7th May 2014

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

Dear Sir / Madam,

Re: Presentation to Macquarie Australia Conference

Attached is a presentation to be given to Macquarie Australia Conference today.

Yours faithfully,

Stephen Rouvray
Company Secretary
Austbrokers Holdings Limited

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

AUSTBROKERS HOLDINGS LTD

MACQUARIE AUSTRALIA CONFERENCE MAY 2014

MARK SEARLES CEO &
MANAGING DIRECTOR

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AGENDA

- Business Overview
- Financial Performance
- Business Outlook

BUSINESS OVERVIEW

- Business Highlights
- Core Business Model
- AUB Group Principles
- AUB Group Strategies

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BUSINESS HIGHLIGHTS

- Largest equity-based Insurance Broking group in Aus/NZ
- Leading Underwriting Agency operations
- Growing Risk & Insurance Services operations
- Group established 1985; IPO 2005
- Clear business model, vision and purpose
- 8 Years **continuous** double-digit profit growth
- > $1.9Bn Base premium (GWP) - GI distribution
  > $700M Funds under management – Life distribution
  > $270M Premium turnover – Underwriting agencies
- 2,200 Staff across the Group

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CORE BUSINESS MODEL – 'OWNER:DRIVER'

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- 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

Partner Firm

Equity interest (typically 50%)

Equity interest (typically 50%)

'Owner:Driver'

- 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

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OUR KEY PRINCIPLES

1. Protect The **Austbrokers ‘family’ Culture**
2. Continued Commitment To The **Owner : Driver** Model
3. Leverage Our **Collective Strength and Reputation**
4. Deliver The Capabilities Within AUB To Support **Our Partners’ Growth Ambitions**
5. Deliver On **Our Promises**

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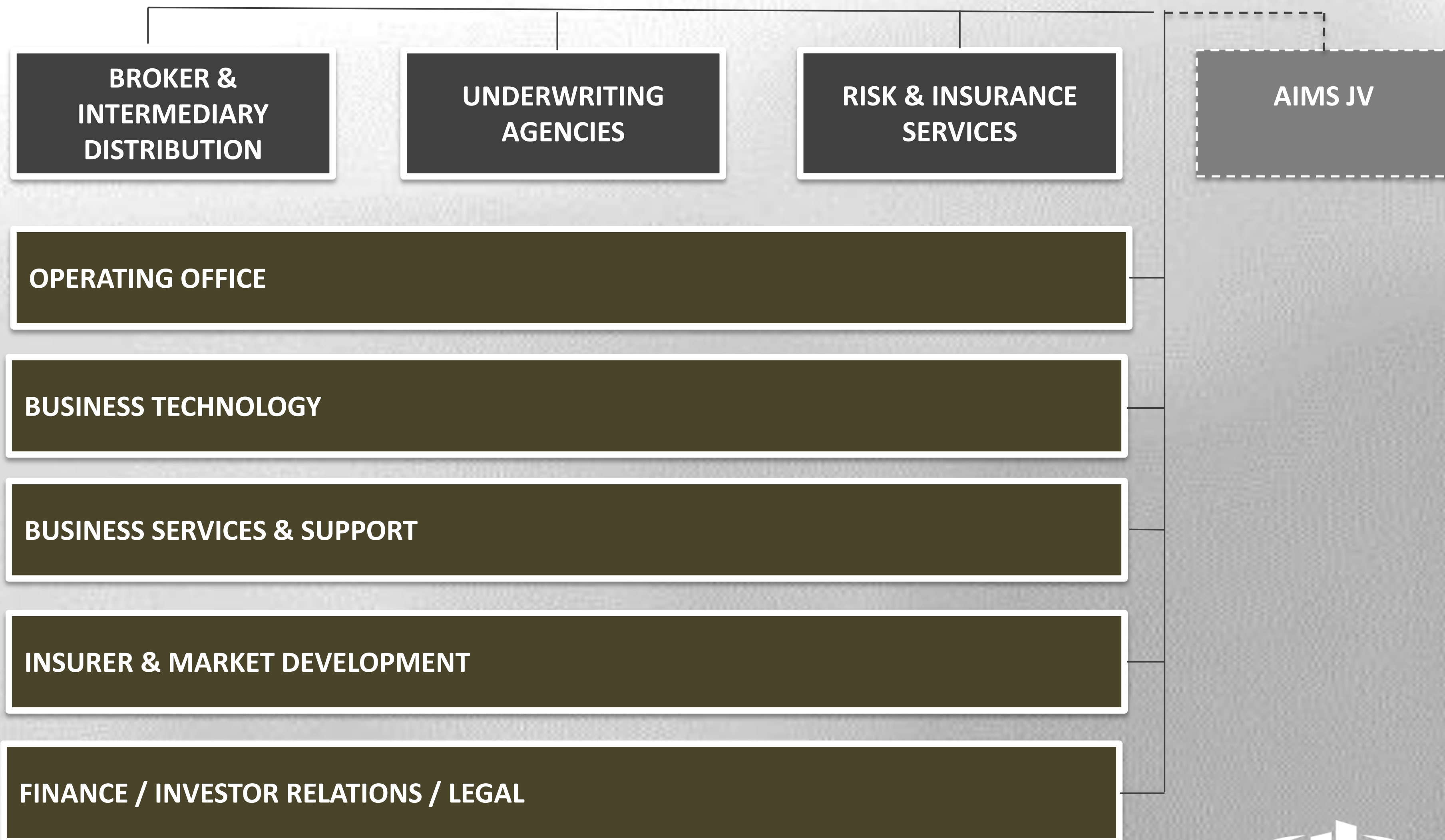
AUB ORGANISATION



BROKER & INTERMEDIARY DISTRIBUTION

Broking & Intermediary Distribution

Owner Driver Model

26 50% owned
19 51% - 90% owned
3 100% owned

47 Broking Groups

1 Financial Services Operation

Over 170 locations in Australia & New Zealand

General & Specialist Diverse type & size

Financial Services Operations – Life & Superannuation

FUM $840M, $11M income

Total of $1.9B base premium (premium before charges)

Over 1,800 Staff

Over 100 Partner Shareholder Principals

UNDERWRITING AGENCIES

Underwriting Agencies

- Growth in Strata Agency grown 3 x
- 16 Underwriting Agencies
- Clear 'top 3' segment strategy
- Continued to invest in resources for future growth
- Acquisition of existing agencies
- Development of start up businesses
- Surety Agency commenced

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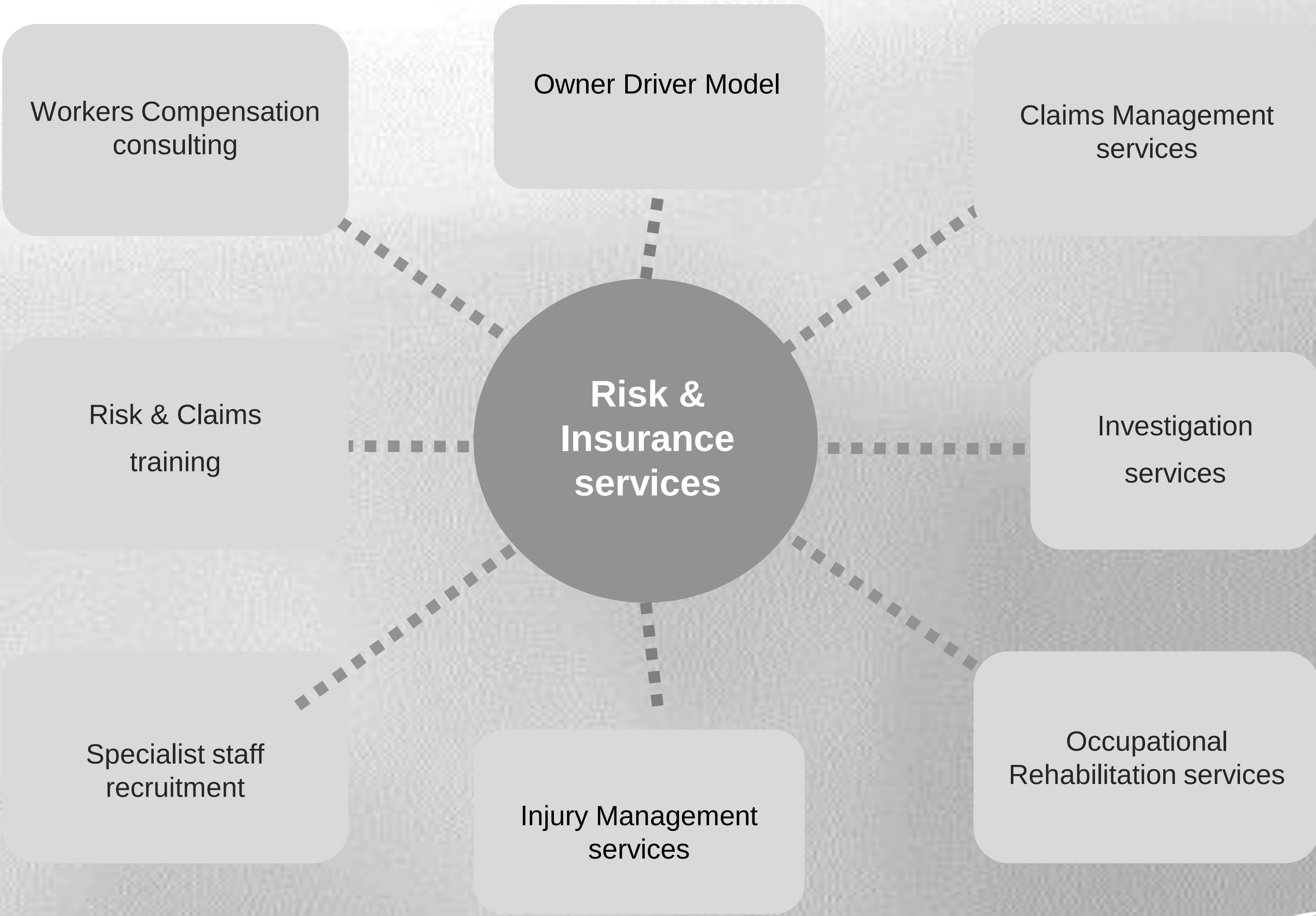
RISK & INSURANCE SERVICES



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AUB ORGANISATION & KEY RESPONSIBILITIES

BROKER & INTERMEDIARY DISTRIBUTION

- Existing Business Support/Growth
- New Partner Acquisition
- AIMS/AUB JV Development

UNDERWRITING AGENCIES

- Existing Business Support/Growth
- Facility Management Support
- New Agencies Development

RISK & INSURANCE SERVICES

- Procare
- Complementary 'Risk' Services
- Development of new Risk Areas

AIMS JV

- Product Wordings
- Product Remuneration
- Product Training
- AIMS Conference
- AIMS Insurer liaison

OPERATING OFFICE – Project delivery & Change, Marketing Communications, AUB proposition delivery

BUSINESS TECHNOLOGY – IT infrastructure, Data Centre, Business Solutions, Business Intelligence

BUSINESS SERVICES & SUPPORT – Business Centre, Risk & Compliance, Support services

INSURER & MARKET DEVELOPMENT – AUB:Insurer growth initiatives, New market initiatives, Hunter JV

FINANCE / INVESTOR RELATIONS / LEGAL

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AUB STRATEGIES FY14/15

- **Distribution Growth** - focus on organic distribution inc bolt-on acquisitions, x-sell; stand alone acquisitions
- **Underwriting Agency growth** via organic growth and increasing operational efficiencies
- **Grow capabilities in Risk and Insurance services** provision complementary to existing business
- **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

AUB STRATEGIES FY14/15

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

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FINANCIAL PERFORMANCE

- Financial highlights
- Total shareholder return
- Profit growth
- EPS growth
- Funding

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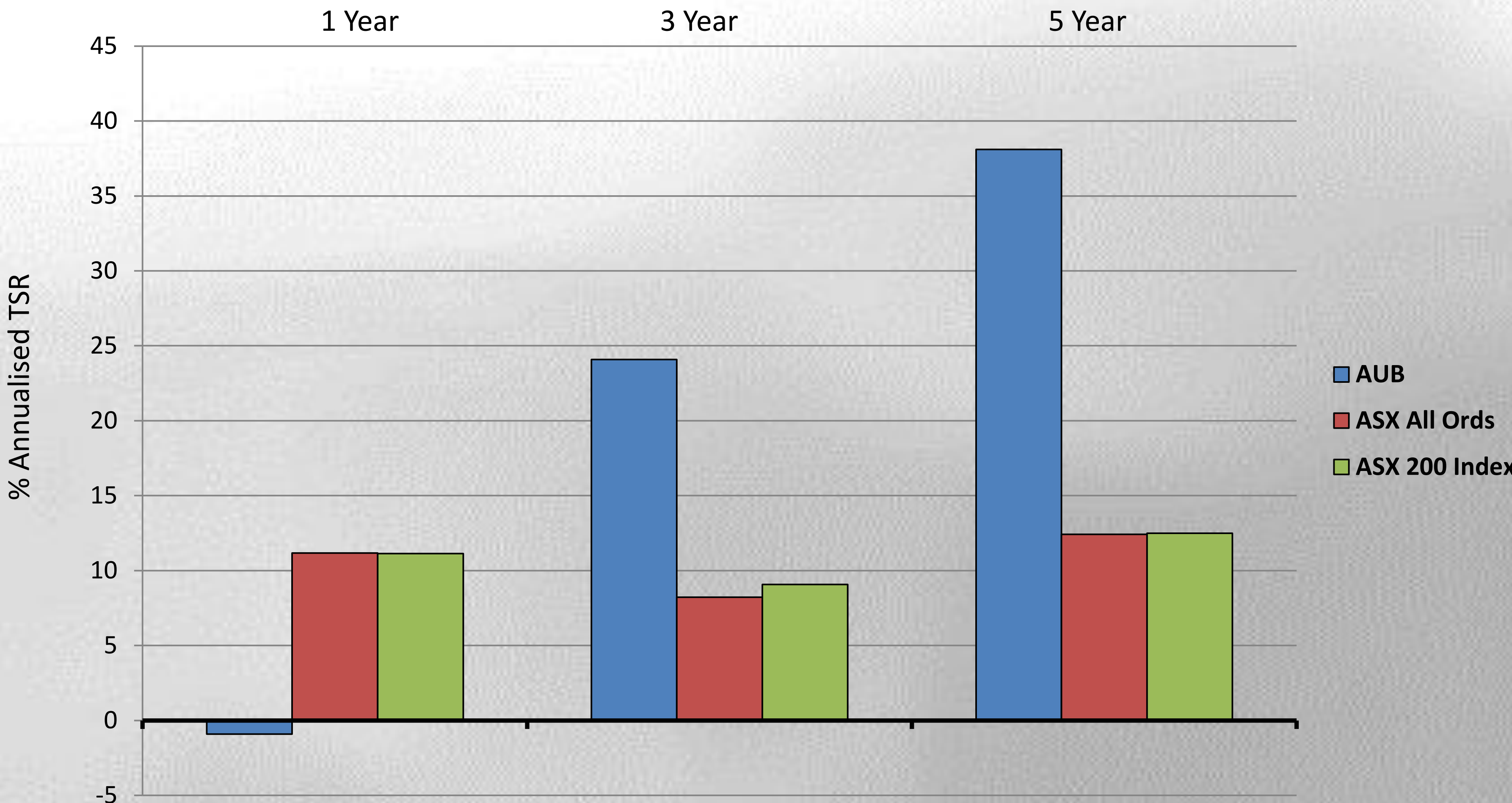
1HY2014 FINANCIAL HIGHLIGHTS

Austbrokers Holdings

- Operating revenue up 15%
- Adjusted NPAT up 6.2%
- Underwriting Agency profits up 20%
- AUB share of broker profits up 3.5%
- Market cap $620M at 30th April 2014
- Interim dividend per share up 9% to 12 cents
- EPS up 2%
- Reported NPAT down 48% (due to fair value adjustment in HY13)

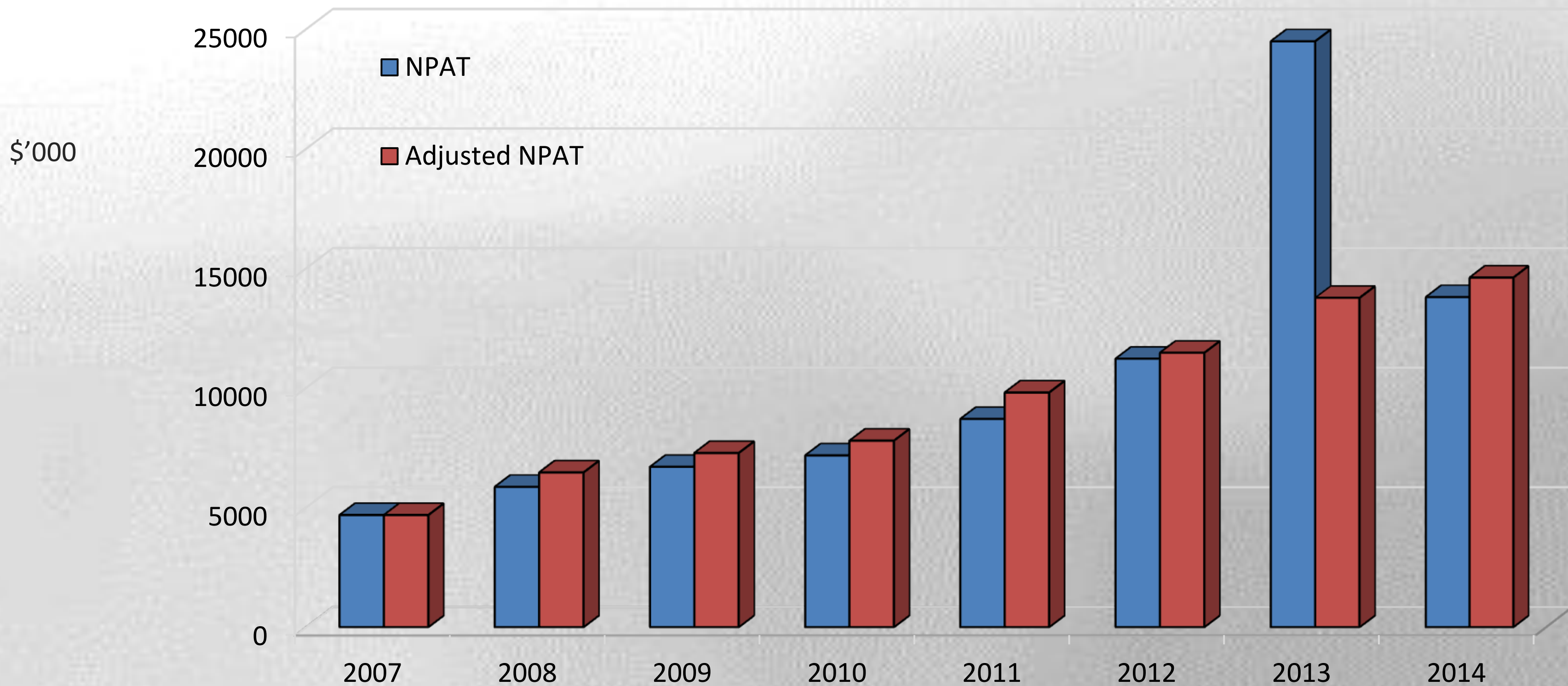
AUB TOTAL SHAREHOLDER RETURN PERFORMANCE



%	**(0.91)**	**11.17**	**11.14**	**24.1**	**8.22**	**9.07**	**38.1**	**12.42**	**12.50**

Periods to 2nd May 2014

NPAT GROWTH 1HY 2007 – 2014

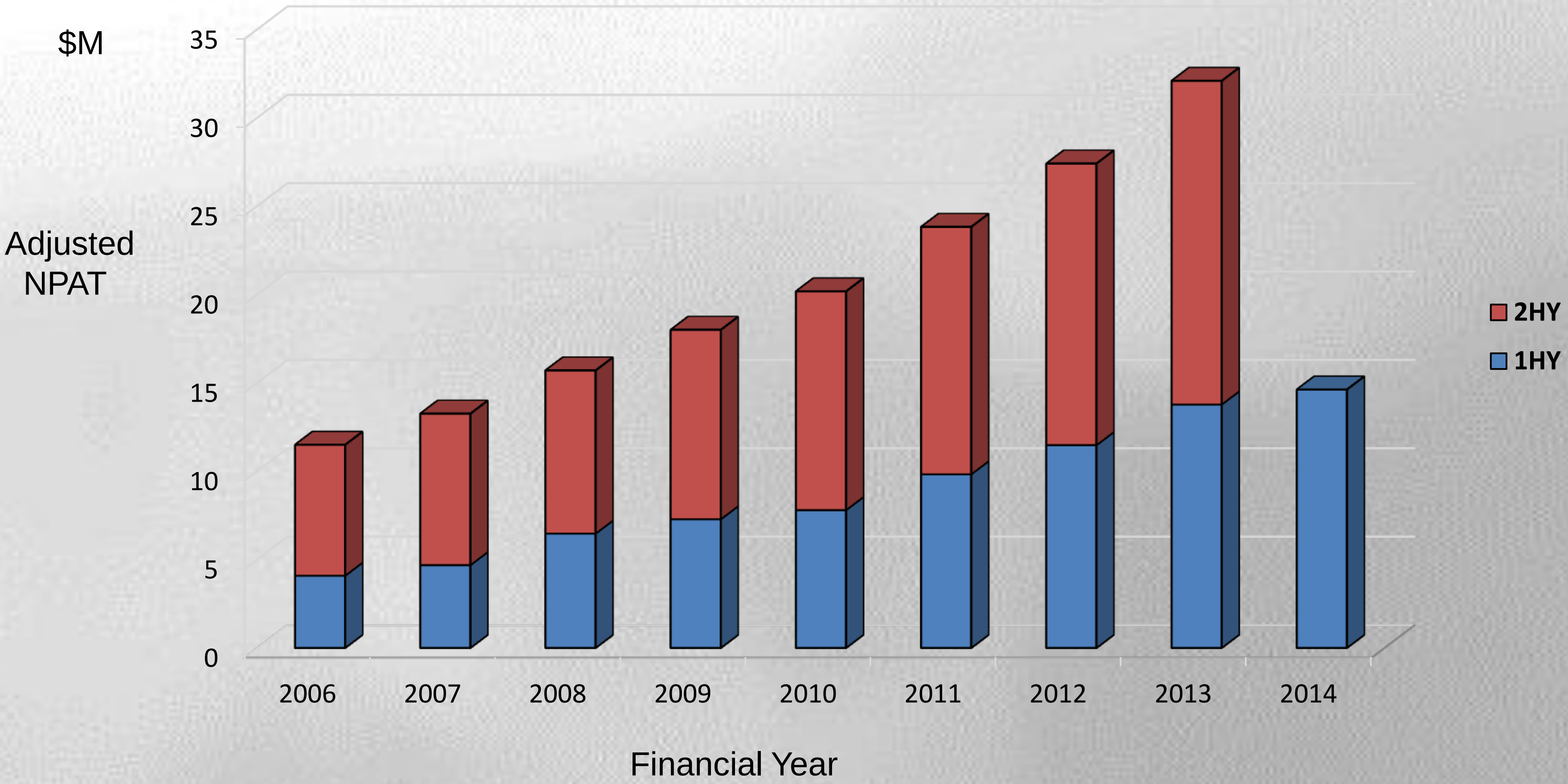


	2007	2008	2009	2010	2011	2012	2013	2014
% increase NPAT	28.3%	25.1%	14.3%	7.2%	21.3%	29%	118%	(47.8)%
% increase Adjusted NPAT	14.6%	38.0%	12.6%	7.1%	25.9%	17%	20%	6.2%

NPAT - Net Profit after tax attributable to members

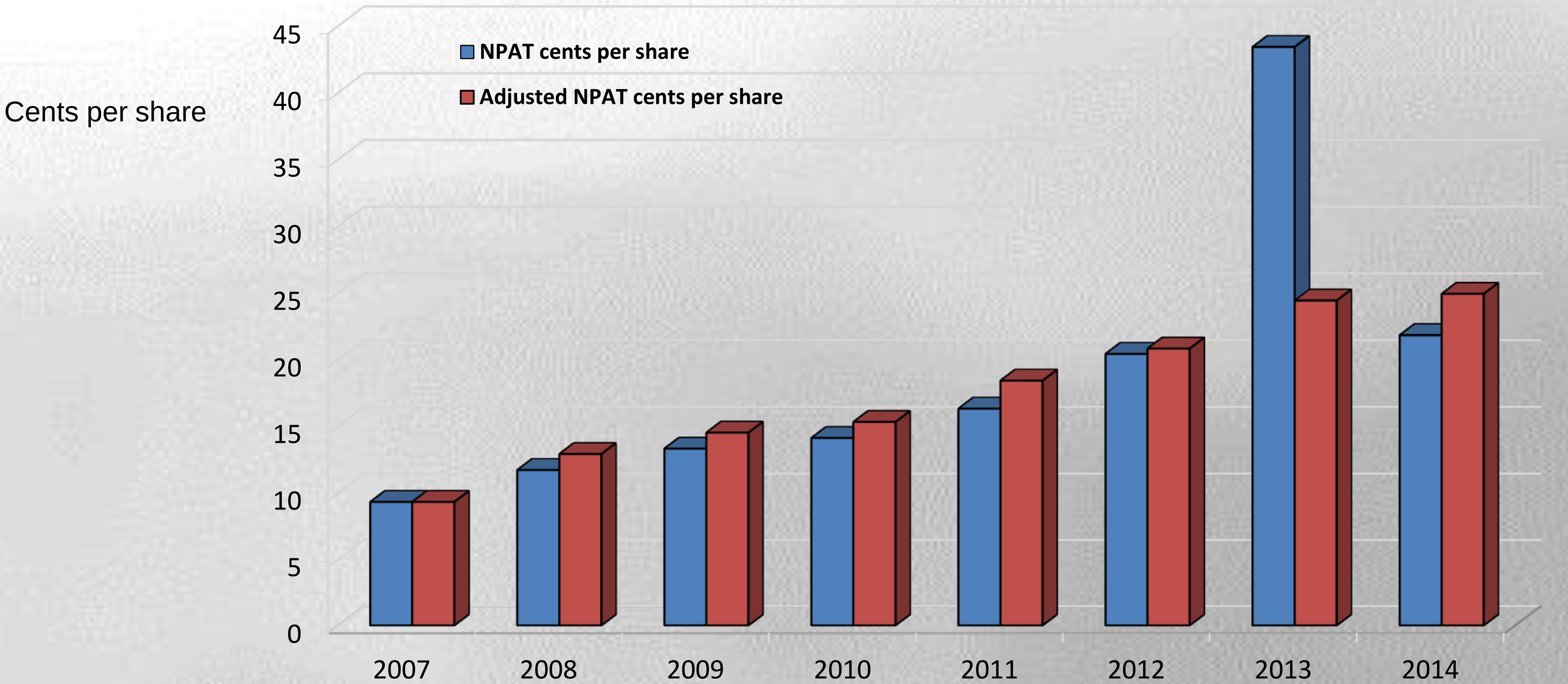
Adjusted NPAT – Net profit after tax before amortisation of intangibles before profits on business / portfolios sold, adjustment to contingent consideration for acquisitions and fair value adjustment to carrying value of associates on date at which they became controlled entities (2013 only)

1HY RESULT COMPARED TO 2HY



2HY	64%	65%	59%	60%	61%	59%	58%	57%
1HY	36%	35%	41%	40%	39%	41%	42%	43%

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

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FUNDING

- Facility from St George Bank (3 years to May 2016)
  - limit $50 million at holding company level (including $10 million increase approved but still subject to completion of legal documentation)
  - $30 million drawn
  - $15 million available including $10 million increase
  - $5 million allocated to other financing arrangements / guarantee
- Funding available from facility for future acquisitions of $15 million with free cash around $13 million over the next twelve months assuming maintenance of DRP and if underwritten in October
- Interest cover ratio – 16.1 times (EBITDA basis)
  - Gearing 18% (debt to debt plus equity)
  - Comfortably meet financial undertakings to Bank
- Borrowing by associates at 31st December 2013 not on Austbrokers balance sheet - $43.5 million Borrowings largely for acquisition funding
  - Interest cover ratio 16.7 times (as a group)

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OUTLOOK

- Market conditions
- Business Outlook

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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

OUTLOOK

- Pleasing underlying growth in soft market conditions - organic growth expected to continue through broker network initiatives
- Further growth and development in underwriting agency business with continued investment in capability in specific market segments
- Good progress in building ‘bench-strength’ to underpin future growth
- Continued diversification of income streams around ‘core’ capabilities
- Profit commissions for year depends on 2013 underwriting results
- Acquisitions, particularly InterRISK, will make greater contribution in 2HY
- Taking the above factors into account, an improvement in results is expected in 2HY vs 1HY
- Earnings guidance maintained at a 5% - 10% increase in Adjusted NPAT over FY2013 before taking into account Procare acquisition and Profit Commissions

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