



18 November 2013

iSelect Limited Annual General Meeting Chairman's Address

Welcome to our first AGM as a listed public company. This has been a milestone year for our company, with record financial results. We've achieved a lot, and we have overcome a number of challenges. The good news is, our business is strong and our growth prospects are bright.

Our strategy is simple. We want to be the first place Australians come to save money and get better value on an ever increasing range of household items:

- insurance;
- financials; and
- utilities and telecommunications, just to name a few.

Most of us find dealing with these purchases and the options available extremely complex and time consuming, and more and more of us are comparing and researching products online - almost 50% of online Australians now are more likely to use a comparison service than a year ago. iSelect takes the hassle out of these decisions and importantly puts consumers back in charge.

But what makes our business so successful is our unique model.

What we have is a potent formula which has established the comparison market in Australia and, importantly for shareholders, staked out the leading position.

Our formula rests upon four pillars of success:

1. **A well established brand** - we've invested in excess of \$110 million in strategic marketing and brand development, resulting in iSelect being the most recognised online comparison service in Australia;
2. **Strong lead generation capabilities** - as evidenced by 7.8 million visits to our websites for the year to 31 March 2013, which ranks us as Australia's most visited online comparison service;
3. **Strong conversion capability** - We are converting a growing proportion of leads with our unique iConnect platform; and
4. **We have over 120 partners**, representing not only some of the biggest companies in Australia but also the most innovative.

What we started in health insurance has now expanded to embrace other products and services, and we see a lot more upside especially in markets like Energy and Life.

So in essence, the Board and I firmly believe that we have the right business model, at the right time, in a dynamic, growing market.

Our exclusive comparison technologies are improving constantly - we call it the "X" factor - that allows us to match consumers in real time with the products they need.

Whilst we are very positive about the company and its future like many high growth companies with aspirations to grow, we ran into some turbulence this year.

After a successful book build, we listed on the ASX in June and like many shareholders here today I am as disappointed as you that our arrival was a rocky one.

Our first day of trading was marred with the wider market down significantly and some unexpected trading issues impacted on the opening day of trade.

I think it is widely acknowledged and accepted that the timing, and structure of our IPO was not ideal.

There is a range of things we would do differently if we had our time again. It was also disappointing that we missed our prospectus revenue forecast, albeit by a small margin.

Unfortunately, if you are slow out of the blocks it takes a long time to catch up and we are working hard on this very issue. The important thing to bear in mind is that our performance on the stock exchange isn't a result of something fundamentally wrong with our business.

I am pleased to tell you that we have arrested the decline in revenue per sale in late June.

There has been some debate about a lack of disclosure on certain issues. So, we have lifted our level of disclosure considerably - our trading update reflects this and we've received positive feedback on the back of that.

As you know we had some management changes during the year. Matt McCann our CEO has departed and I want to again thank Matt for his contribution to the business over the years.

We are progressing our search for a new CEO and expect to announce an appointment in the new year. Our CFO, David Chalmers, is very ably acting CEO in the interim and you will hear from David shortly.

In recent times we have been weathering some impacts generated by regulatory changes. These changes affected our revenue in late June and the value of policies was lower - these trends were experienced right across the industry. Despite this, we posted solid growth with our sales up 19% to 201,000 for the financial year to 30 June 2013.

Our investment in new businesses is certainly delivering results, and I am especially excited about the future of our high growth Life and Energy businesses.

We are very encouraged by the resilience of the Group over the last 12 months, underpinned by the growing diversity of our revenue streams and the mix of established and new businesses that are driving growth.

Over the last financial year, leads, conversion to sales and operating cash flow continued their strong upward trends on the previous financial year.

Our continued market share gains in private health insurance were very pleasing, and we converted sales leads ahead of the rate foreshadowed in our prospectus forecast.

Our Household Utilities and Financial segment recorded very pleasing growth, with revenue and profitability ahead of expectation.

Our long-term strategy remains consistent, in that we will continue to drive organic growth via our existing businesses, and we will look at acquisition opportunities strategically.

The structure of the industries we operate in, and the demand from both consumers and providers alike remains strong. The Board and I are very confident that we have the right business model and the right people to realise the growth potential of our business.

Our balance sheet remains strong, with total assets of around \$270m. Our Q1 FY14 revenue was up 11 % YOY and EBITDA (excluding IPO costs) was up 52 % YOY. This is a growth business.

We view the year ahead with optimism and are confident we have the right business fundamentals in place to deliver the results that everyone expects from us.

We hope that wider coverage of our company in the market, increased communication with investors and operating growth and performance will see increased demand for our shares.

We expect to see continued year on year growth as a result of the investments made in data analytics and our newer business units during FY13. We also look forward to a return to more stable conditions within the private health insurance market.

Of course, this growth and resilience would not be possible without a strong team.

I'd like to thank David Chalmers, the entire executive team, our managers and in fact all our people at iSelect for their unwavering commitment and support.

I would like to take this opportunity to sincerely thank you our shareholders for your support over the last year.

And I look forward to sharing the ongoing journey with you as a fellow shareholder in FY14.

Thank you.

#ENDS#

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