



25th June 2014

The Manager
Company Announcements
Australian Securities Exchange
Level 6, Exchange Centre,
20 Bridge Street
Sydney, NSW 2000

Dear Sir / Madam,

Re: Presentation to UBS Australian Financial Services Conference

Attached is a presentation to be given to UBS Australian Financial Services Conference today.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'SR' followed by a flourish.

Stephen Rouvray
Company Secretary
Austbrokers Holdings Limited

For further information, contact Steve Rouvray Tel: (02) 9935 2201
Mobile: 0412 259 158

AUSTBROKERS HOLDINGS LTD

UBS - AUSTRALIAN FINANCIAL
SERVICES CONFERENCE

JUNE 2014

MARK SEARLES CEO &
MANAGING DIRECTOR

AGENDA

- Business Overview
- Financial Performance
- Business Outlook



BUSINESS OVERVIEW

- Largest equity-based Insurance Broking group in Aus/NZ
- Leading Underwriting Agency operations
- Growing Insurance & Risk Services operations
- Group established 1985; IPO 2005
- Clear business model ('owner:driver'), operating model, vision and purpose
- 8 Years continuous double-digit profit growth
- > \$1.9Bn Base premium (GWP) - GI distribution
 - > \$800M Funds under management – Life distribution
 - > \$270M Premium turnover – Underwriting agencies
- 2,200 Staff across the Group

AUB BUSINESS MODEL – ‘OWNER:DRIVER’



- Management and strategic support
- Standardised technology platforms
- Product development
- Comprehensive compliance program
- Performance benchmarking
- Group PI cover
- Distribution & Manufacturing
- Back office services/support
- Purchasing power (Telstra etc)
- Assistance in obtaining capital



Equity
interest
(typically
50%)

Partner Firm



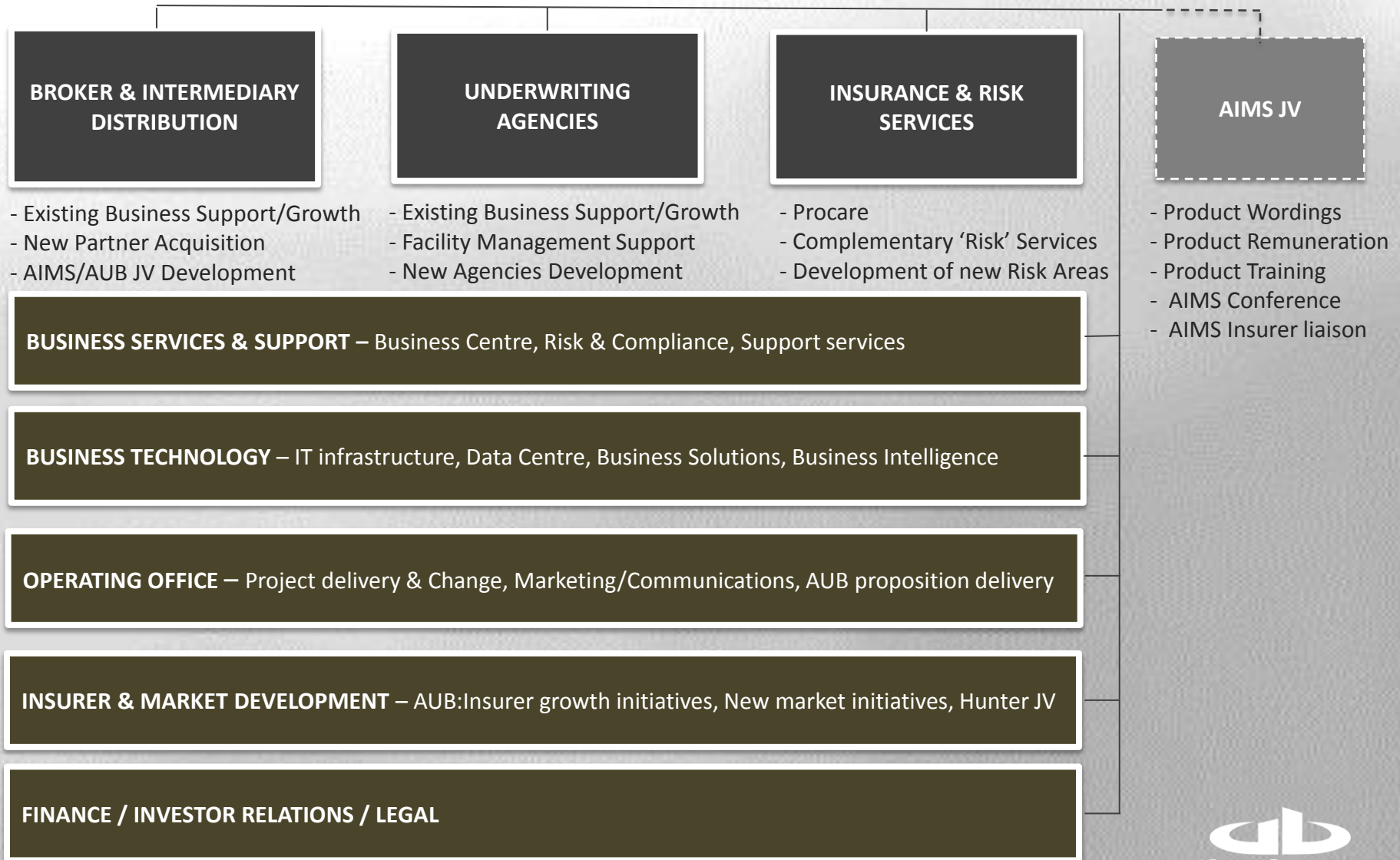
Equity
interest
(typically
50%)

‘Owner:Driver’ model strengths

- Behavioural model
- Retain equity in business
- Day-to-day management
- Client relationship development
- Driven to perform
- P&L ownership
- Local people, knowledge and identity
- Understanding of local markets



AUB OPERATING MODEL



AUB STRATEGIES FY14/15

- **Optimisation of Operating Model to continue to underpin future growth across the Group**
 - Continue roll-out of Business Technology and Data Centre provision and associated data management
 - Drive Compliance and Risk Management excellence
 - Continue roll-out of Business Centre services – accounting, tax, payroll, HR and Treasury
 - Further develop Marketing and enhanced new business generation capabilities
 - Continue roll-out of E-enablement of broking processes and value-chain to develop efficiencies – further development of Full Policy Administration (FPA)/iClose

AUB STRATEGIES FY14/15

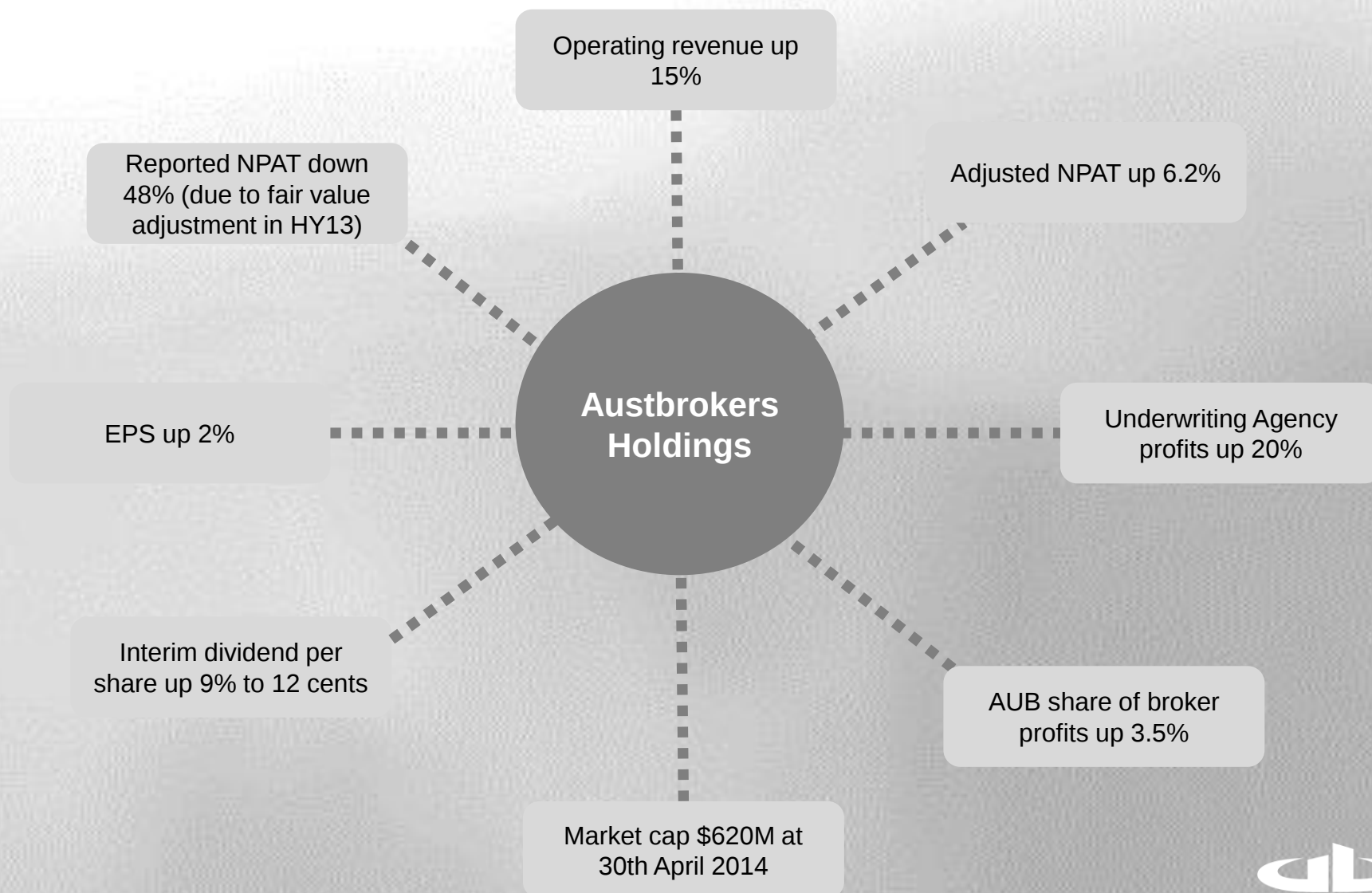
- **Distribution Growth** - focus on organic distribution inc bolt-on acquisitions; stand alone acquisitions; x-sell. Grow market share from 11%
- **Underwriting Agency growth** via organic growth and increasing operational efficiencies
- **Grow capabilities and scale in Insurance & Risk Services** - exploit diversified income opportunities
- **Underwriter relationship & product development** via AIMS (IBNA Joint Venture) for marketing advantage
- **Maximise Premium funding** – continued development through Hunter JV
- **Life risk and superannuation** - continue to develop businesses both stand alone and integrated with broking operations

FINANCIAL PERFORMANCE

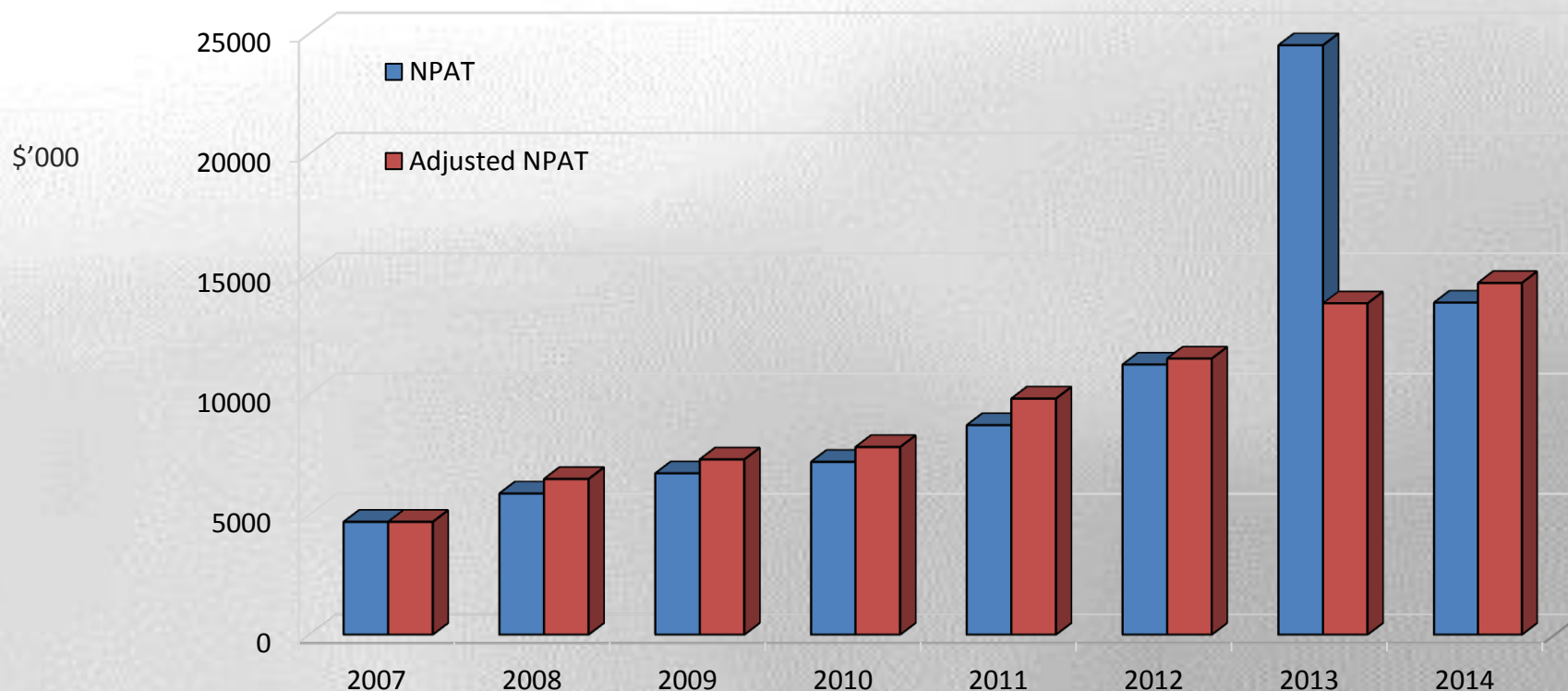
- Financial highlights
- Profit growth
- EPS growth
- Funding



1HY2014 FINANCIAL HIGHLIGHTS



NPAT GROWTH 1HY 2007 – 2014

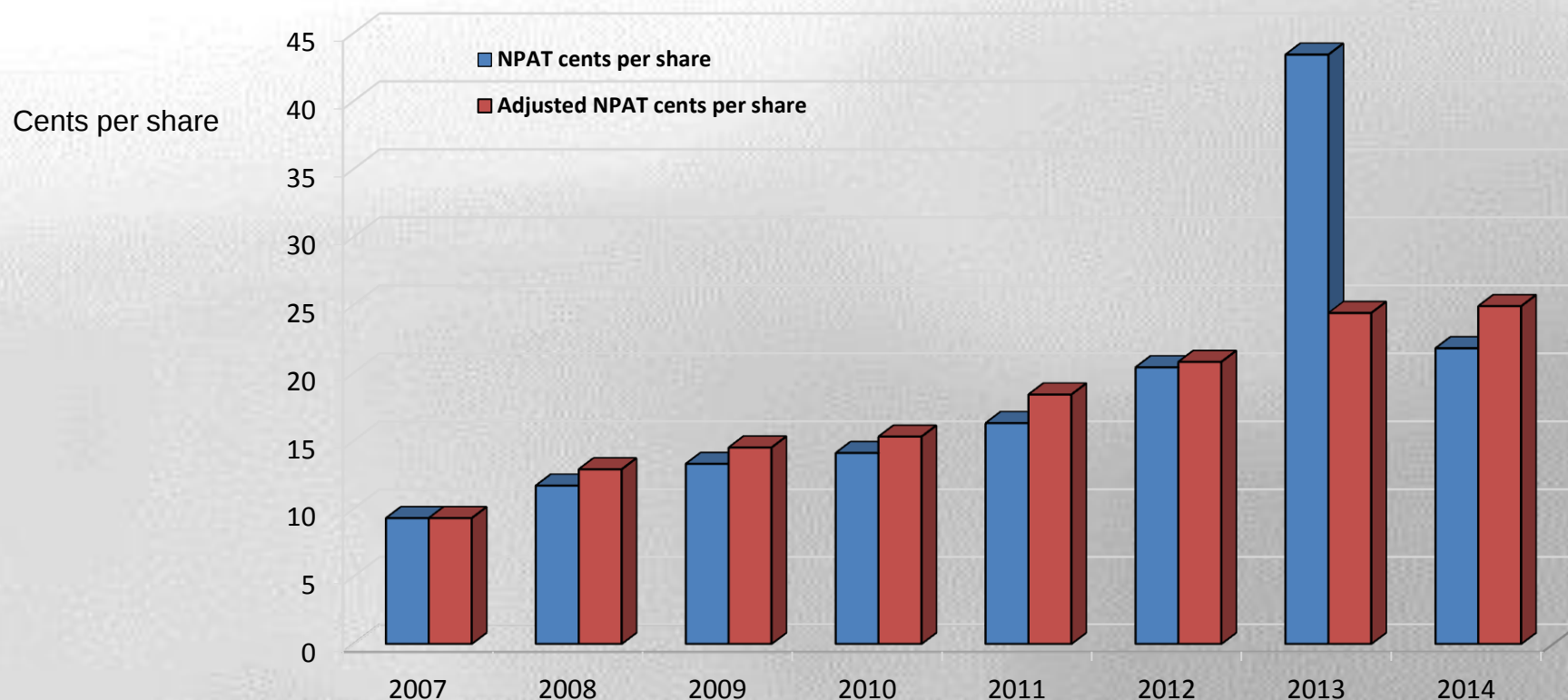


% increase NPAT	28.3%	25.1%	14.3%	7.2%	21.3%	29%	118%	(47.8)%
% increase Adjusted NPAT	14.6%	38.0%	12.6%	7.1%	25.9%	17%	20%	6.2%

NPAT - Net Profit after tax attributable to members

Adjusted NPAT – Net profit after tax before amortisation of intangibles before profits on business / portfolios sold, adjustment to contingent consideration for acquisitions and fair value adjustment to carrying value of associates on date at which they became controlled entities (2013 only)

EARNINGS PER SHARE 1HY 2007 - 2014



NPAT cents per share	9.3	11.7	13.3	14.1	16.3	20.4	43.4	21.8
Adjusted NPAT cents per share	9.3	12.9	14.5	15.3	18.4	20.8	24.4	24.9

Adjusted NPAT calculated on same basis as Basic Earnings per share

FUNDING

- Funding available from Bank facility for future acquisitions of \$15 million
- Free cash around \$13 million over the next twelve months after earn out payments assuming maintenance of underwritten DRP
- Gearing currently 16% (debt to debt plus equity)

OUTLOOK

- Market conditions
- Business Outlook



MARKET CONDITIONS

- Premium rates
 - Flat premium rates over period
 - Insurer competition restrains extent of increases achievable however opportunities with Insurers looking to partner for growth
- Continued low interest rate environment
- Moderate economic growth forecast but patchy economic outlook may have impact on SME
- Age demographics in insurance broking industry indicates that continued acquisition opportunities for direct acquisitions or portfolio / bolt on businesses should be available
- Insurance broking industry consolidation will continue to present acquisition opportunities

BUSINESS OUTLOOK

- Underlying growth in soft market conditions - organic growth expected to continue through broker network initiatives
- Ongoing opportunities through consolidation of Broking businesses via acquisition
- Further growth and development in underwriting agency business with continued investment in capability in specific market segments
- Focus on continued growth in Insurance & Risk services
- 'Bench-strength' in place to underpin future growth
- Continued diversification of income streams around 'core' capabilities

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