-3.1	-3.0	-2.8	-	-2.8
Forex gains/ losses	-	-	-0.2	-	-0.2
Income tax expense	-8.4	-9.5	-11	1.0	-10
NPAT	16.6	22.0	25.1	-2.4	22.7
%	8.5%	10.2%	11.5%		10.6%
NPATA	22.1	27.5	30.6	-2.4	28.2
%	11.3%	12.7%	14.0%		13.2%

Comments

- Reported growth in travel insurance of 20.1% (underlying 18.4% excluding UW profit share impact)
- Total Gross Sales (underlying) up 16.6%
- Underwriter profit share delivered \$3.4m to reported EBITDA
- Improvement in underlying Gross Margin of 1.7pts vs FY2013 (reported 2.2pts)
- Contained overhead growth at 8.4% to achieve dilution from underlying 13.7% increase in gross margin (18.0% including underwriter profit share)
- This leveraged underlying EBITDA growth of 18.6% (26.7% including underwriter profit share)
- Improvement in underlying EBITDA of 1.9pts vs FY2013 (2.9pts including underwriter profit share)
- Underlying Ratio of Net Travel Insurance Sales to Gross Travel Insurance Sales of 41.0% slightly lower than forecast of 41.7% due to conscious decision to defer rate increases in Australian business

FY14 EBITDA of \$51.9m was 26.9% higher than FY13 and exceeded IPO prospectus pro-forma EBITDA forecast for 2014 by \$4.6m.

Results overview – operating segment and geography

Operating Segments

		Pro-forma FY13	Prospectus FY14	Pro-forma FY14
Gross sales	Travel insurance	307.3	363.3	369.1
	Medical assistance	60.5	64.0	64.8
		367.8	427.3	433.9
Net revenue	Travel insurance	135.7	151.7	154.3
	Medical assistance	60.5	64.0	64.8
		196.2	215.7	219.1
Gross margin	Travel insurance	52.6	58.8	62.8
	Medical assistance	26.4	29.6	30.4
		79.0	88.4	93.2
EBITDA	Travel insurance	29.2	33.0	35.9
	Medical assistance	13.3	15.8	17.0
	Corporate charges	-1.6	-1.5	-1.0
		40.9	47.3	51.9
Gross sales	Australia, NZ, UK	344.0	390.5	397.6
	Asia	23.8	36.8	36.3
		367.8	427.3	433.9
Net revenue	Australia, NZ, UK	184.8	200.4	203.6
	Asia	11.4	15.3	15.5
		196.2	215.7	219.1
Gross Margin	Australia, NZ, UK	73.7	80.8	85.0
	Asia	5.3	7.6	8.2
		79.0	88.4	93.2
EBITDA	Australia, NZ, UK	39.5	44.2	47.8
	Asia	2.9	4.6	5.1
		42.4	48.8	52.9

Financial information is presented on a pro-forma basis * Geography excludes Corporate Costs

Comments

- Asia showed strong growth over FY2013, with gross sales up 52.5%, net revenue up 36.0%, gross margin up 54.7% and EBITDA up 75.9%
- The above forecast contribution from Asia was encouraging, itself due mainly to strong trading performance in India.
- Underwriter profit share for the 2012 underwriting year contributed \$3.4m EBITDA to the Travel Insurance and Australia, NZ, UK segments
- Excluding underwriter profit share, Travel Insurance EBITDA was marginally below the prospectus forecast due to tougher macroeconomic conditions in Australia in 2H FY2014
- Productivity improvement and margin optimisation in the Medical Assistance segment delivered an improvement in gross margin against FY2013 of 28.8% on a 7.1% increase in turnover and an EBITDA result 7.6% above prospectus forecast
- Positive variance in Corporate costs is due to allocation of Corporate Costs to operating segments post IPO

Results overview – cash flow

	Pro-forma	Prospectus forecast	Pro-forma including UW profit share	UW profit share	Pro-forma excluding UW profit share
	2013	2014	2014	2014	2014
	\$m	\$m	\$m	\$m	\$m
EBITDA	40.9	47.3	51.9	-3.4	48.5
Non- cash items in EBITDA	1.5	0.2	-0.4	-	-0.4
Change in Working Capital	7.1	-0.8	-1.0	0.6	-0.4
Operating free cash flow before capital expenditure	49.5	46.7	50.5	-2.8	47.7
Capital Expenditure					
Capitalisation of software	-3.1	-2.5	-2.9	-	-2.9
Net payments for property, plant and equipment	-2.9	-1.9	-1.4	-	-1.4
Total capital expenditure	-6.0	-4.4	-4.3	-	-4.3
Operating free cash flow after capital expenditure	43.5	42.3	46.2	-2.8	43.4

Comments

- Underwriter profit share contributed \$2.8m in operating cash flow – underlying performance excludes this impact
- Reported operating free cash flow is \$3.9m above the prospectus forecast, mainly due to the positive variance in EBITDA.
- Better than forecast working capital management has been offset by non-cash items.
- Capitalisation of software was \$0.4m higher than the prospectus forecast due to the travel insurance implementation in China
- Favourable variance in property plant and equipment

Results overview – FY2014 balance sheet compared to FY2013 pro-forma

Consolidated Balance Sheet

As at 30 June 2014

	Pro-forma 30 June 2013 \$m	2014 \$m
ASSETS		
Current assets		
Cash and cash equivalents	8.0	20.6
Trade and other receivables	28.5	30.3
Total current assets	36.5	50.9
Non-current assets		
Plant and equipment	7.5	5.2
Intangible assets	254.8	248.3
Other	1.1	0.0
Total non-current assets	263.4	253.5
Total assets	299.9	304.4
LIABILITIES		
Current liabilities		
Trade and other payables	31.7	31.3
Current tax provisions	6.8	7.4
Other	4.5	3.7
Total current liabilities	43.0	42.4
Non-current liabilities		
Borrowings	64.7	45.5
Deferred tax liabilities	6.9	8.3
Other	0.7	1.2
Total non-current liabilities	72.3	55.0
Total liabilities	115.3	97.4
Net assets	184.6	207.0
EQUITY		
Contributed equity	219.6	220.1
Other reserves	-2.1	-0.4
Retained earnings	-32.9	-12.7
Total Equity	184.6	207.0

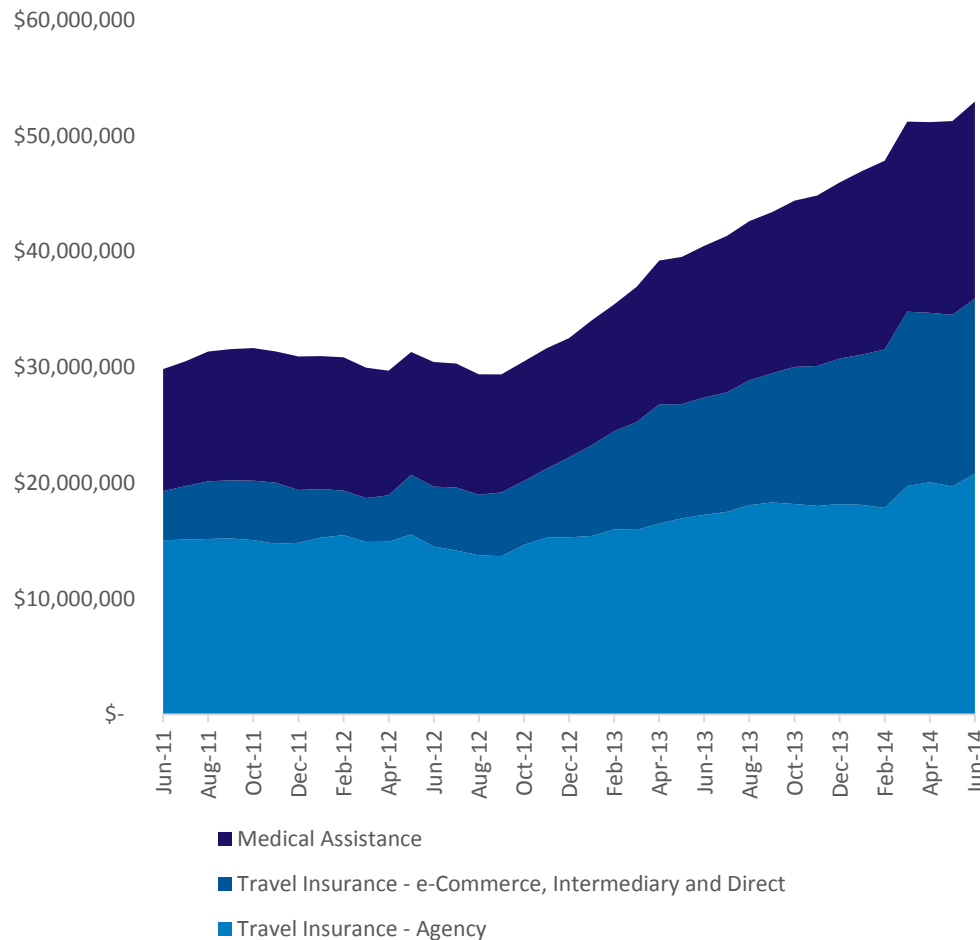
Comments

- CVO's balance sheet reflects simplicity of the financial business model
- Shape of June 2014 balance sheet very similar to June 2013 pro-forma balance sheet in prospectus
- Negative working capital – current liabilities continue to exceed non-cash current assets
- \$18.6m of surplus cash had been allocated against the revolving bank debt at June 2014 – net debt ~ 0.5 X EBITDA

Results overview – historical performance

Cover-More continues to diversify earnings by segment, channel and geography

EBITDA by channel (LTM)



Segment

June year end (A\$m)	FY11	FY12	FY13	FY14
Travel insurance	97.7	105.8	135.6	154.3
Medical assistance	48.2	55.7	60.6	64.8
Net revenue	146	161.5	196.2	219.1
Travel insurance	20.3	20.5	29.1	35.9
Medical assistance	11.1	11.3	13.3	17.0
Corporate	-1.8	-1.6	-1.6	-1.0
EBITDA	29.7	30.2	40.9	51.9

Geography

June year end (A\$m)	FY11	FY12	FY13	FY14
Australia, NZ, UK	137.4	151.3	184.8	203.6
Asia	8.6	10.2	11.3	15.5
Net revenue	146	161.5	196.2	219.1
Australia, NZ, UK	28.7	29.2	39.5	47.8
Asia	2.8	2.6	2.9	5.1
Corporate	-1.8	-1.6	-1.6	-1.0
EBITDA	29.7	30.2	40.9	51.9

1. Pro forma consolidated EBITDA for Cover-More's Travel insurance and Medical Assistance divisions only. Excludes corporate and public company costs.

Results overview – historical performance

Cover-More continues to be a fast growing, capital light business with net revenue growth of 15.1% p.a. and EBITDA growth of 24.5% p.a. since 2008

Consistent growth

- Net revenue growth of 15.1% p.a. since 2008
- Strong EBITDA growth (24.5% since 2008) even during the Global Financial Crisis (2009) when the AUD experienced significant volatility (AUD: 63 – 94 US cents)
- Operating leverage

Attractive margins

- Attractive EBITDA/net revenue margins – FY2014 of 23.7%
- Short tail insurance with the ability to adjust pricing to maintain margins on a timely basis
- Opportunity to further leverage global load-sharing for improvement in efficiency / margins

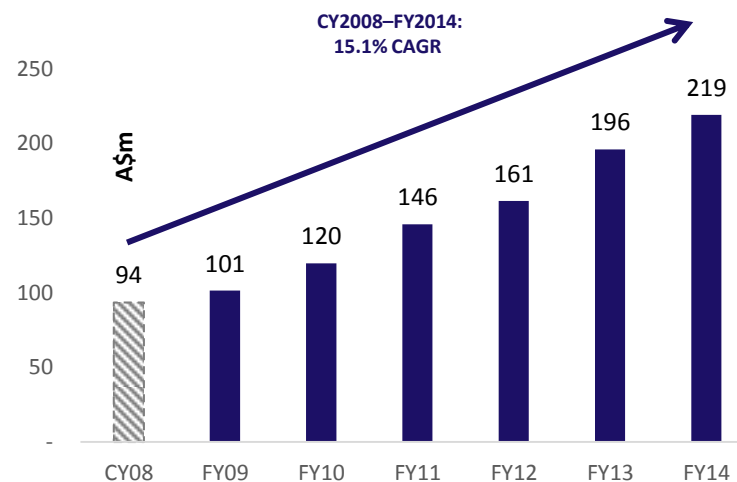
Strong cashflow conversion

- Strong conversion of EBITDA into operating cash flow
- Negative working capital business – typically receives payments for services before costs are incurred

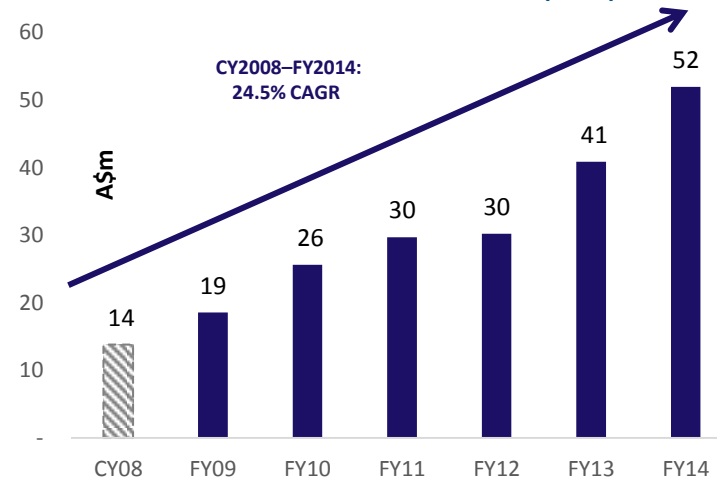
Capital light

- Claims risk borne by Cover-More's underwriting partners – not constrained by capital
- Not regulated by APRA
- Capital Light – pro-forma capital expenditure of \$4.3m in FY2014

Pro-forma consolidated net revenue (A\$m)¹



Pro-forma consolidated EBITDA (A\$m)¹



1. Financial information is presented on a pro-forma basis * Excludes Corporate Costs

A man with grey hair, wearing a light blue polo shirt and dark blue shorts, is sitting at an outdoor table with a white tablecloth. He is smiling and looking down at a laptop computer he is holding on his lap. He is wearing dark brown sandals. The background shows a stone staircase and some greenery.

Operational highlights

Operational highlights: Travel Agents and Intermediaries



1. Source: Finaccord (2013).
2. Source: Consumer Sentiment Index - Westpac/Melbourne Institute Issued 9 July 2014

Market dynamics

- Outbound traveler growth (Australia) of ~6%, with market expected to grow to US\$926m by 2016¹
- Experienced slower growth in Q4 due to subdued consumer confidence in Australia²

Operational highlights: 2014

- e-Commerce, Intermediary and Direct EBITDA growth of 43.8% over past year and now accounts for 29.1% of Group EBITDA
- Developed and deployed performance enhancing sales dashboards to assist partners drive stronger commercial outcomes
- Launched new online youGo travel insurance site with agency partner
- Secured Insurance Australia Limited (NRMA Insurance, SGIO and SGIC brands) and demonstrated strong growth since implementation
- Upgraded our Global SIM offering to add-value and simplify the making and receiving of phone calls overseas at substantial savings to traditional providers

Key priorities going forward

- Continue our focus on connecting with customers **pre, during** and **post** their travel experiences including:
 - provision of currency cards
 - integrate technology focused on repurchase opportunities and the retargeting of lost sale opportunities
 - sale of other ancillary items
- Deploy technology solutions into the retail channel to optimise offer and conversion rates

Operational highlights: e-Commerce

The screenshot displays the Cover-More Travel Insurance website. The top navigation bar includes links for COVER, ABOUT, CLAIMS, HELP, BLOG, and FIND COVER. The main content area features a three-step process: 1. Where are you going? (Region of travel, Country most time spent in), 2. When is your trip? (Start and end dates), and 3. Who is travelling? (Age of travellers, # of accompanied children, All live in United Kingdom?). A prominent 'GET QUOTE' button is visible. Below this, there's a section titled 'Add peace of mind to your next Air New Zealand journey' with a video player and text about travel insurance benefits. To the right, a 'World of cover' section lists various benefits like 24-hour medical assistance, cancellation & curtailment, lost passport & travel documents, and money back guarantee. At the bottom, a diagram illustrates the 'Integrated Offer' involving Cover-More CRM, Impulse, JSON, REST, XML, Cloud, and Third Party Systems.

Operational highlights: 2014

- Securing Air New Zealand (thereby more than doubling the run-rate of New Zealand entity) as a key partner and completing integration of Impulse into their booking platforms across New Zealand, United Kingdom and Australia
- Launching Impulse with Malaysia Airlines in India and New Zealand
- Completing the integration of Impulse into Flight Centre's online domestic web platform
- Launching a new B2C site in the United Kingdom
- Launching youGo travel insurance, a direct-sell travel insurance product in collaboration with retail channel partner

Key priorities going forward

- Focus on blending technology into agency channel
- Integration of Impulse into travel agency partners consultant desktops and online booking platforms to increase offer and conversion rates
- Continue to capitalise on Impulse in new geographies
- Begin to implement Impulse with business partners at source in a manner which provides immediate access to consumer spending and facilitates bespoke travel insurance and medical assistance offers
- Diversify more strongly into verticals to ensure successes are easily translated into compelling reasons to deal with Cover-More

Operational highlights: Product Innovation



Operational highlights: 2014

- Continuing to focus on creating differentiation across all geographies and channels through DITLOC practices
- Launching the Global SIM product bundled into travel insurance with several key intermediary partners including Malaysia Airlines, Medibank, NRMA Insurance, SGIO, SGIC plus a number of Australia's automobile clubs
- Developing and deploying performance-enhancing agent sales dashboards to drive increased sales conversions for distribution partners—this has allowed our trainers and agent partners to better understand the dynamics behind agent sales and how individual performance can be improved
- Developing and integrating a technology platform designed to enhance offer, conversion and average sale value for a major distribution partner while greatly increasing efficiency and employee involvement.

Key priorities going forward

- Capture potential with partners' customers pre, during and post travel
 - Single view of customer
 - Currency cards
 - Expansion of offer through Global SIM
- Continue DITLOC reviews of all activities to ensure continued de-commoditisation

Operational highlights: Asian Growth



Market dynamics

- China travel insurance market forecast to grow to US \$1bn by 2016 at CAGR of 21%¹
- India travel insurance market forecast to grow to US \$630m by 2016 at CAGR of 22%¹

Operational highlights: 2014

- Asian EBITDA growth of 75.9%, now contributing 9.8% of Group EBITDA (up from 7.1% in FY2013)
- Malaysia performed strongly despite challenges faced
- Focus in China on development of platform for future growth and the commencement of the distribution of travel insurance in FY2015. Signing of underwriting arrangement with China Re and foundation distribution agreement with one of China's leading online travel agents, Qunar
- Integration of Indian business operations subsequent to the acquisition of the remaining 56% of shareholding post-IPO
- Awarded Best Travel Insurance Provider in India by the Travel Agents Association of India

Key priorities going forward

- CEO Asia now in place to drive growth and operations agenda
- Leverage in-country relationships with Cover-More established capabilities to drive intermediary channel growth in India, China and South Asia
- Commence travel insurance activities in China
- Conclude 'one platform project' and deliver operational efficiencies, financial benefits and improvements in service levels

1. Source: Finaccord (2013).

Operational highlights: Medical Assistance



Cover-More TRAVEL INSURANCE

You've booked a great holiday.

Now, let's keep you safe and healthy while you travel.

Behind every holiday is a dream to protect.

We know that. So to look after your safety and health while you're on holiday, here's some essential information.

General things you should do

Check up.

See your doctor for a **check-up**. Make sure you're healthy before you travel.

Take your medicine.

If you have a medical condition that requires prescription medication, take an **adequate supply** of your regular medication and your prescription with you.

Adjust your time.

Be aware of changes in time zones and the need to **adjust times** for your medication.

Put it in writing.

If you have a chronic medical condition that requires prescription medication, take a **copy of your medical summary** from your doctor with you. You will be able to show this to any doctor or medical officer who needs to treat you while you are away.

Ask your doctor for an **emergency management plan** for your condition if it is serious. Again this will be invaluable for any doctor or medical officer who needs to treat you while you are away.

Prevention beats cure.

Update your **vaccinations**. Most vaccinations do not provide immunity until around two weeks after they've been administered. Visit your doctor six to eight weeks prior to departure to seek advice on vaccinations. You'll also find a recommended list of vaccinations below for where you plan to travel.

Be aware that Some countries require you to carry an International Certificate of Vaccination (aka Yellow Card) or other proof that you have had certain inoculations or medical tests before entering or transiting their country.

Get covered.

Check if you need additional travel insurance cover for any existing medical condition you have. There are many conditions that are covered for free and some that may require you to pay an additional premium.

GLOBAL 000

Operational highlights: 2014

- Medical Assistance EBITDA growth of 28.0%, accounts for almost one-third of Group EBITDA
- Integrated the business activities of the group's employee assistance business, DTC, into Cover-More and commenced assimilation of operational activities
- Began to leverage Cover-More's Asian footprint within its Employee Assistance division - secured global technology partner's ASEAN's contract in the Philippines, Singapore, Thailand, Indonesia, Malaysia and Vietnam
- Implemented new integrated health management program with industrial organisation aimed at identifying risk across employee base and applying preventative intervention to improve the health productivity and engagement of the workforce (a first of its kind for our employee assistance business)
- Improved productivity and accountability across the business leading to improvement of Gross Margin of 8.8pts
- Completed ROI study which articulates that commitment to Employee Assistance can deliver a reduction in absenteeism of 31% and a 22% increase in productivity.

Key priorities going forward

- Continue to leverage integration of operational activities and platforms across employee and medical assistance activities
- Begin to shape client relationships in employee assistance market with a focus on implementing preventative physical and mental health and wellbeing initiatives
- Leverage opportunities to 'cross-sell' across both business bases

- **Demand** for travel insurance may decline in Cover-More's key markets
- **Key distribution agreements** may be terminated, not renewed or renewed on less favourable terms
- **Increased competition** from existing or new competitors which may reduce growth, market share and or margins
- Inability to secure **favourable underwriting terms**
- Earnings impacted by fluctuations in **foreign exchange** rates
- Loss of **identified key personnel** across the business
- Change in **local laws and government regulations**

- In FY2014 Cover-More **exceeded prospectus forecasts** and delivered **another year of strong growth**.
- **FY2014**
 - ❖ Gross Sales (excluding underwriting profit share) +16.6%
 - ❖ EBITDA (excluding underwriting profit share) +18.6%
 - ❖ NPATA (excluding underwriting profit share) +27.6%
 - ❖ Operating free cash flow after CAPEX \$46.2m
 - ❖ Dividend per Share 7.2 c (+100% v prospectus).
- Cover-More's unique integrated **model proven and scalable**. Systems and processes are in place to support strong ongoing growth with a **good pipeline of opportunities** verified.
- Australian Travel Insurance business has **recovered and returned to growth** after Budget related instability. FY2015 has commenced well.
- FY2015 expected to deliver **another year of profitable growth** in all lines of business.
- Focus is on continuing to **increase penetration rates** and **yield** through **optimisation** in Australia; **targeting new growth** sectors; **accelerating growth offshore** and **leveraging** from **Australian capability and resources**.
- Commitment to **driving profitability, free cash flow** and increasing **returns to shareholders**.

Appendix





Cover-More Group

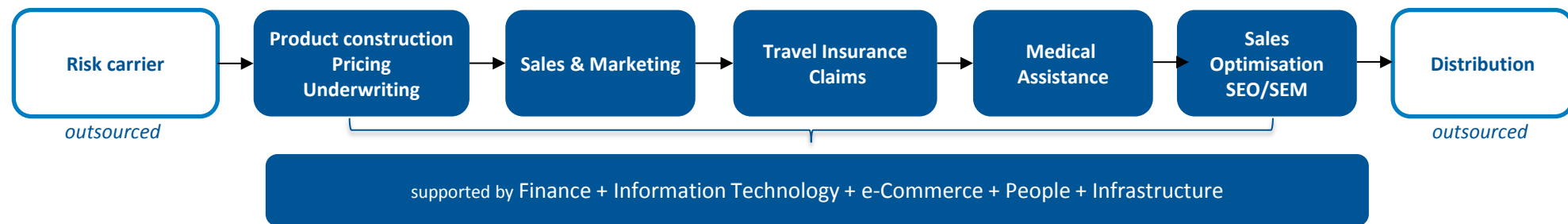
Who we are

Cover-More is a leading integrated travel insurance and medical assistance business

	Travel Insurance		Medical Assistance	
			Travel Medical Assistance	Employee Assistance
Locations	<ul style="list-style-type: none"> Australia (Sydney, Brisbane) New Zealand United Kingdom India Malaysia China (scheduled 2014) 		<ul style="list-style-type: none"> Australia (Sydney, Brisbane) Malaysia China 	<ul style="list-style-type: none"> Australia Singapore
Clients and distribution	<ul style="list-style-type: none"> Agency: Flight Centre; Harvey World Travel; Travelscene Amex; Cox and Kings Intermediary partners examples: <ul style="list-style-type: none"> Malaysia Airlines; Air New Zealand Medibank; Australia Post A number of Australia automobile clubs Direct 		<ul style="list-style-type: none"> Corporate Large international travel insurers 	<ul style="list-style-type: none"> c.30% market share of top 1,500 employers Seven of the 10 largest companies (by revenue) in Australia
Markets	<p>(1) Travel Insurance</p> <ul style="list-style-type: none"> Asia-Pacific travel insurance market is around US\$3.6bn p.a. and has grown at CAGR of 8.7% since 2008¹ Cover-More's core markets (Australia, India, China) have collective market of US\$1.5bn and forecast to grow on combined CAGR to 2016 of c.15%¹ Primary driver is growth in outbound travel, which has been growing at a CAGR of 7.8% in the Asia Pacific region since 2008¹ Resilient to economic, foreign exchange and geopolitical shocks <p>(2) Medical Assistance</p> <ul style="list-style-type: none"> The medical assistance market consists of five core categories: medical assistance, travel assistance, employee assistance, roadside assistance and home assistance.² Cover-More currently operates in medical assistance, travel assistance and employee assistance Growth in the assistance market is derived from growth in the travel insurance industry and other industries and sectors which use assistance Employee assistance market in Australia estimated to be \$194m with CAGR over 2008–2013 of 6%² 			
Competitors	<ul style="list-style-type: none"> The key competitors in these markets are often large domestic and international general insurers As a focused specialist in Australia, Cover-More has successfully competed against significantly larger organisations through customer focus, technology innovation, control of the value chain and management focus, achieving approximately 40% market share 			
Relationship	<ul style="list-style-type: none"> The travel insurance and medical assistance markets have a symbiotic relationship Cover-More management believe that operating in both markets allows Cover-More to provide strong service levels to their customers while managing costs appropriately, building trust with its key distribution partners and developing innovative products 			

1. Source: Finaccord (2013). 2. Definition of assistance market taken from the International Assistance Group: http://www.international-assistance-group.com/Our_solutions--EN,mv,29 2. IBISWorld Industry Report OD5493, Employee Assistance Program Services in Australia, November 2013

Cover-More: Control over the value chain



- Aligned interests with underwriting partnerships
- Access to capital at favorable terms
- No claims risk on Cover-More balance sheet

- Cover-More constructs products based on risk profile
- Controls pricing in line with loss ratio targets

- Manage all sales and marketing including ancillary products e.g. Global SIM
- Integration into agent platforms for auto-quoting and sales optimisation
- Data-enablement enhances conversions

- Controls claims administration
- Global platform for load sharing and follow-the-sun capability
- Cost containment and subrogation

- Own global medical and employee assistance business
- Integrated assessment of existing medical conditions allows immediate sales closure

- Proprietary 'Impulse' online tool provides optimal product construct with highest earn per offer
- Dedicated SEO/SEM for revenue and profit optimisation for partners

- Partner with major brands to distribute products
- JVs and other profit share mechanisms to align economic interests

- **Significant barriers to entry:** 28 years of traveller data and claims history provide comfort for underwriting partners. Strong alignment of economic interests with underwriting and distribution partners.
- **Growth optimisation:**
 - Impulse drives sales optimisation for airline booking engines, partner websites and intranet, provides agility in designing and delivering solutions aligned to distributors with a proven impact on sales.
 - Cover-More controls product design, risk selection, pricing, medical assistance and claims processing.
- **Alignment with our partners:** strong alignment of economic interests with underwriters (profit) and distribution partners through JVs and other mechanisms
- **Vertical integration:** in medical assistance and claims with global scale driving 'best of breed' approach in high cost and remote markets.
- **Income generation:** For the above reasons, CVO incentivises and rewards its businesses to maximum the quantum \$ growth in gross margin – this is different to an insurer, where they tend to look at return on capital as the key internal measure
- **Global operating platform:** common operating platforms provide agility and synergies across our Group operations and support global customers, operating multiple markets – ie Airlines

Cover-More: Key clients

Cover-More is trusted to provide travel insurance and medical assistance to a broad range of leading companies and organisations

Australia – Retail Travel Insurance

FLIGHT CENTRE
The Airfare Experts

TRAVEL ASSOCIATES
Your Adventure Starts Here

My Adventure Place

cruisedabout
The Discovery Ship Club

Student Flights
on your own way

Escape Travel

MAGELLAN
The true spirit of travel

TRAVELSCENE
Travel Insurance Experts

HARVEY
world travel
The Travel Professionals

TRAVELLERS CHOICE
TRAVEL INSURANCE

Employee Assistance

QANTAS

nab

Commonwealth Bank

NSW Police Force

'yes' OPTUS

bhpbilliton

ANZ

CALTEX

THE SALVATION ARMY

RioTinto

Westpac

Telstra

RailCorp

TOYOTA

AFP
AUSTRALIAN FEDERAL POLICE

COCA-COLA

CCA AMATIL

Australian Red Cross

Asia

COX & KINGS

FCm TRAVEL SOLUTIONS

WOW
World of Wonders

onata

ezeego.com
Asia's largest online travel broker

KESARI
World Class Travel Company

बाल्मर लॉरी एण्ड क. लिमिटेड
Balmor-Laurie & Co. Ltd.
A Subsidiary of Balmer-Laurie & Co. Ltd.

KUONI SOTO
For holidays

virgin atlantic

Vicent's
Travel Services

VKC Credit and Forex Services Ltd

WEITZMANN
FOREX LTD.

LIONEL INDIA
TRAVEL MANAGEMENT

FLAMINGO
transworld pvt. ltd.

kulinkumar holidays
family group tours

FRR SHARES
MAKES YOU REALISE

CLUB7 HOLIDAYS
A subsidiary of CenturyDirect Ltd.

PHEROZE FRAMROZE

TBi
Travel Bureau India Private Limited

VEENA WORLD
Travel Services

Australia – Intermediary Travel Insurance

medibank
For Better Health

RACQ

POST

SGIC

NRMA
INSURANCE

RACV

RAA

gapyear.com
travel insurance

gapyear.com
travel insurance

NRMA
INSURANCE

NRMA
INSURANCE

BestFlights
.com.au

SGIO

SGIO

RAC

Travelex

worldwide money

holidayplanet.com.au

AIR NEW ZEALAND

Cover-More: Summary

Cover-More's speciality focus, integrated medical assistance model and partnership approach to distribution underpin its success

Specialty focus on travel and assistance

- Management works to continually understand the behaviour of travellers—enables genuine customer led innovation and alignment with partners: travel agencies, Online Travel Agents (OTAs), intermediaries and airlines
- Allows Cover-More to attract a focused specialist management team to drive innovation

Medical assistance capabilities

- Enables control of the delivery of medical assistance—provides partners with confidence in Cover-More's capacity to manage their customer's experience in their own brand
- Allows appropriate cost management and claims recovery strategies
- Provides an entry strategy into new and developing markets (e.g. China)

Agency management and alignment

- Partnership approach that delivers 'win-win' outcomes
- Provides scale advantages—cost containment, underwriting and management depth
- Integrated systems that allow sales optimisation, performance enhancement and customised training

e-Commerce capability

- Proprietary 'Impulse' system that allows optimisation of product offering and sales conversion
- Demonstrated step change in performance (e.g. Malaysia Airlines, Insurance Australia)
- m-Commerce and e-Commerce capability—applicable to other specialist insurance or ancillary products

Capital light model

- Claims risk borne by Cover-More's underwriting partners
- Reduces volatility, facilitates attractive financial outcomes and growth
- Negative working capital business—typically receives revenues in advance of provision of service

Appendix: Reconciliation of pro-forma P&L to statutory accounts

	2013	Prospectus Forecast 2014	2014
	\$m	\$m	\$m
Statutory revenue	152.7	193.7	190.2
Interest income	-0.5	-0.4	-
Pro forma impact of historical acquisitions	44.0	22.4	22.2
Other Pro forma adjustments	-	-	1.5
Under-writer (UW) Profit Share	-	-	5.2
Pro forma revenue	196.2	215.7	219.1
Statutory NPAT	6.8	13.3	15.7
Pro forma impact of historical acquisitions	6.0	-7.7	-7.8
Public company costs	-1.3	-0.6	-0.5
Other non-recurring items	1.7	-	0.4
Offer costs (IPO transaction costs)	-	16.8	17.4
Amortisation	0.7	-1.7	-1.7
Interest adjustment (Debt structure costs)	7.5	4.7	3.9
Income tax effect	-4.8	-2.8	-2.3
Pro forma NPAT	16.6	22.0	25.1

- The above table outlines the pro-forma adjustments to the audited statutory consolidated income statement for 2013, the statutory consolidated prospectus forecast income statement for 2014 and the audited statutory consolidated income statement for 2014.

Appendix: Reconciliation of pro-forma Cash Flow to statutory accounts

Reconciliation of Statutory Cash Flow to Pro-forma

	Pro-forma	Prospectus forecast	Pro-forma
	2013	2014	2014
	\$m	\$m	\$m
Statutory operating free cash flow after capital expenditure⁽¹⁾	32.5	23.2	25.1
Pro-forma impact of historical acquisitions	11.3	5.7	6.2
Offer costs	-	14.5	14.4
Cash impact of other pro-forma adjustments	0.3	-0.7	0.6
Other statutory adjustments	-0.6	-0.4	-0.1
Pro-forma operating free cash flow after capital expenditure⁽²⁾	43.5	42.3	46.2

- The above table outlines the pro-forma adjustments to the audited cash flow statements for 2013 compared to the prospectus consolidated cash flow statements forecast for 2014 and the audited cash flow statements for 2013.

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