1H FY15 RESULTS
& EQUITY RAISING FOR ACQUISITIONS

16 February 2015

Presenters
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SCALE STRENGTH STEADFAST

Steadfast®

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Financial data

Local currencies have been used where possible. Prevailing current exchange rates have been used to convert local currency amounts into Australian dollars, where appropriate.

All references starting with "FY" refer to the financial year ended 30 June. For example, "FY15" refers to the year ended 30 June 2015. All references starting with "1H FY" refer to the financial half year ended 31 December. For example, "1H FY15" refers to the half year ended 31 December 2014.

Summary

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- 1H FY15 NPATA (cash profits) in line with guidance and slightly ahead of update on 29 January 2015
- Calliden acquisition completed on 23 December 2014
- Acquisition of two underwriting agencies (UAA and CHU) and one insurance broker from QBE and one Steadfast Network Broker (“Acquisitions”) with combined normalised historical EBITA of ~$40m[1] and expected adjusted cash EPS accretion of 10% on a full year basis
- Equity raising of $300 million announced to primarily fund the Acquisitions and enhance balance sheet capacity
- Guidance for FY15 cash EPS growth revised upwards to range of 22% to 25%[2] to include Calliden and the Acquisitions, up from previous range of 10% to 13% excluding Calliden and the Acquisitions

[1] Post sell-down to management of 10% for UAA and 6% for IC Frith.

[2] Based on FY14 pro-forma cash EPS of 8.23 cents per share adjusted to 7.94 cents per share, using bonus factor to reflect re-basing of EPS as a result of the entitlement offer.

1H FY15 Highlights[1]

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Strong growth despite softening market

Six months ended 31 Dec	Adjusted 1H FY15[2]	Pro-forma 1H FY14[4]	*% growth*
Fees & commissions ($m)	78.2	52.4	*49.3%*
EBITA post Corporate Office ($m)	34.9	29.8	*16.6%*
NPATA ($m)	21.0	18.8	*11.5%*
Cash EPS (cents)[3]	4.18	3.75	*11.5%*

- Interim dividend of 2.0 cents per share (fully franked), up 11% yoy
- Calliden acquisition completed:
  - Included in P&L from 1 January 2015;
  - Adds annual historical GWP of ~$130m and full year historical EBITA of ~$8.3m

[1] Non-IFRS financial information including Adjusted P&L items, Pro-forma P&L items, EBITA, NPATA and cash EPS provides useful information to measure the financial performance and condition of Steadfast.

[2] See slide 44 for a reconciliation between Statutory and Adjusted NPATA.

[3] Cash EPS represents Adjusted NPATA per share.

[4] The pro-forma results assume the Pre-IPO Acquisitions and the IPO Acquisitions have been included for the full reporting period. (All of the IPO Acquisitions completed on 7 August 2013.) Where used in this release, "Pre-IPO Acquisitions" and "IPO Acquisitions" have the meaning given in the IPO prospectus.

Network Brokers' GWP

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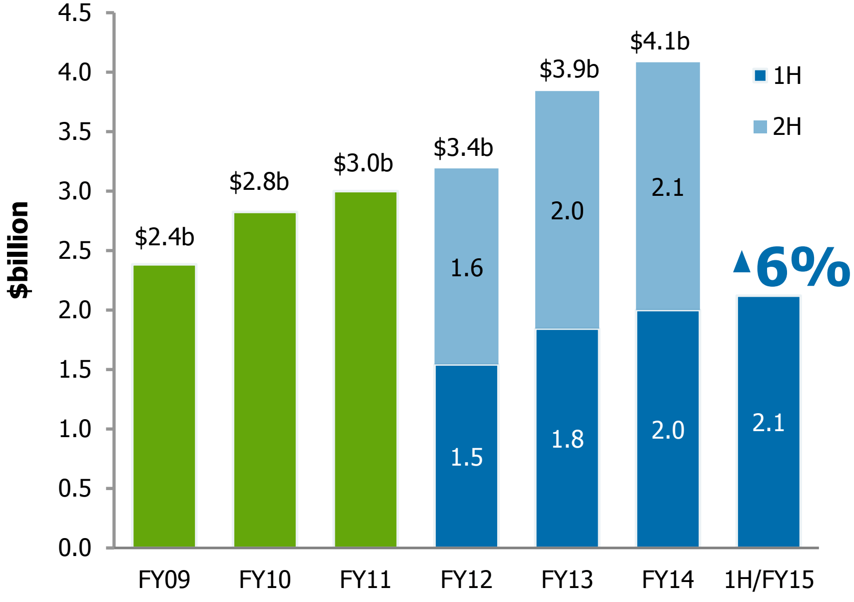
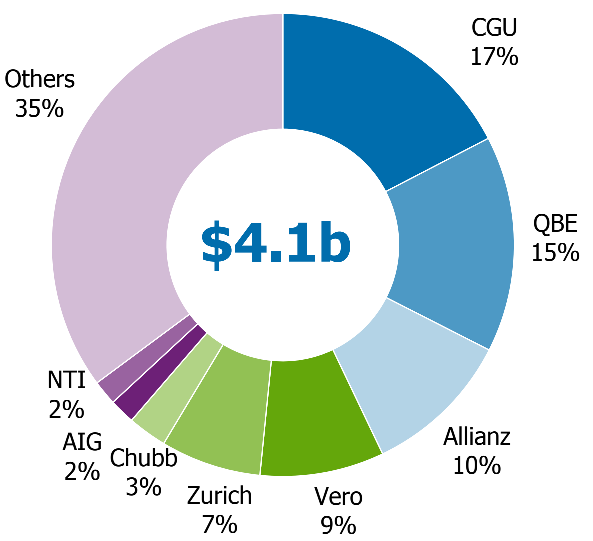
Network Brokers
Gross Written Premium (GWP)[1,2]



- Steadfast Network Brokers generated $2.1b GWP, up 6% year-on-year

Network Premium split
by Insurer (FY14)

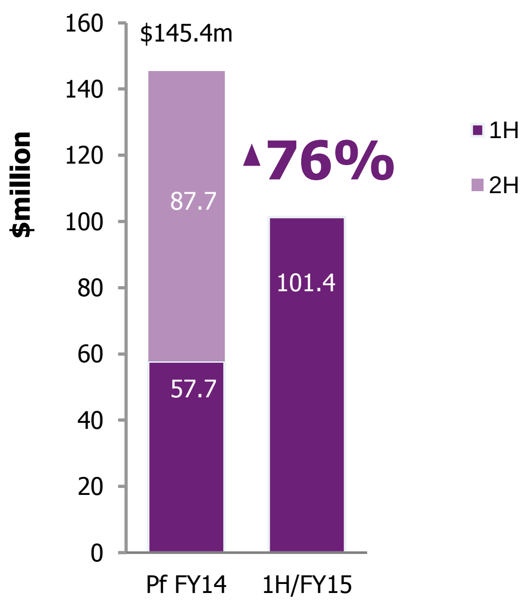


- No specific insurer concentration of GWP

[1] GWP excludes fire service levies which generate no income for brokers.
[2] Metrics above consist of non-IFRS financial information used to measure the financial performance and condition of Steadfast.

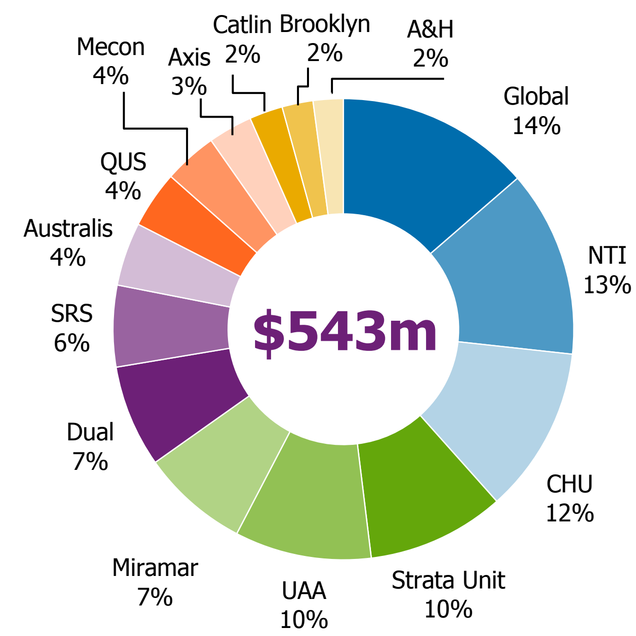
Underwriting Agencies

Steadfast Underwriting Agencies
Gross Written Premium (GWP)[1]



- Steadfast Underwriting Agencies generated GWP of $101.4m, up 76% due principally to acquisitions
- Excludes Calliden acquisition

Split of Top 15 underwriting agencies[2]
based on GWP placed by Steadfast Network Brokers



- Underwriting agency GWP placed by Steadfast Network Brokers well diversified by agency

[1] Metrics above consist of non-IFRS financial information used to measure the financial performance and condition of Steadfast.
[2] Top 15 underwriting agencies account for 63% of total underwriting agency GWP placed by Steadfast Network Brokers in FY14.

Network Brokers' GWP Growth Drivers

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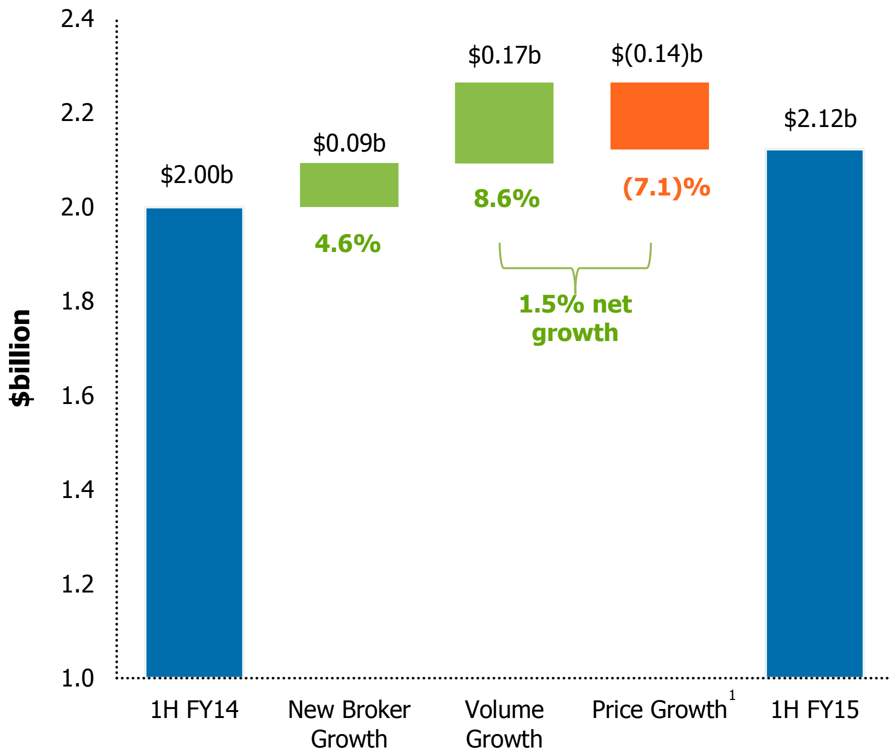


+ 4.6% new broker growth

+ 1.5% organic growth (price and volume)

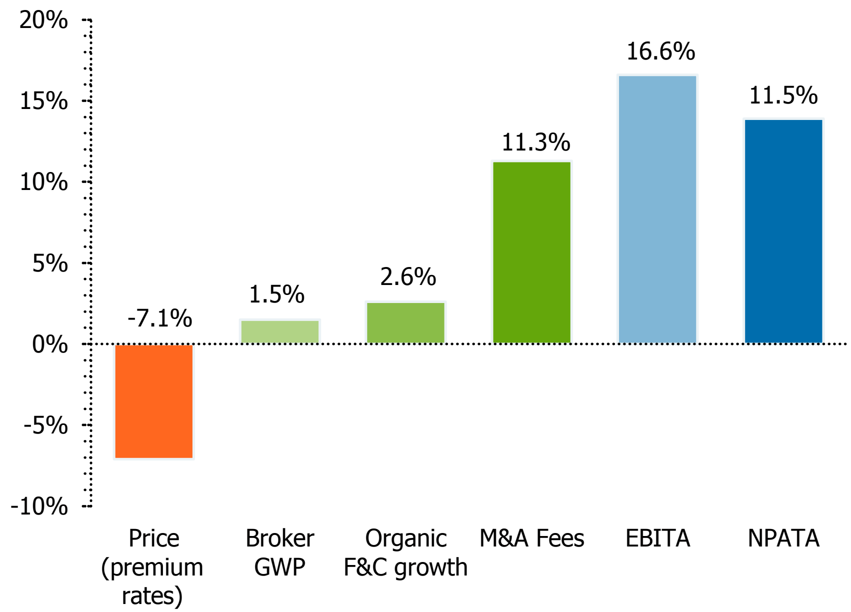
▲ 6.1% total

- **New broker growth mainly due to Steadfast NZ (Allied) acquisition**
- **Increase in volumes more than mitigates the lower premium rates**

[1] Based on the increase in average price per premium brokered by the Steadfast Network excluding new brokers (sample size of ~850k policies).

Earnings growth

1H FY15 vs 1H FY14

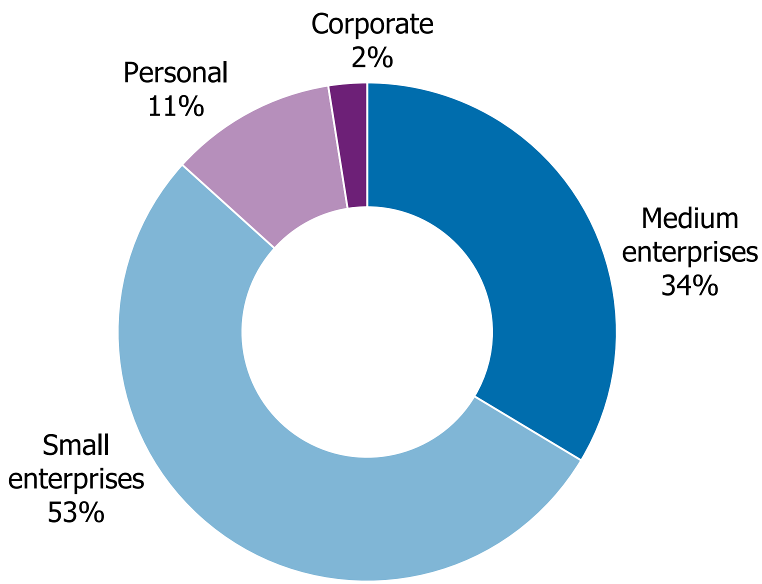


Growth in GWP, F&C, M&A Fees, EBITA and NPATA despite decline in premium rates

Note: Non-IFRS financial information including Adjusted P&L items, Pro-forma P&L items, EBITA, NPATA and cash EPS provides useful information to measure the financial performance and condition of Steadfast.

Defensive SME customer base

Steadfast Network Brokers' GWP mix[1,2,3]



- **87%** of Steadfast Network Brokers' customer base relates to small to medium size enterprises (**SMEs**) ➡ less GWP pricing volatility
- Focus is on advice
- **Low exposure** to Corporate and Personal insurance markets (**13%**) ➡ under more significant pricing pressure

[1] Excludes Steadfast New Zealand's GWP
[2] Allocation based on policy size (personal <$1k, small $1k – $9.9k, medium $10k – $299k, corporate $300k+).
[3] Metrics above consist of non-IFRS financial information used to measure the financial performance and condition of Steadfast.

Australian General Insurance Statistics[1]

Steadfast

Premiums and Claims by Class of Business	Houseowners/householders		Commercial motor vehicle		Domestic motor vehicle	
	Year End Sep 2013	Year End Sep 2014	Year End Sep 2013	Year End Sep 2014	Year End Sep 2013	Year End Sep 2014
Gross written premium ($m)	7,201	7,492	2,027	2,092	7,788	7,937
Number of risks ('000)		12,009		1,103		13,921
Average premium per risk ($)		**624**		**1,896**		**570**
Outwards reinsurance expense ($m)	2,310	2,219	146	144	1,405	1,348
Gross earned premium ($m)	7,507	7,732	1,972	2,090	7,557	7,838
Cession ratio	**31%**	**29%**	**7%**	**7%**	**19%**	**17%**
Gross incurred claims (current and prior years) ($m) (net of non-reinsurance recoveries revenue)	3,408	3,205	1,278	1,333	5,138	5,352
Gross earned premium ($m)	7,507	7,732	1,972	2,090	7,557	7,838
Gross loss ratio	**45%**	**41%**	**65%**	**64%**	**68%**	**68%**
Net incurred claims (current and prior years) ($m)	2,635	2,831	1,212	1,270	4,424	4,644
Net earned premium ($m)	5,198	5,513	1,826	1,946	6,152	6,490
Net loss ratio	**51%**	**51%**	**66%**	**65%**	**72%**	**72%**
Underwriting expenses ($m)		1,540		499		1,355
Net earned premium ($m)		5,513		1,946		6,490
U/W expense ratio		**28%**		**26%**		**21%**
Net U/W combined ratio		**79%**		**91%**		**92%**

- Latest stats from APRA show resilient market

[1] Source: Australian Prudential Regulation Authority (APRA) Quarterly General Insurance Performance Statistics September 2014 (issued 27 November 2014).

Australian General Insurance Statistics[1]

Steadfast

Premiums and Claims by Class of Business	Fire and ISR		CTP motor vehicle		Public and product liability		Professional indemnity	
	Year End Sep 2013	Year End Sep 2014	Year End Sep 2013	Year End Sep 2014	Year End Sep 2013	Year End Sep 2014	Year End Sep 2013	Year End Sep 2014
Gross written premium ($m)	3,946	3,855	3,343	3,508	2,158	2,224	1,499	1,521
Number of risks ('000)		1,361		11,240		9,108		526
Average premium per risk ($)		**2,833**		**312**		**244**		**2,893**
Outwards reinsurance expense ($m)	1,830	1,740	121	522	401	463	437	448
Gross earned premium ($m)	4,362	4,163	3,199	3,455	2,115	2,231	1,476	1,482
Cession ratio	**42%**	**42%**	**4%**	**15%**	**19%**	**21%**	**30%**	**30%**
Gross incurred claims (current and prior years) ($m) (net of non-reinsurance recoveries revenue)	1,928	1,492	2,587	2,988	1,283	1,387	637	1,110
Gross earned premium ($m)	4,362	4,163	3,199	3,455	2,115	2,231	1,476	1,482
Gross loss ratio	**44%**	**36%**	**81%**	**86%**	**61%**	**62%**	**43%**	**75%**
Net incurred claims (current and prior years) ($m)	1,246	1,189	2,561	2,525	979	1,021	457	719
Net earned premium ($m)	2,532	2,423	3,078	2,932	1,714	1,768	1,039	1,034
Net loss ratio	**49%**	**49%**	**83%**	**86%**	**57%**	**58%**	**44%**	**70%**
Underwriting expenses ($m)		965		352		579		242
Net earned premium ($m)		2,423		2,932		1,768		1,034
U/W expense ratio		**40%**		**12%**		**33%**		**23%**
Net U/W combined ratio		**89%**		**98%**		**90%**		**93%**

- Latest stats from APRA show resilient market

[1] Source: Australian Prudential Regulation Authority (APRA) Quarterly General Insurance Performance Statistics September 2014 (issued 27 November 2014).

Financial information

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Strong growth from acquisitions

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Six months ended 31 Dec	Adjusted 1H FY15[1]	Pro-forma 1H FY14	*Year-on-year growth %*	*Organic growth %*	*Growth from acquisitions %*
Fees & commissions ($m)	78.2	52.4	*49.3%*	*6.6%[3]*	*42.7%*
EBITA pre Corporate Office[1] ($m)	37.9	33.0	*14.5%*	*-3.8%*	*18.3%*
NPAT ($m)	15.3	14.5	*5.8%*		
Reported EPS (cents)	3.05	2.89	*5.8%*		
NPATA[1] ($m)	**21.0**	**18.8**	***11.5%***		
Cash EPS[1] (cents)	**4.18**	**3.75**	***11.5%***		

- Organic growth impacted by softening market
- Strong growth from acquisitions
- No trading results from Calliden acquisition until 1 January 2015
- Adjusted 1H FY15 results excludes non-trading items outlined on slide 44

[1] Non-IFRS financial information including Adjusted P&L items, Pro-forma P&L items, EBITA, NPATA and cash EPS provides useful information to measure the financial performance and condition of Steadfast.

[2] See slide 44 for a reconciliation between Statutory and Adjusted NPATA.

[3] Includes revenue growth from associates converted to consolidated entities in 1H FY15.

Statement of income (Adjusted IFRS view)

Steadfast

Six months ended 31 Dec, $ millions	1H FY15	Pro-forma 1H FY14	% growth	Organic growth %	% growth from acquisitions
Fees and commissions[1]	78.2	52.4	*49.3*	*6.6*	*42.7*
M&A Fees	15.6	13.7	*13.8*	*11.3*	*2.5*
Interest income	2.5	1.3	*88.2*	*37.7*	*50.5*
Other revenue	12.1	11.8	*2.2*	*-2.8*	*4.9*
Revenue – Consolidated entities	**108.4**	**79.2**	***36.8***	***6.5***	***30.3***
Employment expenses	-42.3	-30.8	*37.0*	*12.4*	*24.6*
Occupancy expenses	-3.8	-2.8	*37.5*	*7.0*	*30.5*
Other expenses	-34.2	-24.4	*40.0*	*1.3*	*38.7*
Expenses – Consolidated entities	**-80.2**	**-58.0**	***38.3***	***7.4***	***30.8***
EBITA – Consolidated entities	**28.2**	**21.2**	***32.7***	***4.1***	***28.7***
Share of EBITA from associates and joint ventures	9.7	11.8	*-18.0*	*-18.0*	*0.0*
EBITA – Pre Corporate Office expenses	**37.9**	**33.0**	***14.5***	***-3.8***	***18.3***
Corporate Office expenses	-3.0	-3.2	*-4.7*		
EBITA – Post Corporate Office expenses	**34.9**	**29.8**	***16.6***		
Net financing expense	-2.3	-0.6	*266.9*		
Amortisation expense – consolidated entities	-4.6	-3.8	*19.3*		
Amortisation expense – associates	-1.9	-1.0	*88.6*		
Income tax expense	-8.2	-8.8	*-7.0*		
Net profit after tax	**17.9**	**15.7**	***14.5***		
Non-controlling interests	-2.6	-1.2	*119.7*		
Net profit attributable to Steadfast members	**15.3**	**14.5**	***5.8***		
Amortisation expense – consolidated entities	3.7	3.3	*12.7*		
Amortisation expense – associates	1.9	1.0	*88.6*		
Net Profit after Tax and before Amortisation	**21.0**	**18.8**	***11.5***		

- Increase in underlying earnings due to acquisitions
- Organic growth neutral:
  - price declines
  - volume increases
  - additional expenditure to gain new business
- Profit from associates impacted by conversion of associates into consolidated entities

[1] 1H FY14 income and expenses restated to gross up underwriting agency commission expense of $5.6m ($10.5m in 1H FY15); 1H FY15 revenue and expenses reduced for gross up of selling expenses within a business unit of a broker

Track record of earnings growth

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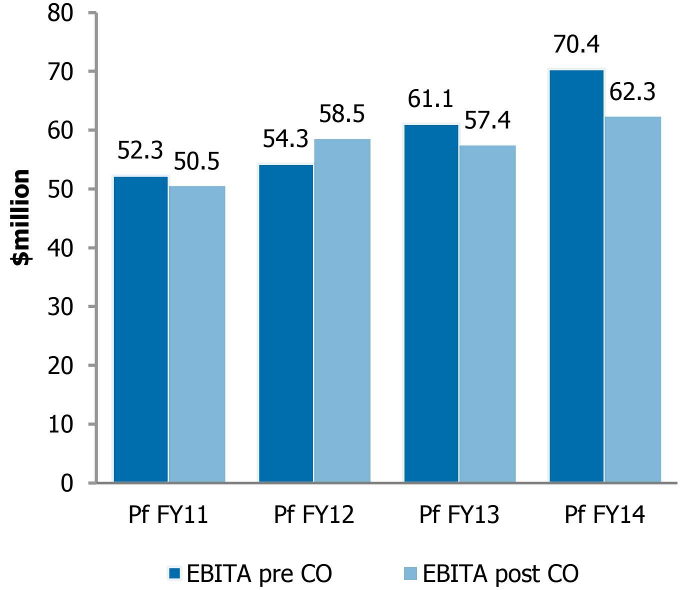
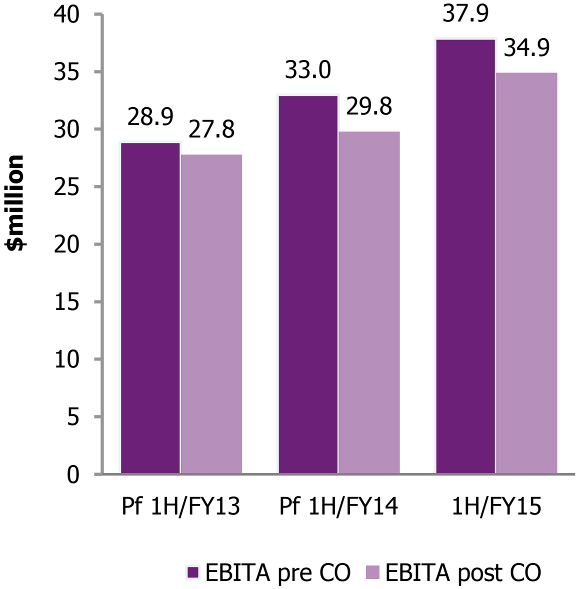
Defensive nature of business model demonstrated by track record of earnings growth

Full year EBITA[1,2]
pre and post Corporate Office expenses



Half year EBITA[1,2]
pre and post Corporate Office expenses



[1] Non-IFRS financial information including Adjusted P&L items, Pro-forma P&L items, EBITA, NPATA and cash EPS provides useful information to measure the financial performance and condition of Steadfast.

[2] For the periods up to and including 30 June 2014, EBITA refers to pro-forma EBITA; 1H FY15 EBITA refers to Adjusted EBITA.

Contributions to EBITA

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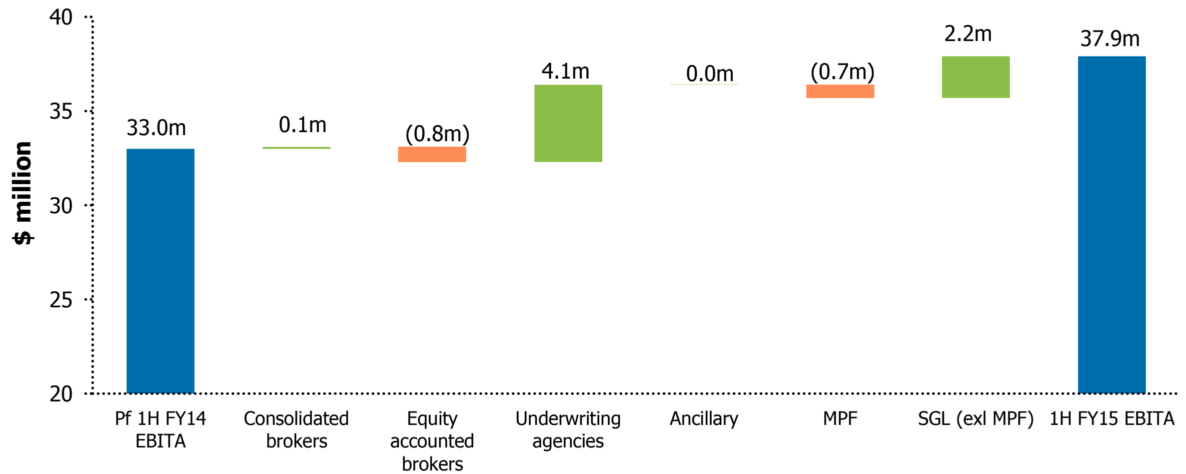
Breakdown of the growth in EBITA pre Corporate Office expenses[1]



EBITA margins by business unit (Aggregated View)[1]

Six months ended 31 Dec	1H FY15	Pro-forma 1H FY14	Pro-forma 1H FY13
Consolidated brokers	26.8%	32.2%	27.5%
Equity accounted	24.4%	25.2%	25.7%
Underwriting agencies	33.5%	34.7%	23.9%
Ancillary	11.3%	18.5%	16.4%
Premium funding	19.8%	22.8%	34.5%
Steadfast	31.0%	20.4%	28.6%
Total EBITA margin (pre Corporate Office expenses)	**25.1%**	**26.3%**	**26.7%**

- Larger consolidated brokers experienced greater impact from premium rate reductions
- Underwriting agencies recorded significant cost savings due to back office synergies
- Agencies acquired in 2H14 now flowing through to earnings; have lower operating margins
- Premium funding impacted by increased competition
- Steadfast Group Limited benefited from higher M&A Fees and tight cost management

[1] Metrics above consist of non-IFRS financial information used to measure the financial performance and condition of Steadfast.

Cash flow statement

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Six months ended 31 Dec, $ millions	1H FY15	1H FY14
Cash flows from operating activities		
Receipts from customers	163.2	90.1
Payments to suppliers and employees, and member rebates	-146.5	-88.4
Dividends received from associates and joint venture	9.9	3.5
Interest received net of interest and other finance costs paid	0.4	1.7
Income taxes paid	-5.9	-1.8
Net cash from operating activities before customer trust accounts movement	**21.1**	**5.1**
Net movement in customer trust accounts	1.3	-20.8
Net cash from operating activities	**22.4**	**-15.7**
Net cash used in investing activities	-53.7	-166.7
Net cash from financing activities	87.6	279.4
Net increase/(decrease) in cash and cash equivalents	**56.5**	**97.0**
Cash and cash equivalents at 1 July	114.6	11.5
Cash and cash equivalents at 31 December	**171.1**	**108.5**
split into: Cash held in trust	*116.7*	*56.5*
Cash on hand	*54.4*	*52.0*

- Strong conversion of profits into cash flow
- Additional $54m cash and cash equivalents net of cash held in trust upon acquisition of other businesses
- Cash used in investing is shown net of cash balances acquired – including trust cash

Balance sheet

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$ millions	31/12/14	30/06/14
Cash and cash equivalents	54.6	38.6
Cash held on trust	116.7	76.7
Receivables & other	139.2	152.7
Total current assets	**310.6**	**268.0**
Equity accounted investments	145.7	148.8
Property, plant and equipment	25.0	19.8
Identifiable intangibles	105.4	79.4
Goodwill	378.6	287.2
Deferred tax assets & other	28.6	19.5
Total non-current assets	**683.2**	**554.7**
Total assets	**993.8**	**822.7**
Trade and other payables	246.6	211.9
Loan and borrowings	18.8	1.5
Other	11.0	25.0
Total current liabilities	**276.4**	**238.4**
Loans and borrowings	122.7	19.5
Deferred tax liabilities & other	59.5	39.8
Total non-current liabilities	**182.2**	**59.3**
Total liabilities	**458.7**	**297.7**
Net assets	**535.2**	**525.0**
Non-controlling interests	14.3	9.2
Gearing ratio (Corporate)	**17%**	**2%**

- 3 year Corporate facility of $130m
- Utilised $113m at 31/12/14
- $50m increase of facility size to $180m executed post balance date with extra $50m tranche due for renegotiation by 31/12/15
- Balance sheet as at 31/12/14 includes acquisition of Calliden agencies

Fully franked interim dividend of 2.0 cents

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- Fully franked interim dividend of 2.0 cents per share, up 11% year-on-year
- In line with dividend payout ratio target of 65% to 85% of net profit after tax and a minimum of 50% of net profit after tax before amortisation and impairment of intangibles
- Dividend Reinvestment Plan (DRP) to apply to interim dividend; 2.5% discount
- Key dates for interim FY15 dividend
  - Ex date: 19 February 2015
  - Dividend record date: 23 February 2015
  - DRP record date: 24 February 2015
  - DRP pricing period: 16-20 March 2015
  - Payment date: 14 April 2015
- As new shares issued under the Equity Raising will be issued after the dividend record date, they will not be eligible for the interim dividend. New shares issued will rank pari passu with existing shares from issue

Acquisitions

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Acquisition Summary

Steadfast

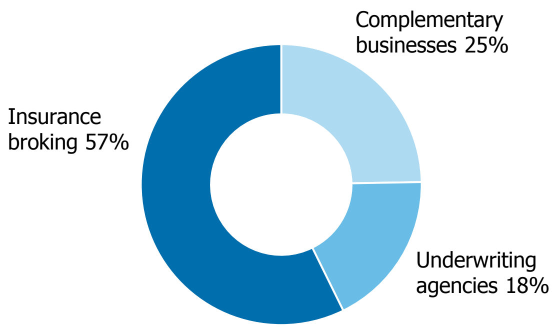
- Two QBE underwriting agencies – UAA (100% with 10% on sell to UAA management) and CHU (100%)
- Two brokers – BCB (100%, owned by QBE) and IC Frith (94% effective ownership)
- Adds annual historical GWP of ~$575 million and historical normalised EBITA of ~$40 million[1,2]
- Estimated 10% cash EPS accretion on a full year basis based on equity raise of $300m at $1.26 per share
- Natural acquirer of the QBE underwriting agencies as the Steadfast Network is the largest broker distributor of their products
- Extensive due diligence conducted
- Natural acquirer of IC Frith, the second member of the Steadfast Network

[1] Post sell-down to management of 10% for UAA and 6% for IC Frith.
[2] Normalised for changes to QBE Agency distribution agreements.

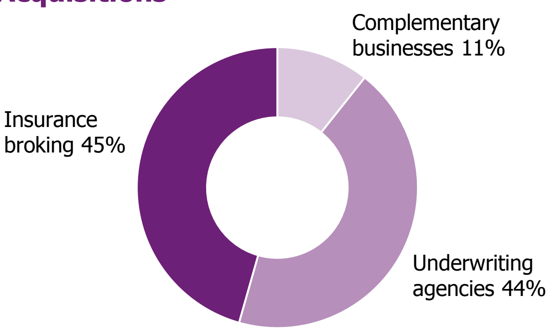
QBE underwriting agencies

- Transformational acquisitions that make Steadfast Underwriting Agencies the largest underwriting agency group in Australasia
- Minimal integration: stand-alone businesses
- Recurring revenue: long-term contracts
- Long standing relationships with Steadfast: ~20 years
- Steadfast Underwriting Agencies post QBE agencies to generate annual GWP ~$765 million
- Strengthens relationship with QBE who remains the underwriter (and keeps the underwriting risk)

1H FY15 EBITA pre CO split[1]



Pro-forma pre CO EBITA split post Calliden and Acquisitions[2]



[1] Based on 1H FY15 IFRS Adjusted EBITA pre CO split.
[2] Based on FY15 forecasted pro-forma IFRS Adjusted EBITA pre CO split including normalised historical full year EBITA for Calliden and the Acquisitions.

Steadfast Underwriting Agencies

Steadfast

MIRAMAR	STERLING INSURANCE	nminsurance	MECON INSURANCE	Sports Underwriting Australia
Strong focus on SME insurance programs	Hard-to-place and complex risks including environmental liability	Marine and motorcycle	Building and construction industry	Sports and leisure related businesses
protecsure insurance underwriting agency	HOSTSURE UNDERWRITING AGENCY	PROCOVER UNDERWRITING AGENCY	winsure UNDERWRITING	SPS Steadfast Placement Solutions
Specialised equipment, tradesmen & small business and marine transit	Community care, entertainment & hospitality, and security	Professionals including engineers, architects and doctors	Hospitality, leisure and entertainment sector	Hard-to-place risks, exclusive to Steadfast Network Brokers
calliden home	NSW GOVERNMENT SICorp NSW Self Insurance Corporation	IUA Interruption Underwriting Agencies	DAWES	ARGIS insurance
Home and contents for owner occupied homes	NSW Builders warranty	Stand alone cash flow insurance focus on SME	Specialist/exotic motorcar and motorcycle	Complete farm package
calliden accident & health	MANSIONS OF AUSTRALIA	QUS simply for brokers	UAA	CHU
Personal accident and sickness, and travel	High value homes	Property insurance	Mobile plant and equipment	Residential and commercial strata

NEW

Underwriting Agencies of Australia (UAA)

Steadfast

- Annual historical GWP of ~$105m of which close to 50% sold through the Steadfast Network; normalised[1] historical EBITA of ~$15m
- Five offices across Australia, one in New Zealand; head office in Newcastle
- Key UAA management to be offered 10% stake in UAA at same acquisition price
- Complements MECON (76% owned by Steadfast)
- 10 year distribution agreement with QBE
- Purchase price based on an 8x multiple on historical EBITDA and two year average rise and fall with a carve out for Steadfast initiatives

Market leader in mobile plant and equipment servicing infrastructure segment

[1] Normalised for changes to distribution agreement.

CHU Underwriting Agencies (CHU)

Steadfast

- Annual historical GWP of ~$325m; normalised[1] historical EBITA of ~$19m
- GWP distribution split: ~60% strata managers, ~30% brokers, ~10% direct business with owners committees and strata plans
- Five offices across Australia
- Complements QUS
- Distribution/selling opportunities
- 10 year distribution agreement with QBE
- Purchase price based on 8x multiple on historical EBITDA and two year average rise and fall with a carve out for Steadfast initiatives

Significant player in residential and commercial strata market

[1] Normalised for changes to distribution agreement.

Body Corporate Brokers (BCB)

Steadfast

- Annual historical GWP of ~$70m; normalised[1] historical EBITA of ~$2m
- Strong presence in QLD and NSW, four offices across Australia
- Brokerage relationships with all strata insurers except QUS and Chubb and places 30% of business with CHU
- Purchase price based on 8x multiple on historical EBITDA and two year average rise and fall

Specialises in insurance for bodies corporate, strata managing agents and landlords

[1] Normalised for changes to distribution agreement.

IC Frith Insurance Brokers

Steadfast

- Second Steadfast Network Broker to join in 1996
- Annual historical GWP of ~$75m; normalised historical EBITA of ~$4.5m
- Eight offices across Australia and New Zealand
- Key management to be offered 10% stake in IC Frith New Zealand operations at same acquisition price (6% of total stake)
- Signed term sheet expressed to be binding
- Purchase price based on 7x historical EBITA multiple
- IC Frith warranty business and New Zealand based insurer not part of the acquisition

A leading insurance broker in Australia and New Zealand

Equity raising

Steadfast

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Acquisition funding overview

Steadfast

Offer structure, size and underwriting	• Equity offering to raise approximately $300 million (the "Equity Raising"), comprising:
	  • An institutional placement to raise approximately $89 million ("Institutional Placement") and
	  • A 1 for 3 accelerated non-renounceable entitlement offer to raise approximately $211 million ("Entitlement Offer")
	• Approximately 238 million new Steadfast shares to be issued (approximately 47% of current issued capital)
	• The Equity Raising is fully underwritten by J.P. Morgan Australia Limited and Macquarie Capital (Australia) Limited

Offer price	• Offer price of $1.26 per new share ("Offer Price"), which represents a:
	  • 10% discount to TERP[1]
	  • 14% discount to the last traded price of $1.49 on 13 February 2015, adjusted for the interim dividend of 2.0 cents per share
	  • 15% discount to the 5 day VWAP[2] of $1.49

Institutional Placement and Institutional Entitlement Offer	• Institutional Placement and the institutional component of the Entitlement Offer ("Institutional Entitlement Offer") will be conducted over 16 February 2015 and 17 February 2015 • Entitlements not taken up under the Institutional Entitlement Offer will be offered to new and existing eligible institutional investors concurrently with the Institutional Entitlement Offer and Institutional Placement
Retail Entitlement Offer	• Retail Entitlement Offer opens 23 February 2015 and closes 4 March 2015 • Eligible retail shareholders will be able to apply for additional shares over their entitlement up to a maximum of 50% of their entitlement under a "Top-Up Facility" as part of the Retail Entitlement Offer[3]
Ranking and eligibility	• New shares issued under the Equity Raising will rank equally in all respects with existing ordinary shares from allotment. New shares issued under the Institutional Placement will not be eligible to participate in the Entitlement Offer • The Entitlement Offer is open to existing Steadfast shareholders with a registered address in Australia and New Zealand on the register as at 7.00pm AEDT on the Record Date of 19 February 2015

[1] The Theoretical Ex-rights Price ("TERP") is calculated by reference to Steadfast's closing price on 13 February 2015 of $1.49 per share (adjusted for the theoretical impact of payment of the interim dividend), being the last trading day prior to the announcement of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Steadfast's shares trade immediately after the ex-date of the Entitlement Offer and the ex dividend date will depend on many factors and may not approximate TERP. TERP includes the new shares issued under the Institutional Placement.

[2] 5 day volume weighted average price ("VWAP") calculated over the 5 days trading in Steadfast shares up to and including 13 February 2015 (adjusted for the theoretical impact of payment of the interim dividend).

[3] The conditions of the Top-Up Facility will be set out in the Retail Information Booklet, expected to be lodged with ASX on 18 February 2015.

Source & Application of Funds

Steadfast

Source of Funds	$millions
Total equity to be raised	300
Debt to be drawn	30
Total	**330**

Application of Funds	$millions
Acquisition of QBE entities	290
Acquisition of IC Frith	30
Share issue and other related costs	10
Total	**330**

Impact on FY15 guidance

Steadfast

Impact of Steadfast's recent acquisitions means FY15 cash EPS guidance range revised upwards to 22%-25%[1]

	FY14	Previous FY15 guidance	FY15 guidance *(including Calliden)*	Revised FY15 guidance *(including Calliden, the Acquisitions and the Equity Raising)*
NPATA ($m)	41.2	45.5 – 46.8	47.6 – 48.9	55 - 57
Weighted average number of shares outstanding (m)[2]	501.1	503.4	503.4	572.9
Cash EPS (pre-adjustment) (cents)	8.23	9.0-9.3	9.5 - 9.7	
Cash EPS growth over FY14		**10% - 13%**	**15% - 18%**	
Cash EPS (adjusted) (cents)	7.94[3]			9.7 - 9.9
Cash EPS growth over FY14 (adjusted)				**22% - 25%**

Key assumptions used to determine the impact of the Acquisitions include:

- Financial close of the Acquisitions assumed to be 31 March 2015;
- Steadfast raises $300 million and issues 238 million New Shares;
- Steadfast borrows up to $30 million from its existing debt facility to fund the Acquisitions;
- Financial performance of the Acquisitions and Calliden agencies in 2015 is assumed to be in line with 2014 audited accounts subject to normalisations to EBITA; and
- Costs to acquire the Acquisitions and Calliden agencies are excluded.

[1] Based on FY14 cash EPS of 7.94 cents per share, adjusted using bonus factor to reflect re-basing of EPS as a result of the entitlement offer.

[2] The weighted average number of shares outstanding is a calculation that incorporates any changes in the amount of outstanding shares over a reporting period.

[3] Cash EPS adjusted using bonus factor to reflect re-basing of EPS as a result of the entitlement offer. Bonus factor of 1.037 calculated based on Steadfast's last adjusted price (actual closing price of $1.49 less 2c per share dividend) and the dividend adjusted theoretical ex-rights price (TERP) excluding the placement of $1.42.

Cash EPS accretion

Steadfast

Acquisitions including $300m equity raising estimated to deliver FY15 cash EPS accretion of 10% on a full year basis (i.e. assuming Steadfast owned the businesses for the full 12 months in FY15)

FY2015	**Run rate based on mid-point of earnings guidance** *(including Calliden)*	**Run rate based on mid-point of earnings guidance** *(including Calliden and the Acquisitions)*
Run rate NPATA ($m)	51[1]	80[2]
Shares outstanding (m)	503.4	741.5
Run rate cash EPS (pre-adjustment) (cents)	10.2	10.8
Run rate cash EPS[3] (post-adjustment) (cents)	9.8	10.8
Cash EPS accretion		**10%**

Key assumptions used to determine the impact of the Acquisitions include:

- Financial close of the Acquisitions assumed to be 31 March 2015;
- Steadfast raises $300 million and issues 238 million New Shares;
- Steadfast borrows up to $30 million from its existing debt facility to fund the Acquisitions;
- Financial performance of the Acquisitions and Calliden agencies in 2015 is assumed to be in line with 2014 audited accounts subject to normalisations to EBITA; and
- Costs to acquire the Acquisitions and Calliden agencies are excluded.

[1] Assumes mid-point of previous FY15 earnings guidance, including 12 months of earnings contribution from Calliden.

[2] Assumes mid-point of previous FY15 earnings guidance, including 12 months of earnings contribution from Calliden plus including 12 months of earnings contribution from Acquisitions.

[3] Cash EPS adjusted using bonus factor to reflect re-basing of EPS as a result of the entitlement offer. Bonus factor of 1.037 calculated based on Steadfast's last adjusted price of $1.47 (actual closing of $1.49 less 2c per share dividend) and the dividend adjusted theoretical ex-rights price (TERP) excluding the placement of $1.42.

Pro-forma balance sheet

Steadfast

$ millions	31 Dec 14	Pro-forma post Equity Raise and Acquisitions
Cash and cash equivalents	55	68
Cash held on trust	117	150
Receivables & other	139	164
Total current assets	**311**	**382**
Equity accounted investments	146	133
Property, plant and equipment	25	26
Identifiable intangibles	105	183
Goodwill	379	646
Deferred tax assets & other	29	46
Total non-current assets	**683**	**1,034**
Total assets	**994**	**1,416**
Trade and other payables	247	312
Loan and borrowings	19	35
Other	11	12
Total current liabilities	**276**	**359**
Loans and borrowings	123	142
Deferred tax liabilities & other	60	83
Total non-current liabilities	**182**	**225**
Total liabilities	**459**	**584**
Net assets	**535**	**832**
Non-controlling interests	14	17
Gearing ratio (Corporate)[1]	**17%**	**15%**

[1] Gearing ratio calculated as total debt/(total debt plus equity).

- Target gearing ratio (Corporate)[1] now raised from 20% to 25% providing approximately $118m for future acquisitions
- Gearing ratio[1] based on portion of Loans & Borrowings attributable to Steadfast. The drawdown on the Macquarie Bank facility is as follows:
    - 31 Dec 14 = $113m
    - Pro-forma = $146m
- Corporate debt facility extended to $180m from $130m. $50m extension to be renegotiated by 31/12/15. Intention to renegotiate long term debt facilities in accordance with 25% target gearing ratio[1] post Equity Raise
- Cash held on trust has offsetting trade payables

Timetable

Steadfast

Announcement and trading halt	**Monday, 16 February 2015**
Institutional Placement and Institutional Entitlement Offer opens	**Monday, 16 February 2015**
Institutional Placement and Institutional Entitlement Offer closes	**Tuesday, 17 February 2015**
Steadfast shares re-commence trading on ex-entitlement basis	**Wednesday, 18 February 2015**
Record Date for the Entitlement Offer (7.00pm AEDT)	**Thursday, 19 February 2015**
Retail Entitlement Offer opens	**Monday, 23 February 2015**
Settlement of Institutional Placement and Institutional Entitlement Offer	**Wednesday, 25 February 2015**
Allotment and normal trading of new shares issued under the Institutional Placement and Institutional Entitlement Offer	**Thursday, 26 February 2015**
Retail Entitlement Offer closes (5.00pm AEDT)	**Wednesday, 4 March 2015**
Settlement of Retail Entitlement Offer shortfall	**Tuesday, 10 March 2015**
Allotment of new shares issued under the Retail Entitlement Offer	**Wednesday, 11 March 2015**
Normal trading of new shares issued under the Retail Entitlement Offer	**Thursday, 12 March 2015**
Completion of QBE acquisitions	**End of March 2015**

All dates and times refer to Australian Eastern Daylight Time. Steadfast reserves the right to amend any or all of these dates and times, to accept late applications either generally or, in particular cases, to withdraw the Entitlement Offer without prior notice subject to the Corporations Act, the ASX Listing Rules and other applicable laws. The commencement of quotation and trading of Entitlements and New Shares is subject to ASX confirmation.

Outlook

Steadfast

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Well progressed with FY15 strategic initiatives

Steadfast

- Continue to provide and enhance the Network services that our brokers rely upon

➢ Steadfast Direct Berkshire Hathaway Insurance	➢ MetLife partnership  Steadfast STRENGTH WHEN YOU NEED IT MetLife
➢ Steadfast New Zealand • *Formerly Allied Group Insurance* • *Mission: to build a similar platform to Steadfast Australia*	➢ Asian presence

- M&A Fee uplift

- Continue to acquire insurance brokers and underwriting agencies
  - ➢ Calliden eight underwriting agency acquisitions completed
  - ➢ Complete acquisitions of UAA, CHU, BCB and IC Frith

- All underwriting agencies specialise in niche market segments

Calliden underwriting agencies

Steadfast

- Acquired eight underwriting agencies
  - Generate annual GWP of ~$130 million[1]
  - Historical full year EBITA contribution of $8.3 million (1H/2H split ~45/55%)
- Strengthens relationship with Munich Re, one of the world's leading reinsurance companies
- Stand-alone businesses that require minimal integration

Adds eight complementary agencies to Steadfast Underwriting Agencies portfolio

[1] Based on 2014 historical data.

FY15 outlook[1]

Steadfast

- Guidance for FY15 cash EPS growth revised upwards to a range of 22% to 25%[2] to include Calliden and the Acquisitions, up from previous range of 10% to 13% excluding Calliden and the Acquisitions
- Expected full year cash EPS accretion of the Acquisitions and Equity Raising ~10%
- Earnings weighted to H2 in FY15 given the timing of acquisitions
  - FY14 pro-forma earnings split 47%/53%
  - FY15 earnings split expected to be ~37%/63% due to acquisitions
- Cash EPS growth being driven by:
  - Acquisitions year to date performing as expected
  - Uplift from QBE and IC Frith acquisitions
- Focus now on bedding down acquisitions to be well positioned for an upturn in the pricing cycle

[1] Refer to slides 32 & 33 detailing key assumptions.

[2] Based on FY14 pro-forma cash EPS of 8.23 cents per share, adjusted to 7.94 cents per share using bonus factor to reflect re-basing of EPS as a result of the entitlement offer.

Q&A

Steadfast

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Appendices

Steadfast

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Post IPO acquisitions as at 31/12/14

Steadfast

- Acquired businesses with $590m of annual GWP and $22m of EBITA (100% basis)
- 12 underwriting agencies/Strategic Partners
  - **Protecsure – Dec 13**
  - **Nautilus Marine – Apr 14**
  - **MECON – May 14**
  - **Winsure – May 14**
  - **Calliden's eight agencies – Dec 14**
- Four insurance brokers including two Network Brokers
  - **IMC – Jun 14**
  - **Steadfast Re – Jul 14**
  - **Ausure Group – Aug 14**
  - **CAIP – Dec 14**
- Second largest broker network in New Zealand
  - **Steadfast New Zealand (formerly Allied) – Jul 14**

Stayed disciplined with acquisition criteria and pricing multiples

Statutory P&L

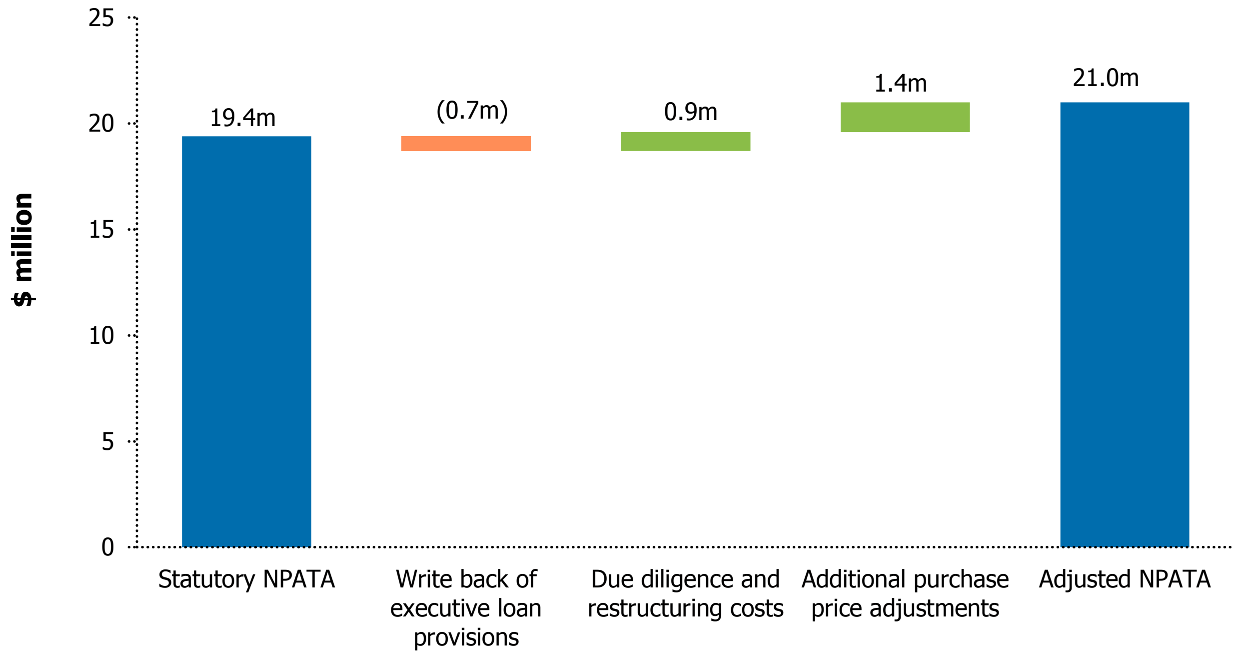
Steadfast

$ millions	1H FY15	1H FY14
Revenue		
M&A fees	15.6	13.5
Revenue from wholly owned entities	87.7	49.1
Share of profits of associates and joint venture	4.7	6.2
Other revenue	0.2	0.2
Total revenue	**108.2**	**73.6**
EBITA from core operations (post CO)	**34.5**	**24.8**
Net profit on change in value of investments	-1.4	4.6
Due diligence and restructure costs	-1.3	-2.3
Share based payment expense on share options and executive loans and shares	1.1	-5.7
Statutory EBITA	**32.9**	**21.4**
Amortisation	-6.7	-4.2
Finance costs	-2.3	-1.7
Income tax expense	-7.6	-5.8
Net profit after tax before non-controlling interests	**16.3**	**9.7**
Non-controlling interests	-2.6	-0.9
Net profit after tax attributable to Steadfast members	**13.7**	**8.8**
Other comprehensive income after tax	0.3	0.6
Total comprehensive income after tax	**14.0**	**9.4**
Net profit after tax and before amortisation	**19.4**	**13.1**

- 1H FY14 reflects five months of operations from IPO acquisitions and non-recurring items
- Adjustments to 1H FY15 P&L for non trading items shown on following slide

Reconciliation between Adjusted and Statutory NPATA for 1H FY15

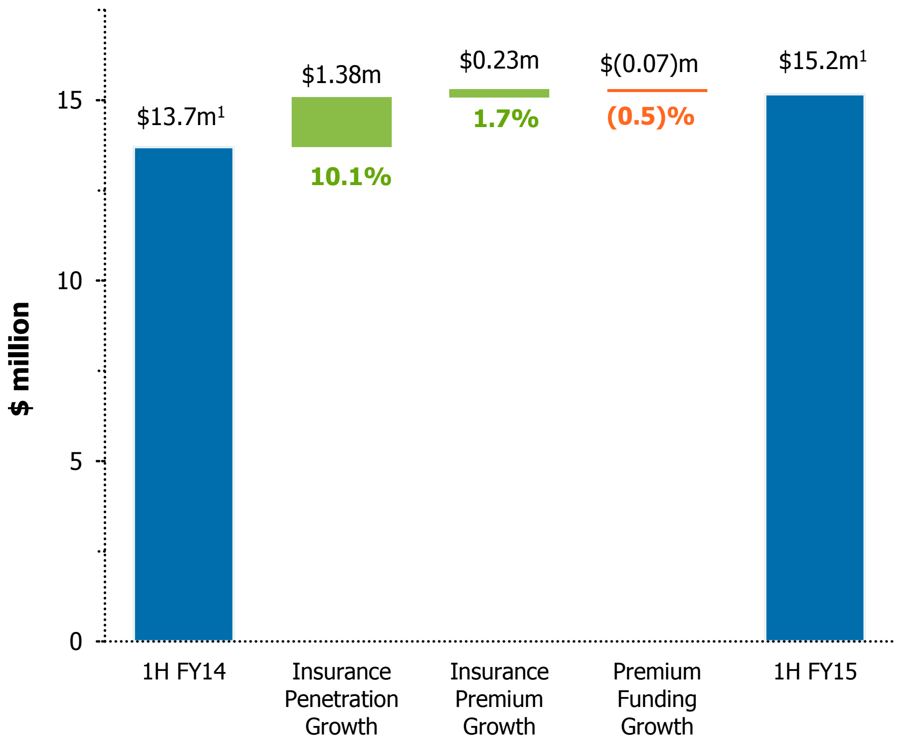
Steadfast



M&A Fee growth reflects strength of Network

Steadfast

Gross M&A Fee growth drivers



- 35% of M&A Fee rebated to Steadfast members in FY14 and accrued for FY15

+ 10.1% more M&A products and rate increases

+ 1.7% premium growth

- 0.5% premium funding contribution

▲ 11.3% total

[1] Prior to intercompany transactions, i.e. gross M&A Fee.

Revenue and EBITA pre CO expenses (Aggregate view)

Steadfast

$ millions	1H FY15 GWP	1H FY15	1H FY14 GWP	Pro-forma 1H FY14	*Organic growth %*	Growth % from acquisitions
Revenue						
Consolidated brokers	287.2	57.0	210.5	47.3	*6.5*	*14.0*
Equity accounted	268.8	72.2	259.1	71.5	*0.9*	*0.0*
Other Revenue	n/a		n/a			
Revenue from brokers		**129.2**		**118.8**	***3.3***	***5.5***
Underwriting agencies[1]	101.4	34.5	57.7[2]	18.5	*-4.9*	*91.3*
Ancillary		13.0		12.0	*6.8*	*0.9*
Premium funding		29.0		31.6	*-8.2*	*0.0*
Steadfast		17.0		15.1	*9.7*	*2.3*
Total revenue		**222.6**		**196.1**	***1.3***	***12.2***
EBITA (pre CO expenses)		**52.7**		**49.5**	***-5.7***	***12.2***
Consolidated brokers		15.3		15.2	*-21.3*	*21.7*
Equity accounted		17.6		18.0	*-2.0*	*0.0*
Underwriting agencies		7.4		3.8	*28.9*	*64.3*
Ancillary		1.5		2.2	*-36.3*	*1.9*
Premium funding		5.7		7.2	*-20.6*	*0.0*
Steadfast		5.2		3.1	*61.8*	*7.9*
Total EBITA (pre CO expenses)		**52.7**		**49.5**	***-5.7***	***12.2***

[1] 1H FY14 income restated to gross up of underwriting agency commission expense ($12.2m in 1H FY15 and $7.7m in 1H FY14 both on an aggregate basis).
[2] Pro-forma, i.e. 1 July – 31 December 2013.

Revenue and EBITA pre CO expenses margins (Aggregate view)

Steadfast

Six months ended 31 Dec, $ millions	1H FY15	Pro-forma 1H FY14	Pro-forma 1H FY13	Pro-forma FY14	Pro-forma FY13
Revenue					
Consolidated brokers	57.0	47.3	45.7	96.7	94.2
Equity accounted	72.2	71.5	69.8	147.3	143.6
Revenue from brokers	**129.2**	**118.8**	**115.5**	**244.1**	**237.8**
Underwriting agencies[1]	21.9	10.8	9.4	27.3	19.7
Ancillary	13.0	12.0	9.8	24.3	21.4
Premium funding	29.0	31.6	18.3	56.3	37.9
Steadfast	17.0	15.1	13.1	32.4	29.1
Total revenue	**210.0**	**188.4**	**166.1**	**384.4**	**345.9**
Total EBITA (pre CO expenses)	**52.7**	**49.5**	**44.4**	**105.1**	**92.1**
EBITA margin (pre CO expenses)					
Consolidated brokers	26.8%	32.2%	27.5%	33.3%	31%
Equity accounted	24.4%	25.3%	25.7%	29.7%	27%
Underwriting agencies	33.5%	34.7%	23.9%	33.9%	26%
Ancillary	11.3%	18.5%	16.4%	16.0%	17%
Premium funding	19.8%	22.8%	34.5%	18.9%	23%
Steadfast	31.0%	20.4%	28.6%	16.3%	22%
Total EBITA margin (pre CO expenses)	**25.1%**	**26.3%**	**26.7%**	**27.3%**	**27%**

[1] Underwriting agency commission income shown on a net basis (i.e. after deducting payment of commissions to brokers).

P&L items (IFRS view)

Steadfast

Other revenue

$millions	1H FY15	Pro-forma 1H FY14	Variance
Fee income for other professional services	8.6	8.5	0.1
Legal fee disbursements	1.3	1.4	-0.1
Other income	2.2	1.9	0.3
Total other revenue	**12.1**	**11.8**	**0.3**

Other expenses

$millions	1H FY15	Pro-forma 1H FY14	Variance
Rebate to Steadfast brokers	4.3	3.6	0.7
Cost of broker services	1.4	1.3	0.1
Selling expenses	4.4	2.3	2.1
Underwriting commission expense	10.5	5.6	4.9
Legal fee disbursements	1.3	1.4	-0.1
Administration expenses	11.0	9.3	1.8
Depreciation of PP&E	1.1	0.9	0.2
Total other expenses	**34.2**	**24.4**	**9.8**

Risks

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Key risks

Steadfast

This section discusses some of the key risks associated with any investment in Steadfast together with risks relating to the Acquisitions and participation in the Entitlement Offer and Placement which may affect the value of Steadfast Shares. The risks set out below are not listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in Steadfast.

Before investing in Steadfast you should be aware that a number of risks and uncertainties, which are both specific to Steadfast and of a more general nature, may affect the future operating and financial performance of Steadfast and the value of Steadfast Shares.

Before investing in Steadfast Shares, you should carefully consider the risk factors and your personal circumstances. Potential investors should consider publicly available information on Steadfast (such as that available on the ASX website), and consult their stockbroker, solicitor, accountant or other professional advisor before making an investment decision.

Nothing in this presentation is financial product advice and this document has been prepared without taking into account your investment objectives or personal circumstances.

Business risks

Steadfast

Access to financing

- Steadfast relies on access to debt financing. The ability to secure financing, or financing on acceptable terms, may be affected by volatility in the financial markets, globally or within a particular geographic region, industry or economic sector. For these reasons, financing may be unavailable or the cost of financing may be significantly increased. An inability to obtain, or increase in the costs of obtaining, financing on acceptable terms could adversely impact Steadfast's financial position and performance. Steadfast is exposed to movements in interest rates through its debt facility. Whilst it intends to fix some of its debt, there will remain exposure to interest rate movements which may adversely impact Steadfast's financial position and performance.
- Steadfast's $180m debt facility is currently required to be repaid down to $130m on or before 31 December 2015. After the anticipated drawdown to partially fund the QBE Agencies acquisition, Steadfast will have drawn down $146m and will therefore have to repay $16m, plus any additional amount it draws down, on or before 31 December 2015. Steadfast is seeking to enter into a variation of its financing facility to increase its facility limit so that this amount is not required to be repaid on or before 31 December 2015. However, in the event that it is unsuccessful in doing so, Steadfast will be obliged to repay or refinance that portion of its debt in excess of $130m. If it is unable to do so, the financier may terminate the debt facility. Termination of the debt financing arrangements would have an adverse impact on Steadfast's financial position and performance.

Asset impairment

- The Steadfast Board regularly monitors impairment risk. Where the value of an asset is assessed to be less than its carrying value, Steadfast is obliged to recognise an impairment charge in its profit and loss account.
- Asset impairment charges may result from the occurrence of unexpected adverse events that impact Steadfast's expected performance. Assets are tested for impairment more frequently if events or changes in circumstances indicate that they might be impaired. This could result in the recognition of impairment provisions that could be significant and could adversely impact Steadfast's financial position.
- Steadfast's balance sheet includes a significant level of intangible assets recognised as a result of its various acquisitions. Intangible assets must be regularly tested for impairment. Impairment results from a permanent diminution in value indicated by a decrease in profits below the level that supports the value of this asset. In the event that any of Steadfast's intangible assets are found to be impaired to a level below their carrying value, Steadfast would need to write down the value of the intangible asset. This will result in an expense in the income statement and reduced profit for Steadfast.

Reduction in GWP in the Australian general insurance market

- Steadfast has a number of revenue sources linked to the size and growth of GWP in the Australian market for insurance including dividends from its operating businesses which are influenced by the financial performance of operating businesses and M&A fees from strategic partners. GWP is influenced by factors including pricing decisions by insurers and the level of demand for general insurance products. Any softening in local and global economic conditions is likely to lead to a softening in the level of GWP. A reduction in GWP in the Australian general insurance market would likely adversely impact Steadfast's financial position and performance.

Business model of acquiring and holding equity in operating businesses

- An important part of Steadfast's business model and its growth strategy is to acquire and hold equity in operating businesses. Steadfast may fail to effectively implement growth strategies or devote sufficient resources to new business initiatives or select and pursue sub-optimal corporate strategies, business models, financial structures or allocation of capital that could, in each case, inhibit the growth of our business. Our business model and growth strategy involves certain risks which may adversely impact Steadfast's financial position and performance including:
    - Possible difficulties for Steadfast in managing the operating businesses including an inability to maintain the required level of oversight and reporting;
    - Integration may be disruptive and costly;
    - There may be potential unknown liabilities in an operating business that is acquired by Steadfast which Steadfast may assume by acquiring the operating business;
    - Steadfast is reliant on partners (including management who hold an equity stake within the operating businesses) who may not perform satisfactorily; and
    - There may be insufficient funding made available to all Steadfast's businesses so that the Steadfast Group is unable to pursue the business opportunities it identifies.
- Steadfast recently completed acquisitions including Calliden. There can be no assurance that the anticipated benefits and synergies expected to result from all or some of these acquisitions including the QBE Agencies and IC frith will be realised. The ability to realise these benefits will depend in part upon whether the acquired businesses can be integrated in an efficient and effective manner.

Business risks (cont'd)

People risk

- Steadfast is reliant on its key employees and key employees within the executive team or the operating businesses may retire or resign. Material business interruption and loss of key customer relationships may follow the loss, particularly if the individuals involved as sufficiently key and/or numerous.

Reduction in rates for marketing and administration (M&A) fees, commission rates or dividends

- Steadfast derives revenue from a variety of sources including M&A fees paid to Steadfast from strategic partners such as insurers. The M&A fees are normally calculated based on a percentage of the GWP placed by a strategic partner through the Steadfast network. Steadfast also derives revenue by receiving dividends from operating businesses that derive their income from commission-based businesses. Commissions are calculated as a percentage of the total base premium for products placed through a strategic partner. There is a risk that strategic partners (eg insurers) may seek to reduce rates of M&A fees paid to Steadfast. Insurers may also seek to reduce rates of commission paid to brokers. Either of these scenarios would adversely impact Steadfast's financial position and performance.

Information and technology systems risk

- Whilst Steadfast has procedures in place to manage its information technology systems, there is a risk that Steadfast or any of its operating businesses may experience data loss or fraud and system breakdown. This would potentially affect Steadfast's ability to deliver services and adversely impact Steadfast's financial position and performance.

Changes to accounting standards

- Changes to Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent issues Group Interpretations and the Corporations Act could affect Steadfast's reported results of operations in any given period or Steadfast's financial condition from time to time.

Changes in law, regulation and government policy

- Changes in relevant taxation laws, accounting standards, other legal, legislative and administrative regimes, and government policies, may have an adverse impact on the operations and ultimately the financial position and performance of Steadfast.

Other external factors

- Other external factors may adversely impact Steadfast's financial position and performance, including changes or disruptions to political, regulatory, legal or economic conditions or to national and international markets.

Ongoing disputes

- Steadfast may from time to time be involved in legal, regulatory and other proceedings and disputes arising from its business and operations, including security holder action, and disputes with joint venture partners, contractors and other counterparties. These disputes may lead to legal, regulatory and other proceedings, and may cause Steadfast to incur significant costs, delays and other disruptions to its business and operations. In addition, regulatory actions and disputes with governmental authorities may result in fines, penalties and other administrative sanctions. Involvement in any such dispute may adversely impact the financial position and performance of Steadfast.

Fraudulent behaviour by employees

- Steadfast has appropriate policies and procedures implemented in relation to the risk of fraud. However, particularly in relation to businesses where Steadfast does not control the day-to-day operations, there is a risk that funds of the business of those held on behalf of clients may be the subject of fraudulent behaviour. Any such fraudulent behaviour would likely have an adverse impact of Steadfast's financial position and performance.
- Steadfast is also at risk of there being conflict of interest situations and undisclosed commissions earned by employees resulting in potential regulatory action or penalties.
- Steadfast's reputation may be damaged if the security of funds held on their behalf is compromised or there are conflicts of interest or undisclosed commissions identified.

Business risks (cont'd)

Steadfast

Loss of Steadfast Network brokers

- Steadfast's network brokers are able to leave the Steadfast Network at any time. When an individual broker leaves this results in a reduction in M&A fees for Steadfast. Additionally, the size and strength of the Steadfast Network is an important factor in attracting new brokers and underwriting agencies (to which the Network brokers are an important source of business). A loss of a number of Network brokers may make it more difficult to attract new brokers and underwriting agencies to the Steadfast Network. Reduced M&A fees and reduced ability to attract new brokers and underwriting agencies to the Steadfast Network could adversely impact Steadfast's financial position and performance.

Reliance on strategic partners

- Steadfast is continually adding new strategic partners and attempts to maintain and strengthen relationships with strategic partners, many of which are longstanding. If, however, strategic partners are lost and not replaced within an appropriate timeframe, M&A fees would potentially be lower, and the earnings of operating businesses and other Steadfast Network brokers would potentially be adversely affected due to potential loss of commissions and fees due to lower GWP.

Increased competition or market change

- Existing market participants and new entrants in insurance broking and underwriting agency businesses may begin competing with Steadfast. Any increase in competition or deterioration in the competitive positioning of Steadfast may have an adverse impact on Steadfast Network Brokers, and could potentially result in:
    - a reduction in GWP placed through Steadfast Network Brokers due to a loss of market share;
    - a reduction in M&A Fees, advice fees and commission rates; and/or
    - a reduction in margins.
- One or more of these factors may have a material adverse impact on the revenue and earnings of Steadfast Network Brokers. One or more of these factors may have an adverse impact on the revenue and earnings of Steadfast Network Brokers.
- Increased competition from new entrants and existing market participants in markets in which operating businesses operate, including increased commoditisation of business insurance products, may have an adverse impact of earnings. If there are changes in the remuneration model for, or the use of, insurance brokers or underwriting agencies, this may adversely impact Steadfast's earnings and/or financial position and performance. In addition, increased competition or a change in the market structure for premium funding may also adversely impact upon the premium funding business in which Steadfast has an equity interest, ultimately potentially adversely impacting Steadfast's earnings.

Regulatory risk

- Steadfast, its operating entities and Network brokers are required to individually comply with their Australian financial services licence requirements and financial services regulations. There are penalties for non-compliance with these requirements including that a licence may be suspended or withdrawn and proceedings may be commenced by regulators or other parties, monetary penalties may be imposed and other conditions may be. This may have an adverse impact of Steadfast's earnings and/or financial position and performance. Regulatory changes may impact Steadfast and/or its operating entities through costly and burdensome regulation and may have consequences which cannot be foreseen.

Damage to the Steadfast brand

- The success of Steadfast is heavily reliant on its reputation and branding. Maintaining the strength of the Steadfast brand is critical to retaining and expanding the network of Steadfast Network Brokers, solidifying its business relationships and successfully implementing its business strategy. Promotion and enhancement of the Steadfast brand will also depend, in part, on its success in continuing to provide a high quality customer experience to those Steadfast Network Brokers that rely on Steadfast for the provision of support services.
- Unforeseen issues or events which place Steadfast's reputation at risk may impact on the future growth and profitability of Steadfast, for example, by impacting Steadfast's ability to attract and retain brokers or by causing the loss of brokers. Any factors that diminish Steadfast's reputation or branding could impede its ability to compete successfully and adversely affect its future business plans.

Acquisition risks

Steadfast

Analysis of the acquisitions

- Steadfast has undertaken financial, operational, business and other analysis in respect of the acquisitions in order to determine their attractiveness to Steadfast and whether to pursue the acquisitions.
- It is possible that the analysis undertaken by Steadfast and the best estimates assumptions made by Steadfast draw conclusions and forecasts which are inaccurate or which are not realised in due course (whether because of flawed methodology, misinterpretation of economic circumstances or otherwise).
- To the extent that the actual results achieved by the businesses acquired are weaker than those indicated by Steadfast's analysis, there is a risk that there may be an adverse impact on the financial position and performance of those businesses, and if the acquisitions complete, this may therefore have an adverse impact on the financial position and performance of Steadfast.

Integration risk

- There is a risk that the integration of the QBE Agencies into Steadfast and the operation of services arrangements with QBE may encounter unexpected challenges or issues including (but not limited to) a failure to procure employees, trademarks, leases and suitable IT integration or support or that this process takes longer than anticipated, diverts management attention or does not deliver the benefits expected to be derived from the transaction. Any of these possibilities may have an adverse impact on Steadfast's operating and financial performance.

Retention of business

- A large portion of the business generated by the QBE Agencies is sourced from non-Steadfast Network insurance brokers. As these brokers are competitors to the Steadfast Network, there is a risk that they may reduce the amount of business they do with the QBE Agencies or any other Steadfast underwriting agency which would have an adverse impact upon Steadfast's financial position and performance.

Increased focus on operating underwriting agency businesses

- By acquiring the QBE Agencies, Steadfast is increasing its overall investment in an exposure to underwriting agency business. The risks that are specific to operating an underwriting agency business include:
    - Capacity withdrawal risk, being the risk that an underwriter withdraws capacity for strategic reasons such as a decision to exit certain lines of business or discontinue underwriting in a certain country or region;
    - Underwriting performance risk, being the risk that poor underwriting and/or claims management practices lead to unsatisfactory results and the underwriter withdraws capacity;
    - Alignment risk, being the risk of brokers outside the Steadfast network who currently use Steadfast underwriting agencies being in the future compelled to use agencies owned by their non-Steadfast affiliation rather than continuing to use Steadfast underwriting agencies,

If any of these scenarios eventuate this could adversely impact Steadfast's financial position and performance.

Risk associated with the size of the QBE Agencies acquisition relative to Steadfast's existing businesses

- The QBE Agencies, if acquired by Steadfast, will be a material part of Steadfast's business. Consideration of $290m for the QBE Agencies is 54% of Steadfast's net assets as at 31 December 2014.
- Without considering the QBE Agencies and the recent Calliden acquisition, approximately 18% of earnings of Steadfast are derived from underwriting agencies. After the acquisition of the QBE Agencies and Calliden, it is expected that the post-acquisition contribution of underwriting agency businesses would rise to approximately 44% of earnings.
- This increased relative exposure to underwriting agency businesses could adversely impact Steadfast's financial position and performance if the underwriting agency business (and the QBE Agencies in particular) do not perform as expected or as well as Steadfast's other businesses.

Acquisition risks (cont'd)

Steadfast

Market risks associated with the businesses to be acquired

- Increased competition in the market in which the businesses to be acquired operate, regulatory changes (particularly, in relation to the Acquisitions, in the regulation of strata title) and a general market downturn affecting the market in which the businesses to be acquired operate, amongst other matters, may have an adverse impact of the financial performance of those businesses and accordingly adversely impact the financial position and performance of Steadfast.

Debt funding risk

- Steadfast has entered into financing arrangements whereby its financier has agreed to provide debt funding in the amount of approximately $30m for the Acquisitions, subject to customary terms and conditions. If certain events occur (such as an insolvency or non-compliance with financier covenants), the financier may terminate the debt financing arrangements. Termination of the debt financing arrangements would have an adverse impact on Steadfast's sources of funding for the QBE Agencies acquisition.

Reliance on information provided

- Steadfast undertook a due diligence investigation process in respect of the acquisitions and was provided with the opportunity to review certain detailed information provided by or on behalf of the vendors. While Steadfast considers this review was adequate, the information was largely provided by the vendors. Consequently, Steadfast has not been able to verify the accuracy, reliability or completeness of all the information that was provided to it against independent data and there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the acquisitions have been identified.
- Similarly, financial information in respect of businesses to be acquired has been derived from audited, reviewed and unaudited financial information. Steadfast is unable to verify the accuracy or completeness of this information.
- It should also be noted that only limited contractual representations and warranties have been obtained in respect of the adequacy or accuracy of the materials disclosed during the due diligence process.
- If any of the information provided by or on behalf of vendors or third parties as part of the due diligence process is shown to be incomplete, incorrect, inaccurate or misleading, this may have an adverse impact on the actual performance of the businesses to be acquired compared to the performance expected of them as part of Steadfast's analysis and assessment of the acquisition opportunities. This may therefore have an adverse impact on the financial position and performance of Steadfast.

Completion risk

- Completion of the acquisition of the Acquisitions are conditional on certain matters such as obtaining the consent of major landlords and certain senior executives executing employment agreements in Steadfast's usual form. If any of the conditions are not met or waived, completion of the Acquisitions may be deferred or cancelled. The Acquisitions agreements may also be terminated by the vendor if certain events occur including an unremedied breach of a material term by Steadfast. If completion does not occur, Steadfast will need to consider alternative uses for, or ways to return the proceeds of, any subscriptions raised under the Entitlement Offer and Placement. Steadfast may consider using the proceeds for general corporate purposes if the acquisition does not complete. Failure to complete the Acquisitions and/or any action required to be taken to return capital may have an adverse impact on Steadfast's financial performance, financial position and share price. However, the Acquisitions acquisition agreements cannot be terminated by Steadfast if the required amount of funding is not achieved through the Entitlement Offer and Placement.
- In relation to IC Frith, whilst a term sheet expressed to be binding has been executed, there is a risk that the acquisition will not complete. In particular, acquisition documentation is yet to be agreed and even if it is executed, there remains a risk that completion will not occur if conditions to completion are not satisfied or waived (likely conditions are obtaining the consent of major landlords and certain senior executives executing employment agreements in Steadfast's usual form). If completion does not occur, Steadfast will need to consider alternative uses for that portion of the proceeds raised under the Entitlement Offer and Placement to fund the IC Frith acquisition. Steadfast may consider using the proceeds for general corporate purposes if the acquisition does not complete. Failure to complete the IC Frith acquisition may have an adverse impact on Steadfast's financial performance, financial position and share price.

Acquisition risks (cont'd)

Steadfast

Increased reliance on QBE

- As part of the QBE acquisitions, Steadfast has agreed to enter into a transitional services agreement and distribution agreements with QBE (under which Steadfast has agreed to exclusively use QBE for distribution subject to certain limited carveouts). There is a risk that QBE will not perform some or all of its obligations under these arrangements and this would adversely impact Steadfast's performance and position.

Final consideration payable for the QBE Agencies is subject to a potential adjustment

- The final consideration payable by Steadfast for the QBE Agencies is subject to a "rise and fall mechanism". Under this arrangement Steadfast may be required to make a further payment to QBE in approximately two years' time in the event that certain financial performance hurdles are achieved by the QBE Agencies businesses. There is a risk that Steadfast may be required to pay an additional amount to QBE under the "rise and fall mechanism". In the event that QBE is required to make a payment to Steadfast, that is, in the event that certain financial performance hurdles are not achieved by the QBE Agencies businesses, there is a risk of this being disputed by QBE and, as with any contractual arrangement, there remains counterparty risk in relation to this contractual obligation. If QBE does not pay any amount it is required to pay to Steadfast, there would be an adverse impact on Steadfast's financial position and performance.

Retention of management and key employees

- The businesses to be acquired have a management team and key employees with significant experience in the markets in which they operate. Failure to retain some of the core management team post acquisition may have a material adverse effect on Steadfast's ability to deliver the expected benefits of the acquisitions in the short to medium term. Failure to retain key employees in sufficient numbers may adversely impact the financial performance of the businesses to be acquired and accordingly adversely impact the financial position and performance of Steadfast.

Offer and general risks

Steadfast

Equity raising underwriting risk

- Steadfast has entered into an Underwriting Agreement under which the underwriters have agreed to fully underwrite the Equity Raising, subject to the terms and conditions of the Underwriting Agreement. If certain conditions are not satisfied or certain events occur, the underwriters may terminate the Underwriting Agreement. Termination of the Underwriting Agreement will have a materialimpact on the proceeds raised under the Equity Raising and Steadfast's expected sources of funding for the Acquisitions. If the Underwriting Agreement is terminated Steadfast will not be entitled to terminate the Acquisitions agreements. In these circumstances Steadfast would need to find alternative funding to meet its contractual obligations. Terminations of the Underwriting Agreement could materially adversely affect Steadfast's business, cash flow, financial condition and results of operations.
- The conditions to the Underwriting Agreement include that the QBE Agencies acquisition agreement has been executed before the announcement of the Entitlement Offer and Placement.

Termination and restructure events

- The events which may trigger termination of the Underwriting Agreement include where:
    - Steadfast ceases to be admitted to the official list of ASX or its securities are suspended from trading on or cease to be quoted on ASX (excluding a trading halt in connection with the QBE Agencies acquisition, the Entitlement Offer or the Placement);
    - Steadfast is prevented from allotting or issuing the securities within the timetable by applicable rules, regulators or courts;
    - Steadfast or a subsidiary of Steadfast is or becomes insolvent;
    - Steadfast's directors or officers engage in fraud or its directors are charged with or commit certain offences;
    - Certain regulatory approvals are withdrawn amended or not granted;
    - Certain investigations, prosecutions, hearings or proceedings are commenced against Steadfast;
    - There is a delay in any event specified in the Entitlement Offer timetable;
    - The agreement for the QBE Agencies acquisition is terminated, rescinded, repudiated or released, is not completed on or before the date specified in it, or is amended in any respect without the prior written consent of the underwriters; and
    - Steadfast announces a change to senior management or board of directors.
- The ability of the underwriters to terminate the Underwriting Agreement in respect of some events will depend on whether the event has or is likely to have a material adverse effect on the success, marketing or settlement of the Entitlement Offer, the value of the securities, or the willingness of investors to subscribe for securities, or where they may give rise to liability for the underwriters.
- In addition to these termination events, there are certain other defined repricing events including market fall, a Steadfast representation or warranty is or becomes untrue, an adverse change in Steadfast's assets, liabilities, financial position or performance, profits, losses or prospects or forecasts occurs, a general moratorium on commercial banking activities in specified jurisdictions, a suspension or material limitation in trading in securities generally in specified jurisdictions, any other adverse change or adverse disruption to the political or economic conditions or financial markets in specified jurisdictions, certain hostilities continue or escalate in specified jurisdictions or there is a major terrorist act. If any such event occurs prior to the settlement of the Offer, the underwriters and Steadfast would be required to work together in good faith to agree an adjustment to the offer price to take account of the relevant occurrence and if the parties cannot reach agreement on an adjustment to the Offer Price, an alternative transaction that would assist Steadfast with funding the Acquisition. In such circumstances, there is no guarantee that the parties will agree, to adjust the Offer Price or an alternative transaction during the Repricing Period, in which case each underwriter may terminate the Underwriting Agreement.

Offer and general risks (cont'd)

Steadfast

Dilution Risk

- If you do not take up all of your entitlement, then your percentage holding in Steadfast will be diluted by not participating to the full extent in the Entitlement Offer.
- Even if you do take up all of your Entitlement, your percentage holding in Steadfast will be diluted by the Placement (unless you are an institution and participate in the Placement *or you apply for New Shares in addition to your entitlement through the Top-Up Facility and you are successful in receiving an allocation equivalent* to the full equivalent percentage of your holding in Steadfast).

General market and share price risks

- The price of Steadfast Shares (including the New Shares to be issued pursuant to the Entitlement Offer and Placement) on the ASX will be affected by the financial performance of Steadfast and may rise or fall due to numerous factors including:
    - Australian and international general economic conditions, labour costs including inflation rates, the level of economic activity, interest rates and currency exchange rates;
    - general trends in the Australian and overseas equity markets;
    - Tension and acts of terrorism in Australia and around the world;
    - Investor perceptions in the local and global markets for listed stocks; and
    - Changes in the supply and demand of insurance and diversified financial securities.
- One or more of these factors may cause Steadfast Shares to trade below current prices and may adversely impact the financial position and performance of Steadfast. In addition, broader market factors affecting the price of Steadfast Shares are unpredictable and price changes may be unrelated or disproportionate to the financial or operating performance of Steadfast.
- Steadfast Shares (including the New Steadfast Shares to be issued pursuant to the Entitlement Offer and Placement) may trade at higher or lower prices than the price at the time of this presentation and no assurances can be given that Steadfast's market performance will not be materially adversely affected by any such market fluctuations or factors. Neither Steadfast nor any of its directors nor any other person guarantees Steadfast's market performance.

International selling restrictions

Steadfast

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the "Prospectus Regulations"). The New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to "qualified investors" as defined in Regulation 2(l) of the Prospectus Regulations.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the FMC Act and the Securities Act (Overseas Companies) Exemption Notice 2013.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency; or
- subscribes, or has subscribed, for securities that have a minimum amount payable of at least NZ$750,000.

International selling restrictions

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.