Cover-More
GROUP LIMITED

14 October 2014

The Manager
Companies Announcement Office
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam,

COVER-MORE GROUP LIMITED 2014 ANNUAL GENERAL MEETING ADDRESSES TO SHAREHOLDERS

Cover-More Group Limited (ASX: CVO) will address shareholders today at its Annual General Meeting to be held at 11AM in the Heritage Ballroom, The Westin, 1 Martin Place, Sydney, New South Wales.

Attached is a copy of the Chairman's address, Group Chief Executive Officer's address and the Annual General Meeting presentation.

For further information, please contact:

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Yours sincerely,

John Murphy
Company Secretary

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Cover-More Group AGM 2014: Chairman's Address

Michael Alscher: Chairman

I am pleased to report that in the financial year to 30 June 2014, Cover-More has continued its strong growth momentum and met or exceeded all of its prospectus forecasts.

Evolution of Cover-More

Before discussing the FY14 financial results, I would like to reflect on the evolution of Cover-More since Crescent's initial investment in 2009.

Over the past five years, I have seen a significant evolution of Cover-More from being a privately owned and managed business to a corporatised, ASX200 listed company.

During this time, the growth of Cover-More has been impressive.

- The number of employees has grown from 198 to more than 1000.
- Cover-More's operations have expanded materially and now include more than 60 sites in India and operations in Malaysia and China.
- Channel diversification has increased significantly with e-commerce and intermediary channels now accounting for more than 29% of FY14 EBITDA.
- The focus on medical and health services has grown, with more than 30% of EBITDA now coming from travel medical and employee assistance services.
- The EBITDA of the business has grown by an average of 24.5% per annum over the past five years.

Cover-More has corporatised and grown through channel diversification, geographical expansion, continued focus on the agency channel and a consistent focus on the customer. The business has demonstrated its capacity to continue to grow and innovate over the past 12 months with new business wins including NRMA Insurance, SGIO, SGIC and the launch of *youGo* Travel Insurance with Flight Centre.

Financial performance in FY2014

The strength of Cover-More can be demonstrated in the FY14 financial results. Cover-More outperformed its prospectus forecasts on all measures. Key FY14 financial highlights include:

- 20.1% growth in pro-forma gross travel insurance sales to $369.1 million
- 9.7% higher pro-forma EBITDA of $51.9 million, compared with the prospectus forecast of $47.3 million
- 11.3% higher pro-forma NPATA of $30.6 million, compared with the prospectus forecast of $27.5 million
- 14.1% higher pro-forma NPAT of $25.1 million, compared with the prospectus forecast of $22.0 million and
- operating cash generation before capital expenditure of $50.5 million, compared favourably with the pro-forma prospectus cash flow forecast of $46.7 million.

These results were supported by a $3.4 million EBITDA benefit from the impact of an underwriter profit share relating to FY12. Excluding the impact of this underwriter profit contribution would decrease the FY14 pro-forma EBITDA performance to $48.5 million—which is still an 18.6% growth over FY13 EBITDA and a $1.2 million out-performance over the pro-forma prospectus forecast.

Based on this strong financial performance, the Board of Cover-More declared a fully franked dividend for the first six months of trading of 4.0 cents per share plus a fully franked special dividend of 3.2 cents per share.

This result is 3.6 cents higher per share than forecast in the prospectus and represents for shareholders a dividend 100% higher than forecast in the prospectus. Management should be commended for their cash management during this initial period as a listed company and the stronger than anticipated profit result.

The business achieved this growth while maintaining a conservative gearing level, with net debt at the end of the financial year being roughly 0.5 times EBITDA.

Platform for future growth

The Cover-More board is justifiably proud of the results of Cover-More over the past 12 months. However, we realise that there needs to be a continued focus on innovation and leveraging Cover-More's strategic base on which the business has been built.

The board is focused on four key growth levers.

- **e-Commerce**. Cover-More has invested in a scalable and innovative optimisation process, Impulse, that has been implemented with Air New Zealand and Malaysia Airlines. Cover-More needs to continue to exploit this technology with additional customers and in new areas that benefit from sophisticated optimisation.
- **Asian growth**. Over the past 12 months, Cover-More grew its Asian earnings by 75.9% and has recently signed its first Chinese travel insurance customer, Qunar. The Asian travel markets that Cover-More is targeting are forecast to achieve strong growth in both outbound travellers and product pricing over time. Cover-More needs to continue to position itself appropriately to benefit from these long-term trends.
- **Medical assistance**. Cover-More's unique capacity to provide both remote medical care, mental health and well-being services and other physical care services provides the business with significant growth options that it will continue to explore over time.
- **Product innovation**. Cover-More's deep understanding of the travelling public, combined with products that allow communication and tracing of travellers is allowing Cover-More to pursue a number of new product innovations.

In addition to these key growth levers, Cover-More operates in a growing travel market and has consistently demonstrated its capacity to grow through working collaboratively with its distribution partners to improve the experience of their end customers.

As I signalled to investors in the Annual Report and the Prospectus, my role as Chairman is for an interim period.

With the successful transition of Cover-More to a listed company and the achievement by the company of its prospectus forecasts, the Board is now working through my transition out of the Chairman's role. I would expect a new Chairman is appointed before year end and at this stage we are considering a broader process which includes internal as well as external candidates.

We already have a great depth of expertise and talent on the Board and it will be a key priority for us to appoint our next Chair as we progress through FY2015.

I thank our customers and shareholders for their continued support for Cover-More. I would also of course like to thank all the employees and management at Cover-More on whom we depend for our success.

I will now hand over to the Cover-More Group CEO, Peter Edwards, who will discuss the company's performance and prospects in more detail.

(*Peter Edwards to address meeting*)

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Cover-More Group AGM 2014: Group CEO Address

Peter Edwards: Cover-More Group CEO

Thanks Michael and good morning everyone.

Company overview

I want to start my first Annual General Meeting address by showing you a video we prepared last year for investors to explain what Cover-More does.

Cover-More is both a travel insurance company and an assistance company and at our core, we are an organisation that is genuinely focused on the customer. This means that Cover-More provides a standard of customer service and innovation that brands such as Flight Centre, Medibank and NRMA Insurance want to be associated with, because we genuinely care for their customers and we are experts in what we do.

Our focus on the customer—rather than the 'product'—means we are able to de-commoditise our travel insurance and assistance offering and help our distribution partners focus on what matters to them—the safety, satisfaction and loyalty of their customers.

This allows Cover-More to build our partners businesses, which in turn builds Cover-More's business.

This video will provide an insight into Cover-More, our approach and how we help people in need.

[Slide 3: *Play video*]

[*Slide 4: Company overview*]

For the benefit of new or potential investors, I'd like to provide some background on our Group.

- Cover-More was founded in Australia in 1986 and over the past 28 years the business has developed a deep institutional knowledge of what travellers need and how to manage their travel and medical assistance issues anywhere in the world.
- Cover-More is the largest provider of travel insurance in Australia with more than 40% market share. Over the past three years we have used our Australian expertise to build a growing footprint in Asia—in particular India, Malaysia and China.
- In FY2014, Cover-More provided travel insurance to more than 2.2 million travellers.
- The business also provides holistic well-being and employee assistance services to Australian workplaces—we work with 7 of the 10 largest businesses in Australia and more than 700 other organisations. Cover-More now employs or contracts more than 280 professionals in our global medical assistance team including doctors, registered nurses and psychologists.

In terms of what Cover-More is *not*:

- We do not hold the underwriting risk on our travel insurance business —we outsource this to third party underwriters which allows Cover-More to remain a capital light business and achieve strong cash flow generation.
- Our business is not channel specific—Cover-More has invested in building strong agency, intermediary, direct and e-commerce distribution channels and through alignment of economic

interest and an unrelenting pursuit of innovation, we fight to ensure that each of our partners and their customers experience something quite unique in our relationship.

Over the past five years our business model has demonstrated a strong resiliency to changes in the economy, foreign exchange movement, natural catastrophes and other external shocks. Cover-More has consistently achieved strong revenue and earnings growth through various economic and political events.

Cover-More is a dynamic travel insurance and medical assistance organisation that focuses on innovation, and 'what matters' to our channel partners and end consumers.

Review of FY2014 performance

[*Slide 5: Results overview: Highlights*}

As a management team we are pleased that we have been able to meet or exceed all of our prospectus promises.

From a financial perspective our business reported a 20.1% growth in pro-forma gross travel insurance sales, 26.9% growth in pro-forma EBITDA, and 38.5% growth in NPATA.

It is noteworthy that Cover-More achieved the following.

- Earnings per share for the year of 9.6 cents which exceeded the prospectus forecast of 9.0 cents.
- Operating free cash flow before capital expenditure of $50.5 million generated from an EBITDA of $51.9 million—this very strong cash conversion reflects the capital light nature of Cover-More's business model.
- Net borrowings of $25.6 million reflected favourably against a prospectus forecast of $57 million and as at 30 June, there was capacity in respect of undrawn bank facilities of $26.7 million.
- Dividends per share of 7.2 cents were paid, double the prospectus forecast.

Throughout these financial results you will note that we have normalised the FY2014 numbers to exclude the impact of underwriter profit share—which relates to a profit share from the FY2012 underwriting year.

We have done this because, in line with our market announcement on 6 March, we hold the view this underwriter profit share is unlikely to be repeated in the foreseeable future.

[*Slide 6: Results overview: Highlights*]

The financial performance of the business followed the strong operational performance achieved in FY2014. Operational highlights include the following.

- We were named the Best Travel Insurance Provider in India by the national Travel Agents Association in that country.
- We commenced leveraging Cover-More's Asian footprint with our employee assistance business securing a global technology partner's ASEAN contract in the Philippines, Singapore, Thailand, Indonesia, Malaysia and Vietnam.
- We secured Insurance Australia Limited as a client and commenced the sales and distribution of travel insurance products across their NRMA, SGIC and SGIO brands.
- We secured Air New Zealand as a key partner and integrated Impulse into their booking platforms across three countries.
- We established a foundation relationship in China with Qunar, a leading Chinese online travel agent.

- We commenced our 'one platform project' to create common operating platforms throughout all geographies.

Cover-More is benefiting from a number of new contracts and relationships that started in FY2014 which are enabling the business to continue to achieve strong year on year growth in Q1 of FY2015.

[*Slide 7: Results overview: Income statement*]

As highlighted in the Chairman's speech, in FY2014, Cover-More achieved:

- Underlying growth in gross sales in the travel insurance business of 18.4% against prior year and exceeded prospectus forecast.
- Medical assistance sales growth of 7.1% against prior year.
- Net revenue growth of 11.7%.
- Underlying gross margin was $1.4 million ahead of the prospectus forecast and 13.7% higher than FY2013,
- And Overhead growth of 8.4% which has allowed for the growth in EBITDA margin of 1.9pts.
- Underlying EBITDA grew by 18.6%.

[*Slide 8: Results overview: Operating Segment and geography*]

When these results are broken down to a segment and geographical level, we are particularly pleased by the 75.9% growth in Asian EBITDA against prior year, which now accounts for nearly 10% of the Group result.

This growth was against a backdrop of patchy outbound travel growth in India, related in part to India being in an election year, difficulties for our trading partner in Malaysia and an 'investment' year for us in China focused on the establishment of an operational platform for the launch of travel insurance in FY2015.

Cover-More has made strong progress in China over the past 12 months with the signing of underwriting and broker agreements and the securing of Qunar, one of the country's leading online travel agencies, to distribute travel insurance products.

We are on track to selling our first travel insurance policy in China in the first half of FY2015.

Our primary focus in our medical assistance business has been on integrating the operating platforms of the two assistance divisions and creating clear lines of accountability with a focus on operating practices and efficiencies in our service delivery platform.

With this context, it is very pleasing we were able to report EBITDA growth from this division of nearly 28%.

[*Slide 9: Results overview: Cash flow*]

Turning to the cash flow performance of the business, during the year Cover-More generated $46.2 million of operating free cash flow after capital expenditure, which was $3.9 million higher than the prospectus forecast.

Overall, the business continued its history of strong cash flow conversion with 89% of EBITDA converted into operating free cash flow after capital expenditure. This is reflective of the low capital expenditure required in Cover-More and the capital light nature of our business model.

FY2014 demonstrated Cover-More's capacity to grow rapidly and also generate significant cash flow. Our cash generating capability allowed the business to pay the higher than forecast dividend.

[*Slide 10: Results overview: FY2014 balance sheet compared to FY2013 pro-forma*]

Cover-More's balance sheet reflects the simplicity of our financial business model. The shape of the balance sheet is similar to June 2013 pro-forma levels, with current liabilities continuing to exceed current assets, ex-cash, to deliver 'negative working capital'.

It's the negative working capital nature of the business model that allows Cover-More to generate the level of cash that we do while growing strongly.

The key difference between the two balance sheets is in net debt, which was $24.9 million at June 2014 compared to $57 million at June 2013. This pay down in debt was due to the cash generated in Cover-More post IPO.

The Board decided to return most of this surplus cash to shareholders as a fully-franked dividend of 7.2 cents per share, compared to the 3.6 cents per share indicated in the prospectus. Now that the business has paid this dividend, gearing levels have returned to approximately 1.25 times EBITDA.

[*Slide 11: Results overview: Historical performance*]

We are continuing to produce increased diversification at a channel, product and geographical level for our business. In FY2014, Cover-More's e-commerce, intermediary and direct channel EBITDA grew by 43.8% and now represents 29.1% of Group EBITDA, and our medical assistance services accounted for 32.8% of Group EBITDA.

This geographic and service diversification means that the quality of Cover-More earnings has improved as we are less dependent on any one channel, geography or segment. The business is fundamentally stronger and more robust now than it has ever been.

Cover-More's diversification of earnings allows us to better cope with short-term issues, such as the slowdown in outbound travel demand that we saw in Australia between March and June of this year.

[*Slide 12: Results overview: Historical performance*]

The performance of the business in FY2014 was strong. However, the strong performance in the current financial year was not an anomaly. Over the past five years, our business has consistently performed and continued to grow.

Cover-More has achieved the following.

- **Consistent growth**: pro-forma EBITDA has grown at 24.5% CAGR since 2008, including an underlying 18.6% growth in FY2014.
- **Attractive margins**: the underlying pro-forma FY2014 EBITDA to total net revenue was 23.7%.
- **Strong cash conversion**: 89% of pro-forma EBITDA was converted to pro-forma operating cash flow after capital expenditure.
- **Capital light**: Cover-More has no underwriting capital, has negative working capital and pro-forma total capital expenditure was $4.3 million in FY2014. Our business continues to demonstrate the capacity to grow rapidly without the need to invest significant capital.

FY2015 outlook and key priorities

[*Slide 13: growth—execution priorities for 2015*]

As highlighted by the Chairman, the management team is very much focused on continuing to drive the performance of the business.

e-Commerce: Cover-More has developed leading algorithms that increase the average premium value and conversion rates of offerings for airlines and other intermediary partners through effective integration into our partners' technology platforms. In FY2015, Cover-More will:

- continue to capitalise on the power of Impulse in new geographies with a strong pipeline of new customers

- integrate Impulse into travel consultants' desktops and agency online booking platforms to increase offer rates and conversion rates—we are already seeing a promising uplift in quotes offered to customers in pilot testing
- expand our offer with existing partners, at source, to leverage the full capabilities of Impulse.

Product innovation: at the core of Cover-More's innovation commitment is the focus of our team on the customer. We call it spending a 'day in the life of a customer' (DITLOC) which involves walking in the shoes of our customers to fully comprehend their 'unmet needs'. Our aim is to deliver solutions which add compelling value to enhance the travel experiences of end users, while improving the commercial benefits and recurring interactions between our partners and their customers.

In FY2015, we are focused on capturing the potential with our partners' customers before, during and after travel:

- by continuing to build a single view of the customer and shifting the focus from policyholder to customer
- Assisting our partners by providing for enduring relationships with travelers, and
- Expanding ancillary revenue opportunities through initiatives such as Global SIM and currency card thereby increasing the share of the travelers wallet for our partners.

Leveraging our experience into Asia: Cover-More occupies a strong position in Asia already with operations in India, China, Malaysia and Singapore. In FY2015 we:

- begin to capitalise on the intermediated market opportunities through our strong market position, coupled with our technology and capability developed here in Australia
- are in the process of going live with Flight Centre in India, expanding our existing partnerships into new territories
- already have our CEO, Asia in place, based in the region, to drive our growth and operational agenda
- will sell our first travel insurance in China in the first half of FY2015.

Expansion of our medical assistance capabilities: we have always believed in the importance of controlling the entire travel insurance value chain, including the provision of 24 hour medical assistance to facilitate high-quality patient outcomes, while managing claims costs for sustainability.

This focus on our core medical assistance platform across multiple jurisdictions has enabled Cover-More to build a unique medical capability.

Cover-More now employs or engages more than 280 employees in our global medical team—10 doctors, 38 registered nurses, numerous psychologists, case managers and support professionals—who focus on delivering unique care in times of difficulty and need, to many thousands of travellers, workforces and employees. In FY2015 we:

- are working on location mapping services for product innovation—this will mean a shift to proactive customer engagement in times of elevated traveller risk
- will continue to leverage integration of operational activities and platforms across employee and medical assistance activities and
- we are leveraging opportunities to 'cross-sell' across both business bases given their intrinsic linkages.

[Slide 14: global operating platform]

One of the key initiatives that I highlighted in the Annual Report that we are currently working on is rolling out 'one global platform' throughout all Cover-More's operations. This involves standardising the back-end platforms that Cover-More uses in each of our geographies while maintaining bespoke front end solutions which best capitalise on our partners' distribution strengths.

Cover-More has been making good progress on this project. Our IT team has taken our robust Australian systems and has been working on making them flexible and appropriate for other geographies. In the past 12 months, we have successfully rolled out a standard platform to our New Zealand, Malaysia and China operations. In the first half of FY2015, Cover-More's UK operations will also make the transition.

The focus on common processes is central to Cover-More's objective of ensuring that the business is able to 'load-share' resources and avoid unnecessary duplication and cost between geographies. By focusing on common processes, Cover-More will achieve faster speed to market with our innovation and avoid the time and costs associated with duplication.

This focus on common practices has allowed Cover-More to be business ready to launch our travel insurance product in China in record time. It also assisted with the launch of operations in Malaysia.

This focus on common processes should allow the business to enter new markets faster and manage our costs more efficiently through load balancing.

[Slide 15: summary and outlook]

Our unique business model is robust and proven to be scalable.

The Australian travel insurance business has recovered and returned to growth after Federal Budget related instability in Q4 FY2014 and we are seeing our travel insurance sales growth rates exceeding market outbound leisure passenger number growth rates.

Group sales have continued to grow at double-digit rates in Q1 FY2015 and recent FX volatility is not demonstrating any discernible adverse trends in the Australian business.

It has been particularly pleasing that in Q1 we have begun to see an improvement in two businesses which have historically lacked scale; these being New Zealand and the United Kingdom and I am confident that we will continue to see stronger profit contributions from both these operations in FY2015 and beyond.

In India we saw difficulties in the July and August period relating to the issue of travel insurance policies for Indians travelling to Schengen countries. This has now been remedied with the introduction of a new underwriting partner and a return to historic growth rates was evidenced in the September period.

In Malaysia, we are working with our partner Malaysia Airlines, to find ways of increasing travel insurance and ancillary revenue sales and we expect this to begin to contribute to enhanced growth upon the commencement of our Global SIM activities and the distribution of travel insurance policies to MAS Wings, a Malaysia Airlines subsidiary.

The assistance activities are also recording good increases, with sales year-on-year currently reflecting growth of more than 10%.

This validates the commitment that the Cover-More business has made to diversification of income across lines of business, geographies and channels.

I am proud of what Cover-More has achieved over the past 12 months and I believe the business and our global teams are well positioned to capitalise on our global opportunities and in doing so, deliver increased profitability, free cash flow and strong returns for our shareholders.

We are pursuing *multiple* new partnerships in both Australia and internationally, some of which we hope to announce in the near future.

Our focus is on continuing to leverage the strategic strengths of Cover-More and continuing to delight our customers with innovation and quality service which in turn will allow us to continue to grow strongly.

Finally, I would like to thank the people of Cover-More, the shareholders of Cover-More and our distribution partners who support us.

Peter Edwards
Group Chief Executive Officer

Cover-More Group

2014 Annual General Meeting

14 October 2014

Cover-More

We focus on what matters.

Opening address

Michael Alscher

Chairman, Cover-More Group

AGM address

Peter Edwards

Group Chief Executive Officer, Cover-More Group

Video available to be viewed via the archived webcast of the Cover-More Group AGM: http://www.openbriefing.com/OB/1524.aspx

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)

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

	Pro-Forma 2013 $m	Pro-Forma 2014 $m	FY14 Growth	Prospectus 2014 $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.

Results overview: highlights

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

Asian Growth	✓	• 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	✓	• 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	✓	• 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	✓	• 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	✓	• 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 2013	Prospectus forecast 2014	Pro-forma including UW profit share 2014	UW profit share 2014	Pro-forma excluding UW profit share 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**

Geography

		Pro-forma FY13	Prospectus FY14	Pro-forma FY14
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
- 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 2013 $m	Prospectus forecast 2014 $m	Pro-forma including UW profit share 2014 $m	UW profit share 2014 $m	Pro-forma excluding UW profit share 2014 $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

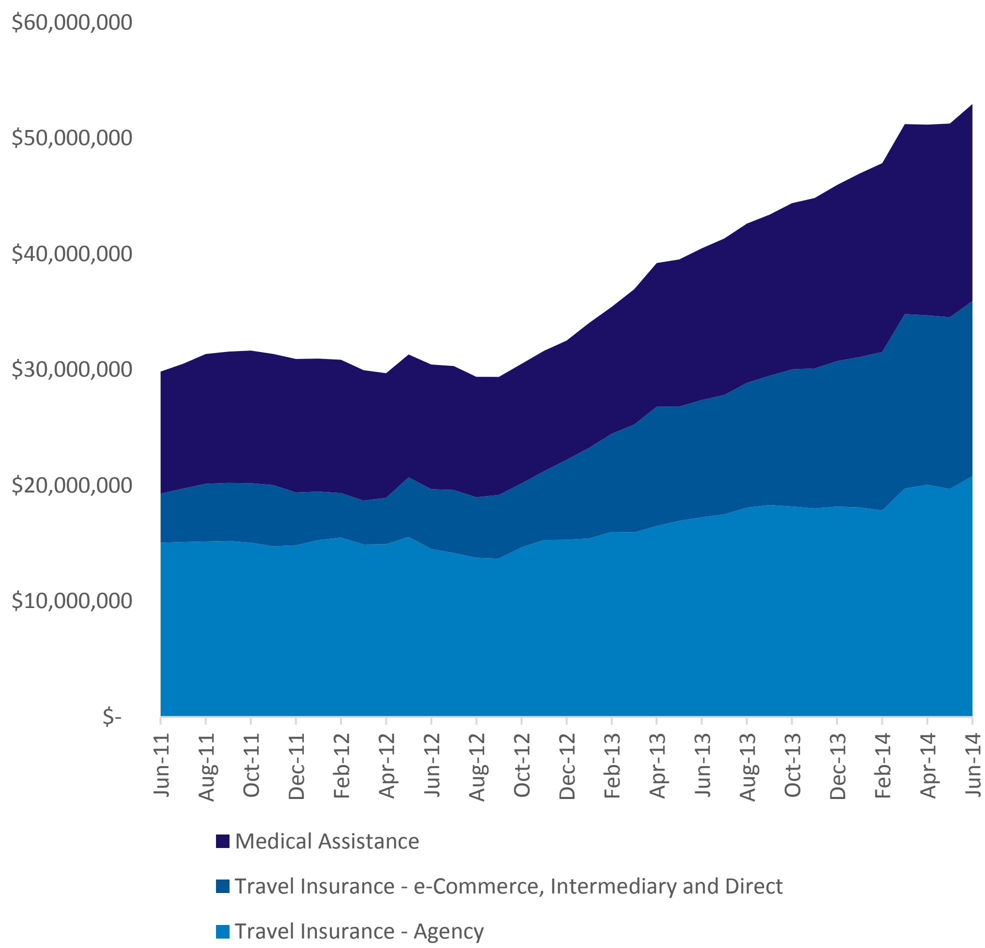
	Pro-forma 30 June 2013 $m	2014 $m
ASSETS		
Current assets		
Cash and cash equivalents	8.0	**20.6**
Trade and other receivables	28.5	**30.3**
Total current assets	36.5	**50.9**
Non-current assets		
Plant and equipment	7.5	**5.2**
Intangible assets	254.8	**248.3**
Other	1.1	**0.0**
Total non-current assets	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

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.

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

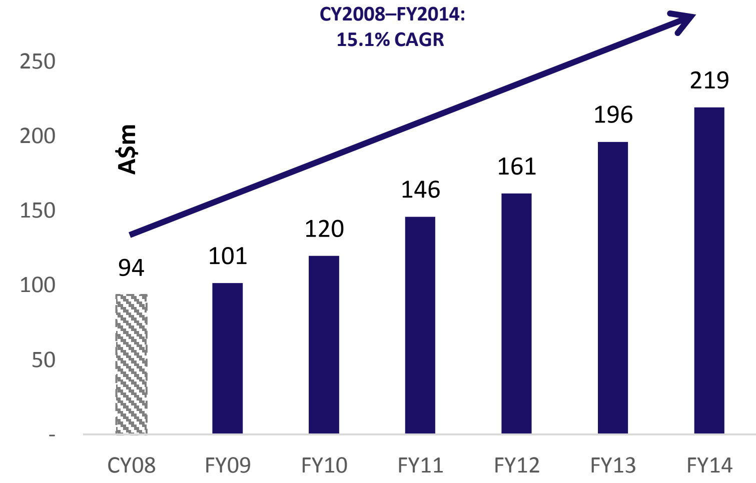
Strong cashflow conversion

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

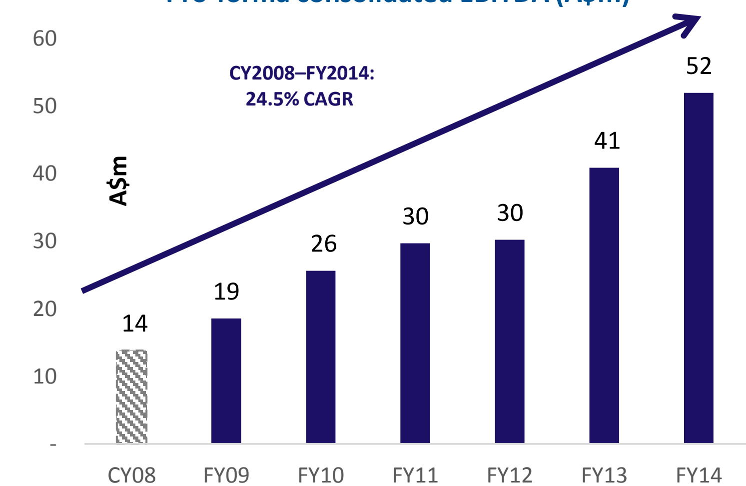
Capital light

- 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

Growth: execution priorities for FY2015

	Key activities	Q1 Progress
e-Commerce	• Integration of **Impulse** into travel agency consultants' desktops and agency online booking platforms to increase average premium value, offer and conversion rates. This has already led to an increase in quotes offered and conversion rates in pilot testing • Continue to capitalise on **Impulse** in new geographies and use to secure new partners • Expand offers with existing partners at source to leverage full capabilities of **Impulse** and achieve greater share of consumer spend	• In pilot • In contract negotiations • Underway
Product innovation	• Capture potential with partners' customers before, during and after travel - Work underway on single view of customer to shift focus from policy to customer - Focus on creating enduring relationships with consumers - Expand ancillary revenue opportunities through Global SIM and currency card • Continue DITLOC reviews of all activities to ensure continued de-commoditisation of product offer	• Underway • Ongoing
Asia expansion	• New underwriting agreement in India with United India Insurance • Focus on growth in intermediary channels using strong market position and technology / capability developed in Australia • Commence with Flight Centre in India; expanding existing relationships in new geographies • CEO Asia in place, in the region, to drive growth and operational agenda • First travel insurance policy to be sold in China in H1, FY2015	• Contract signed • Underway • Underway • Completed • Underway
Medical assistance	• Work through location mapping services for product innovation —shift to proactive engagement • Continue to leverage integration of operational activities and platforms across employee and medical assistance activities • Leverage opportunities to 'cross-sell' across both business bases	• Underway • Underway • Underway

Operational highlights: global operating platform

Elements of ‘one-platform’ project

Common operating platforms and processes:

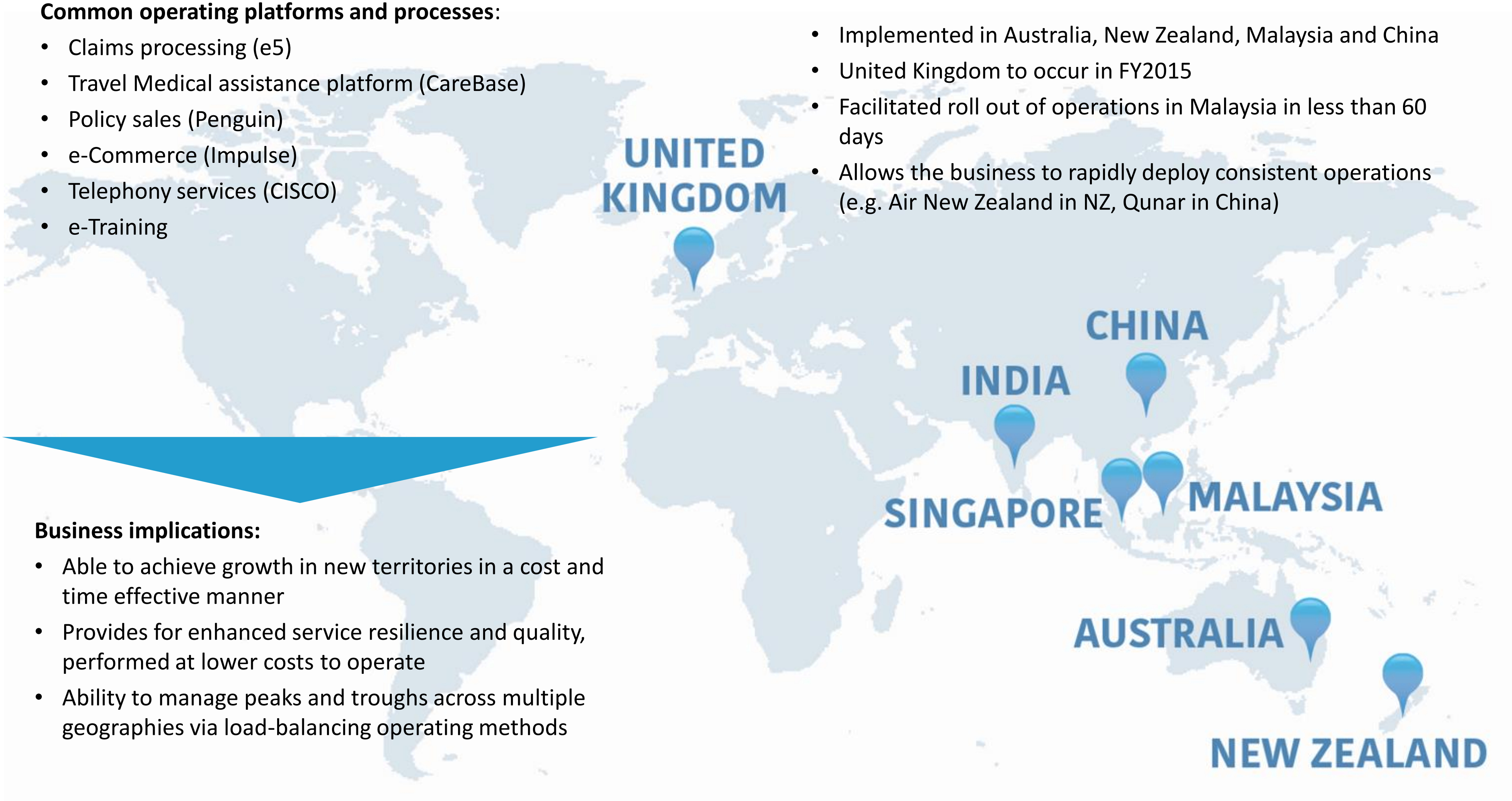
- Claims processing (e5)
- Travel Medical assistance platform (CareBase)
- Policy sales (Penguin)
- e-Commerce (Impulse)
- Telephony services (CISCO)
- e-Training

Business implications:

- Able to achieve growth in new territories in a cost and time effective manner
- Provides for enhanced service resilience and quality, performed at lower costs to operate
- Ability to manage peaks and troughs across multiple geographies via load-balancing operating methods

Progress to date

- Implemented in Australia, New Zealand, Malaysia and China
- United Kingdom to occur in FY2015
- Facilitated roll out of operations in Malaysia in less than 60 days
- Allows the business to rapidly deploy consistent operations (e.g. Air New Zealand in NZ, Qunar in China)



Summary and outlook

- Cover-More's unique integrated model is **proven, scalable and cost-effective** and being actively deployed to support expansion into new territories and markets
- Strong **pipeline of opportunities** across multiple geographic regions
- The year has started well and trading is in line with expectations
- FY2015 expected to deliver **another year of profitable growth across the Group**, with Q1 results showing:
  - Australian outbound travel has recovered following subdued confidence in Q4 FY2014
  - Recent movements in $AUD have not had noticeable impact on Australian outbound policy sales
  - Australian Travel insurance premium continuing to grow in excess of outbound travel departures
  - Sales in Assistance activities exceeding 10%
  - Solid growth within New Zealand and United Kingdom operations – leveraging Group systems and capabilities
  - India experiencing subdued growth in first two months relating to Schengen visa issues –resolved in September
  - Malaysia experiencing subdued growth
  - China working towards H1 FY2015 launch of travel insurance activities
- Focus on integration of **Impulse** across multiple partners, channels and geographies to **increase penetration rates** and **yield** through **sales process optimisation**
- Focus on continuing to **enhance productivity** through deployment of technology and lean six-sigma methodologies
- Commitment to continue enhancing consolidated **profitability**, **free cash flow** and **returns to shareholders.**

Formal business

Michael Alscher

Chairman, Cover-More Group

Agenda item 1:

Consideration of the financial statements

Agenda item 2:

Items for security holder approval

Election of Directors

Election of Director

Mr Michael Alscher

Non-Executive Chairman

Agenda item 2: Resolution 1 – Election of Mr Michael Alscher

Proxy and direct votes (combined)

For	Against	Open
255,881,881	8,089,049	355,868
96.81%	3.06%	0.13%

Election of Director

Ms Sam Mostyn

Non-Executive Director

Agenda item 2: Resolution 2 – Election of Ms Sam Mostyn

Proxy and direct votes (combined)

For	Against	Open
264,011,430	91,000	225,868
99.88%	0.03%	0.09%

Election of Director

Mr Louis Carroll

Independent Non-Executive Director

Agenda item 2: Resolution 3 – Election of Mr Louis Carroll

Proxy and direct votes (combined)

For	Against	Open
263,833,042	0	205,868
99.92%	0%	0.08%

Election of Director

Mr Stephen Loosley

Independent Non-Executive Director

Agenda item 2: Resolution 4 – Election of Mr Stephen Loosley

Proxy and direct votes (combined)

For	Against	Open
263,953,820	16,610	355,868
99.86%	0.01%	0.13%

Election of Director

Mr Trevor Matthews

Independent Non-Executive Director

Agenda item 2: Resolution 5 – Election of Mr Trevor Matthews

Proxy and direct votes (combined)

For	Against	Open
263,793,929	319,501	205,868
99.80%	0.12%	0.08%

Election of Director

Ms Lisa McIntyre

Independent Non-Executive Director

Agenda item 2: Resolution 6 – Election of Ms Lisa McIntyre

Proxy and direct votes (combined)

For	Against	Open
263,704,319	413,111	205,868
99.77%	0.15%	0.08%

Agenda item 3:

Items for security holder approval

Appointment of auditor

Agenda item 3: Resolution 7 – Appointment of Auditor

Proxy and direct votes (combined)

For	Against	Open
257,906,781	6,115,149	225,868
97.60%	2.31%	0.09%

Agenda item 4:

Items for security holder approval

Adoption of remuneration report

Agenda item 4: Adoption of Remuneration Report

Proxy and direct votes (combined)

For	Against	Open
261,028,743	634,647	207,368
99.68%	0.24%	0.08%

Please complete and submit your voting card

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