

ASX release

19 February 2014

Austbrokers Holdings (ASX: AUB) announces key strategic acquisition to diversify income generation and bolster growth

Austbrokers Holdings Limited (**Austbrokers**) has today purchased 50% of the shares in Procure Group Pty Limited (**Procure**), a leading Australian provider of full service workers compensation and insurance support services. Established in 1998, Procure employs over 120 people providing services including integrated insurance and risk solutions, injury management, training, recruitment and placement of staff, investigations and claims and risk management.

Mark Searles CEO and Managing Director, Austbrokers Holdings said *"I am thrilled that Procure chose to partner with the Austbrokers Group. They had a number of more lucrative offers on the table but chose us on the strength of our 'owner-driver' business model, proven operating model and associated support services that will assist them in their growth ambitions.*

FY14 has been an extremely busy year to date for Austbrokers, ensuring we consolidate the \$40m+ of acquisitions undertaken in FY13, continuing to build our bench-strength and making new acquisitions including Procure"

In addition to Procure-driven future growth, the services offered by Procure are complementary to existing Austbrokers partner insurance broking businesses and will provide additional cross-sell opportunities.

The acquisition will help underpin Procure's value proposition to new clients by having an ASX listed partner shareholder, in addition to the company being able to leverage AUB group services including its datacentre.

Mark Colgan Managing Director, Procure said, *"We look forward to the opportunities that will undoubtedly flow by joining the Austbrokers network. Procure has enjoyed a strong growth trajectory in recent years and we anticipate this growth to gain momentum as a result of Austbrokers value adds."*

A completion payment of \$7.3 million (representing approximately 70% of the estimated purchase price) has been paid which has been funded from cash held. The final purchase price will be determined based on performance for the year ending 30 June 2016. On a full year basis, it is expected that this acquisition will contribute approximately 1.5% earnings per share growth after allowing for full funding costs on the estimated purchase price¹.

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