

1 February 2016

Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

ACQUISITION OF RELIANCE PARTNERS FRANCHISE BUSINESS AND THE AUSTRALIAN RELIANCE BROKING BUSINESS - UPDATE

Further to our announcement on 15 January 2016, and our further information announcement on 19 January 2016, PSC Insurance Group Limited (PSC) (ASX: PSI) is pleased to announce that after the market closed on Friday 29 January 2016 it completed the first phase of this transaction with completion of the acquisition of 70% of AR (WA) Pty Ltd and its subsidiary entity Reliance Workplace Solutions Pty Ltd from Australian Reliance Pty Ltd.

The pertinent details of this transaction within the overall transaction are:

- Purchase price - \$9.05 million (\$7.70 million for the shares and \$1.35 million for loan assets)
- Consideration on completion - \$6.36 million (\$5.01 million for the shares and \$1.35 million for loan assets)
- Anticipated revenue per annum at 100% - \$5.50 million
- Rise and fall formula for the payment of deferred consideration calculated by reference to the income of the relevant businesses for the 12 month period post completion compared to the income for the 12 month period prior to completion plus / minus agreed net assets.

AR (WA) Pty Ltd is not an AFSL holder. AR (WA) Pty Ltd will now operate as a Corporate Authorised Representative of an existing PSC Insurance Group AFSL holder.

PSC will continue to complete the overall transaction in stages as conditions in the agreements signed 15 January 2016 are achieved.

Please direct any queries to Paul Dwyer, Managing Director, on 0409 995 105.