



4th May 2016

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 'J2Coss'.

Justin Coss
Company Secretary

For further information, contact Justin Coss

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Mobile: 0424 758 719
Email: justinc@aubgroup.com.au

A black and white photograph of several sailboats racing on the water. The boats are leaning to the left, and their sails are fully deployed. The water is choppy, and there is a spray of white water at the base of the boats. A large, light blue circle is overlaid on the right side of the image, containing the text.

Macquarie Conference May 2016

Mark Searles
CEO & Managing Director



WHO ARE AUB GROUP TODAY?

450K
CLIENTS &
GROWING

>3K STAFF

Directly represent \$2.6B GWP via equity partners, plus \$1.9B GWP through broker group partners, for a combined

\$4.5B
GWP



EQUITY IN 100+ RISK
RELATED BUSINESSES
MANAGE 2 LEADING
BROKING GROUPS IN AUS & NZ
310+ LOCATIONS

30YRS
ACTIVE
PARTNERSHIP
EXPERIENCE

TOP 3 UNDERWRITER
IN CHOSEN MARKETS

LEADING PEOPLE RISK
SOLUTIONS PROVIDER

LARGEST EQUITY BASED RISK
MANAGEMENT, ADVICE AND
SOLUTIONS SPECIALIST IN
AUSTRALASIA

LARGEST BROKING GROUP IN NZ, AND JV WITH LEADING BROKING GROUP IN AUS

OUR STRATEGIC GOAL

To be the leading provider of risk management, advice and solutions for our clients.



BENEFITS OF STRATEGY DELIVERING

Income generated outside of Australian broking supporting Group strategy and growth - 1H16 RESULTS

REPORTED NPAT GROWTH.

Including after tax profit on sale of Strathearn

Up 72%

ADJUSTED NPAT GROWTH.

Up 3.5%

DIVIDEND MAINTAINED.

Fully franked

12c

DIVERSIFICATION.

27% of earnings outside Australian broking

27%

GROUP REVENUE INCREASED.

Increase of 8% over 1HY15 to \$105.9M

Up 8%

GROUP COSTS (EX-STI).

Down 1.5%

BENEFITS OF STRATEGY DELIVERING

Income generated outside of Australian broking supporting Group strategy and growth - 1H16 RESULTS

INSURANCE BROKING

- Australia

- Continued to build customer and policy numbers despite challenging market.
- Income flat despite premium rate reduction & lower interest income; good evidence of expense control across broking entities.
- Bolt-on acquisitions + 1 stand-alone.

- New Zealand

- Acquisition undertaken in both standalone and bolt-ons.
- Businesses performing ahead of plan.
- Consolidated position as largest Broking partner management organisation and 3rd largest broking entity in NZ overall with strong growth ambitions.

UNDERWRITING AGENCIES

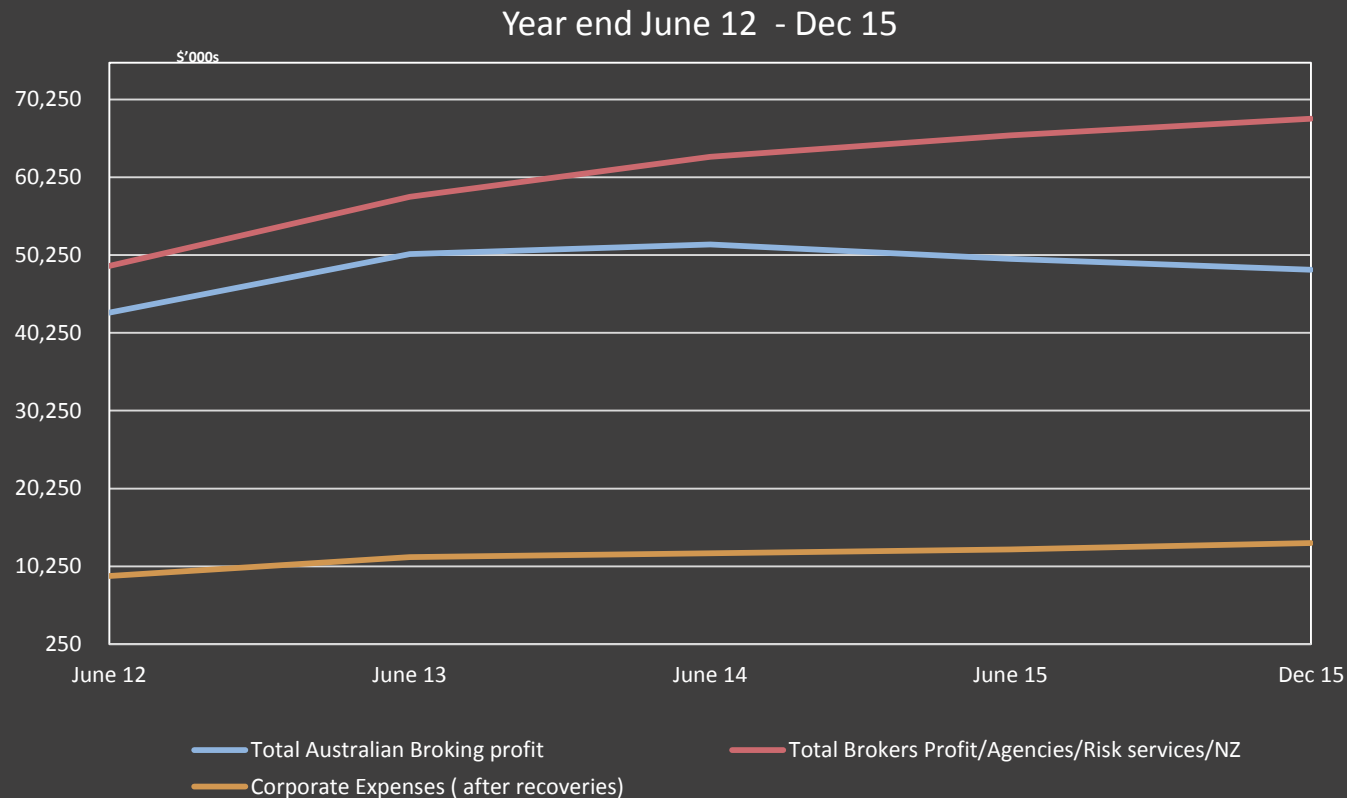
- Despite challenging market environment, income, customer and policy numbers increased.
- Disciplined underwriting ensuring leading Combined Ratio across the Underwriting business area and good loss ratio performance.
- Ongoing development of existing businesses and central services providing a solid platform for the future.

RISK SERVICES

- Acquisition activity continued within first half, both on a standalone and a bolt on basis.
 - Investments delivering well - according to plan and strategic objectives.
 - Traction between Risk Services capabilities and broking entities gaining – supports our strategic objective of providing total risk solution for clients.
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BENEFITS OF STRATEGY DELIVERING

Income generated outside of Australian broking supporting Group growth – 3 year period



THE CHANGE ENVIRONMENT

Previous 3 years – a period of significant change both externally and internally

External		
Competition	Significant increase in competitors	Steadfast IPO; Gallaghers; Aon, Marsh etc
RBA Interest rate	38% decrease	3.25% > 2%
Comm'l Lines premium rate	Significant decline	UP 4% (2012) > DOWN 9% (FY15)

Internal	Change over period	Scale of change
Profit Growth	33% increase	\$27.4M > \$36.4M
Broking GWP Growth	38% increase	\$1.8B > \$2.5B
Equity Partnerships	25% increase	60 partner businesses > 75 partner businesses 2 Partners divested
Business areas	100% increase	2 areas (Aus Brkg; Agencies) > 4 areas (+ Risk Services; NZ)
Service/Support areas	100% increase	4 areas (BT; R&C; ABC; Finance) > 8 areas (+HR; Marketing; Legal Counsel; PMO)
Technology	133% growth in Data Centre Implementation of tech propositions	18 partners > 42 Partners New: electronic products; CRM; BI tool; I-close/Placements

NEXT STEPS

Supporting continuous growth...

LEVERAGING MARKET CONDITIONS

- Premium rate decline showing signs of stabilising – leverage larger client & policy base
- Insurer commercial lines margins unsustainable – all ‘talking up’ price increase strategy
- Strategic partners recognise power of Group strategy and keen to engage – leverage scale/scope
- Opportunity for power of collaboration across partners – increase cross-sell/up-sell opportunities

ONGOING SERVICE IMPROVEMENT TO HELP DRIVE EFFICIENCY & EFFECTIVENESS THROUGH EXISTING CAPABILITIES

- | | | |
|----------------------|---------------------------|-----------------------|
| - Marketing services | - Technology support | - Product provision |
| - HR services | - Risk/Compliance support | - Back Office support |

CONTINUED FOCUS ON 3 KEY DISCIPLINES:

- Business model: ‘owner-driver’
- Operating model: using scale to provide capabilities and passing benefit to partners
- Strategy: total risk solutions capabilities (physical; people; financial) plus International



QUESTIONS?

