

ASX Announcement: Calliden Group Limited (CIX)

24 November 2014

Update on 2014 Profit Target

Calliden Group Limited (CIX) has today announced that it expects the full year 2014 net profit after tax to be in a range between \$6m and \$7m, before transaction costs related to the proposed scheme of arrangement with Steadfast Group Ltd.*

This range is lower than the guidance provided in February, and subsequently confirmed at the half year results announcement in August, of a net profit after tax of \$7.5 - 9.5m. This forecast range was noted at the time as including an allowance for catastrophe and claims experience.

With a little over a month remaining in the financial year, it is evident that the claims experience in the run-off builders warranty insurance portfolio continues to track at higher than expected levels, more than offsetting good weather experience. Calliden CEO, Nick Kirk, said "The poor experience from the builders warranty insurance portfolio in the second half is disappointing, particularly after strengthening reserves for this product at the end of 2013. Calliden's agency businesses continue to perform strongly and in line with expectations."

This revision to guidance does not represent a 'Target Material Adverse Change' as defined on page 12 of the Scheme Implementation Deed between Steadfast Group Ltd and Calliden Group Limited and as such does not affect the proposed transaction.

Calliden's 2014 profit continues to be subject to claims experience over the remainder of the year and claims reserve movements.

About Calliden Group

Calliden is an ASX listed insurance Group specialising in general insurance which has been operating in the Australian market since 2005. Calliden delivers a choice of commercial, personal and specialist insurance options to intermediaries, third party agents and policyholders. Visit www.calliden.com.au for further information.

*Transaction costs of around \$1m, excluding success fees, related to the scheme of arrangement with Steadfast Group Ltd are payable whatever the outcome of the shareholder vote at the upcoming scheme meeting.