



7th May 2015

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,

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

Stephen Rouvray
Company Secretary
Austbrokers Holdings Limited

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Mobile: 0412 259 158

AUSTBROKERS HOLDINGS LTD

MACQUARIE AUSTRALIA
CONFERENCE MAY 2015

MARK SEARLES CEO &
MANAGING DIRECTOR



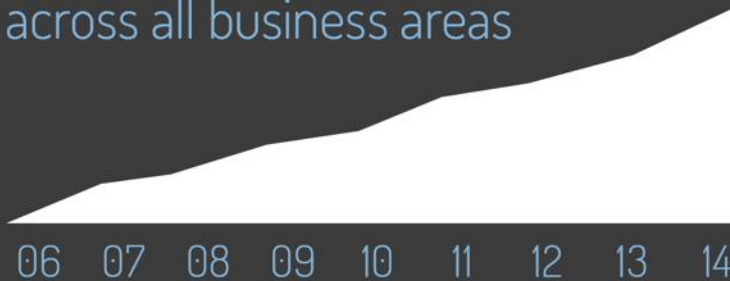
AGENDA

- BUSINESS OVERVIEW
- BUSINESS FUNDAMENTALS
- OUTLOOK

More than
\$2.5B
GWP

~30 YRS
active
partnership
experience

Continued income growth
across all business areas



LEADING
insurance broking,
underwriting agencies,
& risk services group

LARGEST broking
cluster in NZ

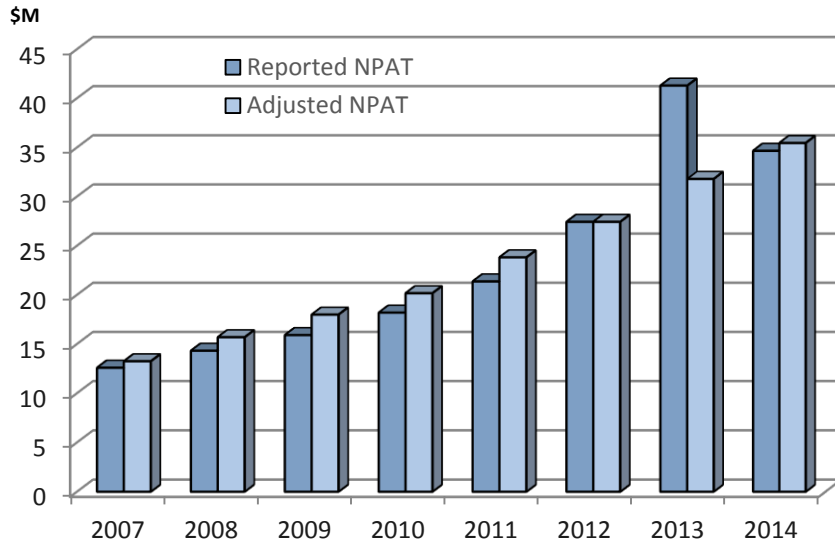
LEADING broking
cluster in AUS

450,000+ clients and
growing

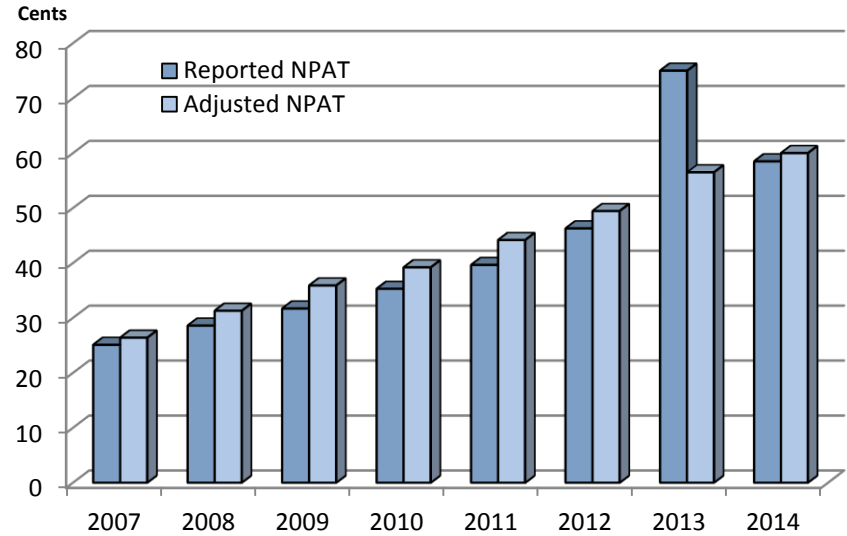
Staff **>2,700**

SHAREHOLDERS BENEFITING FROM SUCCESS

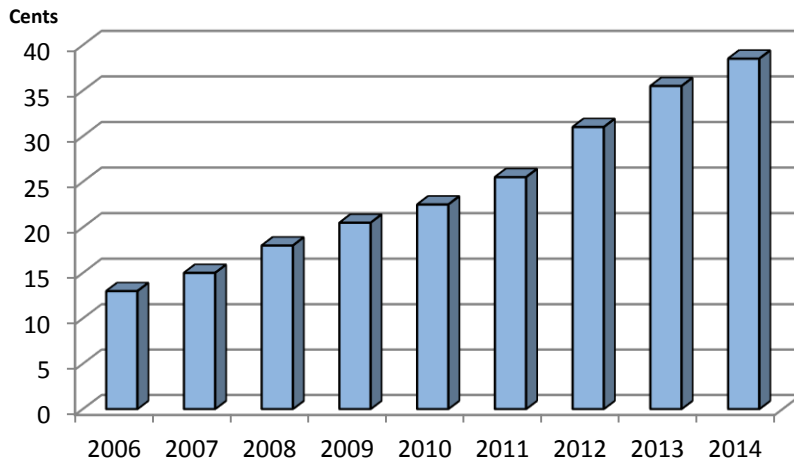
Net Profit



Earnings Per Share



Dividend Per Share

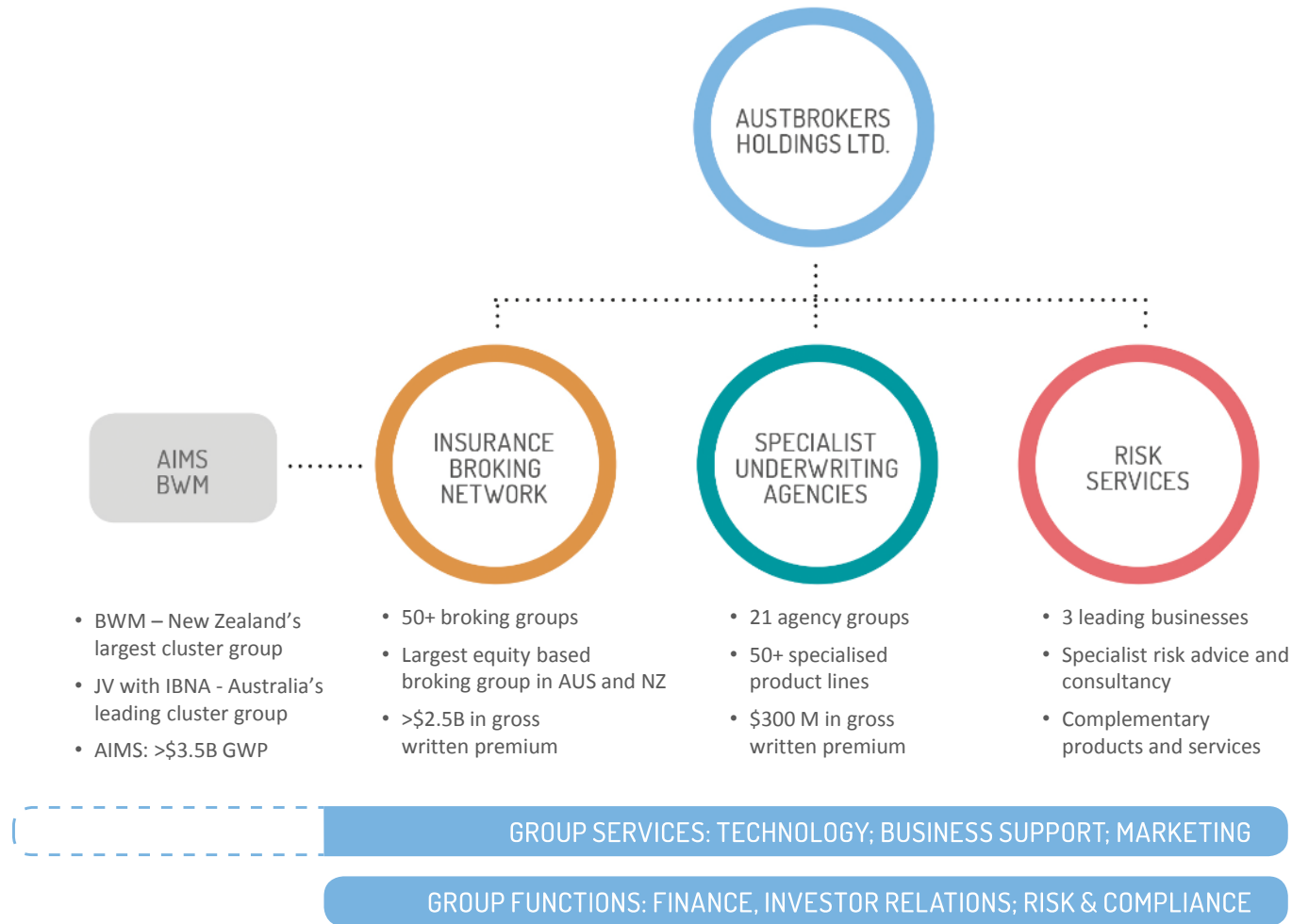


AGENDA

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A DIVERSIFIED GROUP

Australia and NZ's leading equity based insurance broking, underwriting agency and risk services group and pioneers of the 'Owner-Driver' model.



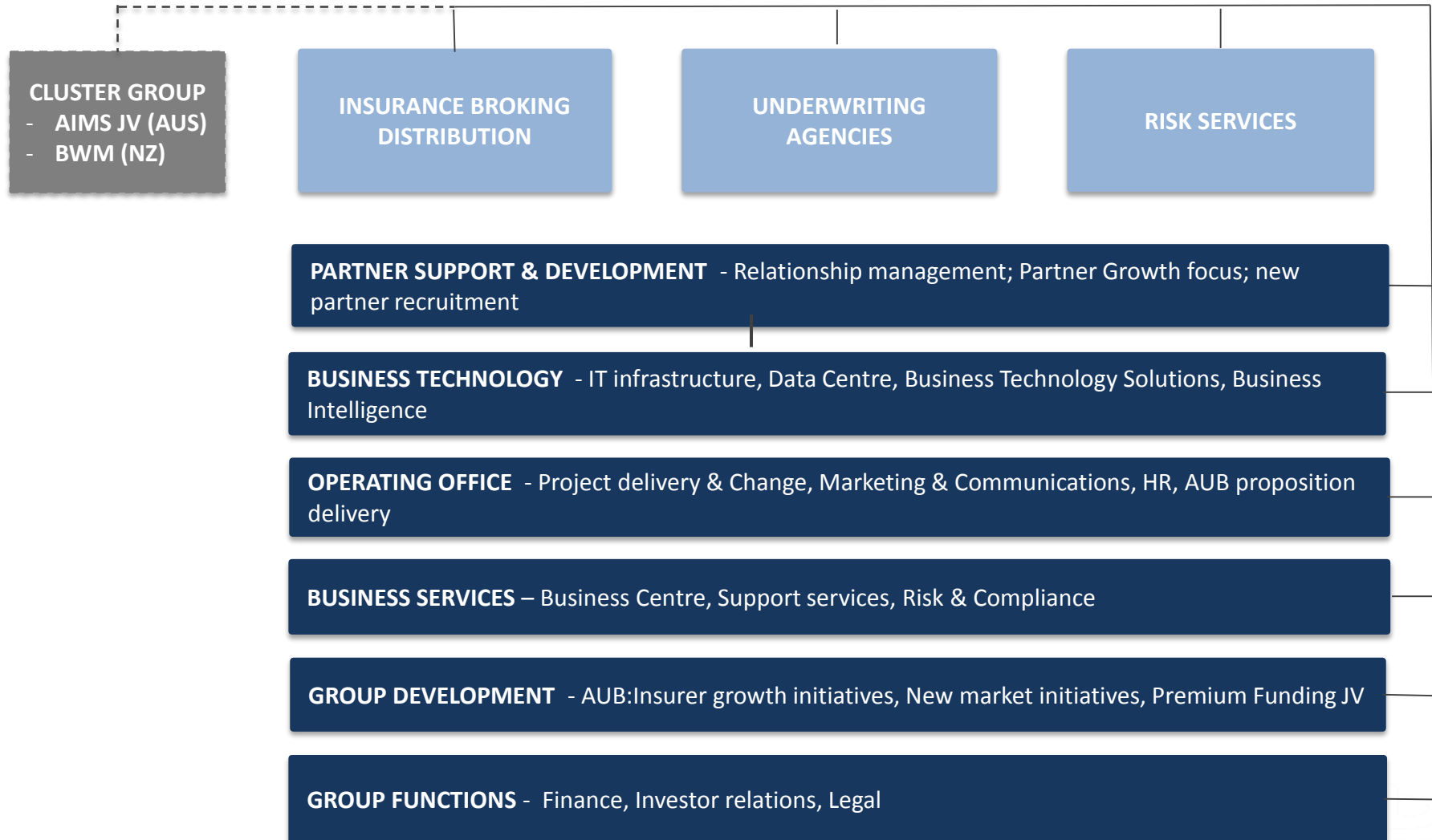
OUR CORE BUSINESS PRINCIPLES

Our activities are driven by adherence to 3 key principles:

1. We are focused on the deployment of our Business Model - the 'owner-driver' model, whereby we work with our partners to enable mutuality of success
2. We are focused on the delivery of our Strategy and Operating Model ensuring discipline and clarity of execution
3. We ensure all activities conform to our Vision, Purpose and Values

OUR OPERATING MODEL – HOW IT WORKS

We ensure all the relevant support, services, capabilities and functions are provided to underpin our strategic objective and to create an environment to enable growth...



OUR GROUP SERVICES IMPROVE QUALITY AND EFFICIENCY

LEADING TECHNOLOGY

-  80% of businesses integrated into AUB central data centre
-  1st class core technology provided at cost
-  Leading privacy, trust and security
-  Online & electronic enablement:
 - CRM system
 - Underwriting agencies products – straight through processing
 - Premium funding

DRIVING EFFICIENCY

-  Over 50% of partner businesses gaining operational efficiency through central back-office service
-  Investment in industry leading Risk and Compliance capability
-  Common broking platform enabling leading insights and analytics

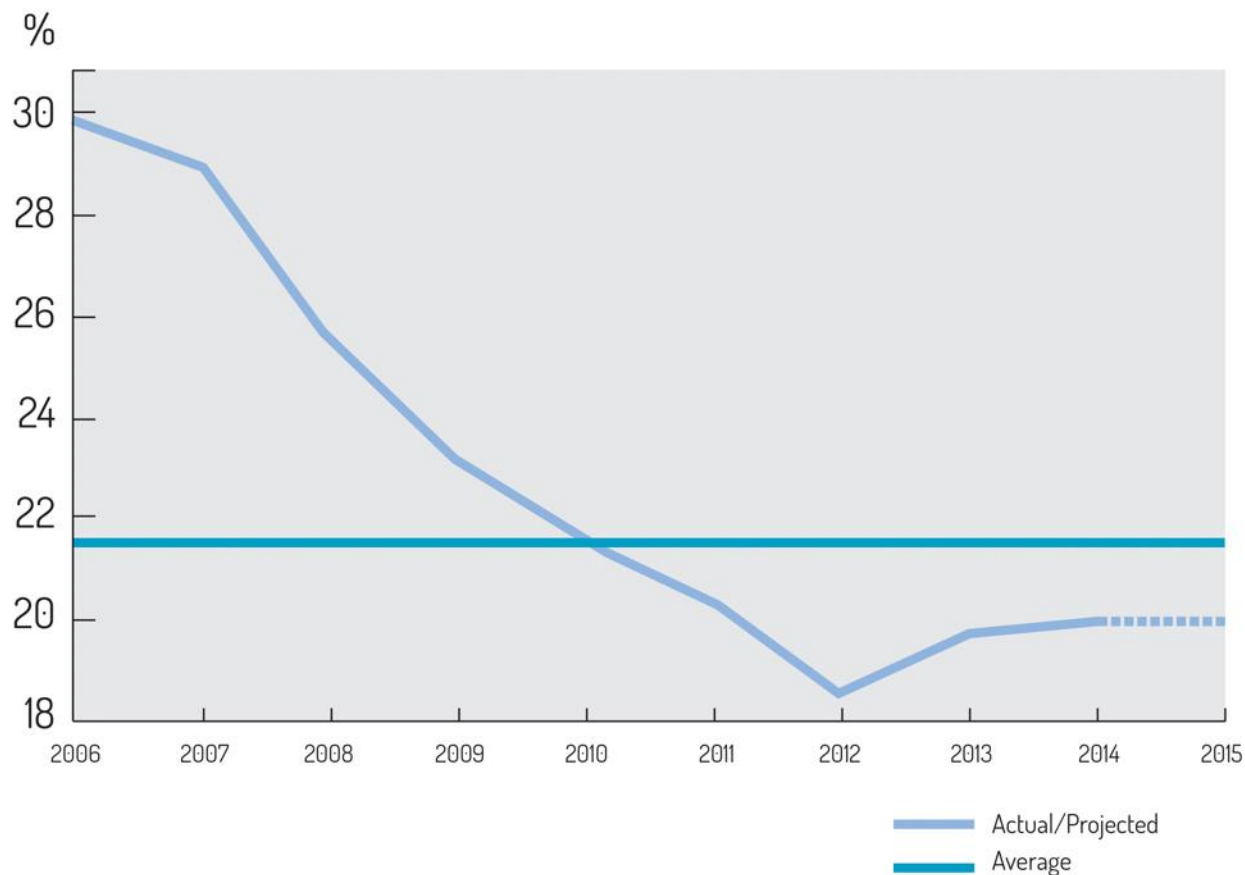
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PERFORMANCE FY15 - UPDATED

- Adjusted NPAT in 1HY 15 impacted by both acquisition and Group investment expenses. Investments made to grow market share, drive increased efficiency and underpin future growth. Resulting income flowing into 2HY15 and beyond
- Strength in Owner:Driver business model mitigating the premium reduction environment in Insurance Broking. Compensating actions generating increased fee income and client/policy growth resulting in broking income increase
- Month on Month improvement in rate environment during Q3 evidenced
- Adherence to clearly defined Group strategy driving income growth in all market facing areas and ensuring continued diversification of profit generation.
- Largest acquisition spend/commitment in AUB history (FY13 \$42m; YTD \$70m) to underpin growth potential
- Provision and usage of Group Services increasing across partner businesses
- Adherence of Cost:Income ratio to ensure investment held in proportion to income growth

CORPORATE EXPENSE TO INCOME RATIO – HELD BELOW HISTORIC ROLLING AVERAGE...



- Corporate expenses as % of income (share pre-tax profits from business operations)
- Stated Group objective of managing income: expense ratio below historic rolling average
- Ongoing investment in business within defined parameters enabling optimisation of Group operating model

MARKET CONDITIONS

- Premium rates
 - Soft premium rate environment in commercial lines – showing signs of gradually easing
 - Competition maintains pressure on rates
 - Recent weather events impacting insurer results
- Lower interest rate environment likely to continue
- Moderate economic growth forecast but patchy economic outlook having impact on SME Clients
- Insurance broking industry rationalisation and age demographics will continue to present acquisition opportunities (both bolt-on and stand alone)

GROWTH STRATEGIES

Seek growth across all 3 divisions

- Continue to diversify income growth via acquisitions and organic opportunities across all divisions, as well as start-up opportunities in Underwriting Agencies and Risk Services areas
- Leverage back office, service and support investments to enable future growth
- Increased central support for growth opportunities at local level
- Utilise trusted advisor status to provide additional clients' risk management services leveraging Group capabilities
- Expand underwriting agency capability through products and service differentiation
- Build upon Risk Service capabilities to support cross selling and growth

GROWTH STRATEGIES

Optimisation of operating model

- Centralised service provision – continue to develop best practice services to create efficiencies and effectiveness
 - Technology ‘backbone’ and Data Centre capabilities
 - Compliance and risk management
 - Business Centre services – accounting, tax, payroll, HR and treasury
 - Marketing and business development capabilities
- Automate broking processes to develop efficiencies – full policy administration incorporating iClose & development/deployment of group-wide CRM system
- Underwriter relationship & product development via AIMS for marketing advantage and to support growth
- Premium Funding – continued growth and development through Hunter partnership including automation of quoting process
- Life risk & Superannuation - continue to develop cross sell, stand alone and integrated propositions with broking

WELL POSITIONED FOR REMAINDER OF FY15 AND BEYOND...

Benefitting from:

- Groundwork undertaken in FY14 and first half in developing products, systems and processes
- Organic growth expected to continue to emerge through broker network initiatives countering premium rate environment
- Insurance broking consolidation – continuing acquisition opportunities
- Contributions from acquisitions – Nexus, AMIR, Altius Group, NZ BrokerWeb

As a result

- No change to our market update on 23 January 2015 which was re-iterated 25 February - the underlying NPAT (before amortisation of intangibles profits on sale and adjustments to contingent consideration) for FY15 is budgeted to increase in the range of 0% - 5% over FY14*

*Degree of growth will depend on market conditions, premium rate movements, interest rate stability, the level of profit commissions and the impact of prevailing economic conditions on the SME sector

This presentation may contain forward looking statements relating to future matters, which are subject to known and unknown risks, uncertainties and other important factors which could cause the actual results, performance or achievements of Austbrokers and the Austbrokers Group to be materially different from those expressed in this presentation. Except as required by law and only to the extent so required, neither Austbrokers nor any other person warrants that these forward looking statements relating to future matters will occur.