



ASX ANNOUNCEMENT

FOR IMMEDIATE RELEASE

15 August 2014

Revaluation of Trail Commission Receivable

iSelect Limited (ASX:ISU) today announced a downward revaluation of its trail commission receivable ("trail book") balance in the range of \$16 million to \$20 million which represents a one off after-tax profit impact of \$11 million to \$14 million in FY14, subject to final third-party audit.

iSelect expects however that its operating revenue and EBITDA¹ for the full year ended 30 June 2014 (excluding trail book revaluation adjustment and one off costs) will be more than 14% and 10% higher than prior year, respectively. Furthermore, iSelect expects its operating cash conversion² to improve significantly from 17% to in excess of 38% for the full year ended 30 June 2014, and the Company's trail commission revenue as a proportion of total revenue to continue to fall to less than 28%.

As part of its usual bi-annual trail book valuation process, the Company and its external advisers have conducted a detailed and systematic review of its key trail book valuation assumptions, which is now nearing completion. This revaluation reflects a recent increased policy attrition rate experienced by the two health insurance funds that constitute the majority of the trail book.

"The fundamentals of the health insurance market remain highly attractive. The market dynamics, including recent above-trend price rises on health insurance policies which led us to revalue the trail book do however represent a growth opportunity for the Company," said iSelect CEO Alex Stevens.

"The management team and I remain focused on driving operating revenue, earnings and cash flow growth and working closely with our health insurance partners to most effectively create value," Mr Stevens said.

Further detail on this revaluation will be included in the Company's financial statements for the year ended 30 June 2014 and at its full year results announcement on Thursday 28 August 2014.

#ENDS#

For further information, please contact:

Matthew Cuming
Head of Corporate Affairs & Investor Relations
iSelect Limited
Mob: +61 421 566 787
Email: mcuming@iselect.com.au

¹ EBITDA – Earnings Before Interest Tax Depreciation and Amortisation

² Operating cash conversion = operating cash flow divided by EBITDA

For personal use only