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For Immediate Market Release

Austbrokers Acquires 50% Interest in Rivers Insurance Brokers

Austbrokers Holdings Limited (AUB) today announced that it had acquired a 50% interest in Rivers Insurance Brokers Pty Ltd (Rivers). The acquisition price will be determined based on the future performance of the business and is expected to be approximately \$2.3 million.

The final acquisition price for the 50% interest will be determined by reference to the FY 2008 earnings of Rivers, with an initial payment of \$1.8 million. A final payment will be made in 2008 after the FY 2008 accounts of Rivers have been finalised.

The acquisition will be funded from Austbrokers current loan facility.

Austbrokers CEO, Lachlan McKeough, said the acquisition would increase the geographical spread of the Austbrokers Network through Rivers operations in Brisbane, Cairns and Innisfail.

“We are very pleased to welcome Rivers into the Austbrokers Network and we look forward to working with the Rivers’ shareholders and their teams to grow and develop the business.”

About Rivers

Rivers’ is a well established Australian insurance broker with offices in Brisbane, Cairns and Innisfail which has been operating since 1982. Rivers is a member of IBNA Limited and currently:

- employs 30 personnel;
- places \$15 million in premiums; and
- has annual revenue of \$3.1 million.

Existing shareholders – Don Tickle and Ross Hillier will each retain a shareholding in line with the Austbrokers’ owner-driver model and continue with Rivers in their current roles. Two senior employees will also take up a shareholding.

Rivers Director, Don Tickle commented that joining Austbrokers would allow Rivers to access the services and support that a large network can provide.

“Joining Austbrokers has will enable us to gain the benefits of being part of a national group, while retaining our independence, and thereby give us the ability to take the business to a new level.”

Yours sincerely,



S.S. Rouvray
Company Secretary
Austbrokers Holdings Limited

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