



29th July 2014

The Manager
Company Announcements Platform
Australian Securities Exchange
Exchange Centre
20 Bridge Street
Sydney, NSW 2000

Dear Sir,

Re: Austbrokers Acquisition Update

Austbrokers Holdings Limited (AUB) has acquired a 50% interest in Nexus (Aust) Pty Ltd (Nexus), a general insurance broker based in Bunbury, Western Australia.

Nexus places \$56 million in general insurance business generating income of \$12 million.

AUB has also acquired, through Austagencies, a 75% interest in Asia Mideast Insurance and Reinsurance Pty Ltd (AMIR) a niche offshore energy underwriting agency. AMIR underwrites in excess of \$10 million premium annually.

A media release relating to the acquisitions is attached.

The acquisitions are expected to add approximately 2.5% to earnings per share for FY2015 after funding costs. The total completion payments paid of \$7.6 million have been funded from cash held. The final payment for Nexus will be determined based on its results for FY2016.

Yours faithfully

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

S.S. Rouvray
Company Secretary
Austbrokers Holdings Limited

For further information, contact Steve Rouvray: (02) 9935 2201
0412 259 158

This announcement 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 announcement. 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.

Austbrokers eyes diversification, profit growth with two significant acquisitions

Sydney, 29 July, 2014: Austbrokers Holdings Ltd (AUB) has expanded its significant presence in the West Australian broking segment with the purchase of a 50% interest in one of the state's largest general insurance broking businesses, Nexus (Aust) Pty Ltd, trading as Nexus Risk Services.

The move enhances Austbrokers' position as the largest equity-based broking network in the country with total general insurance gross written premium in excess of \$2 billion.

Meanwhile, the Group has also expanded its interests in specialist underwriting agencies via its subsidiary Austagencies, with the acquisition of a majority share in the niche offshore energy agency, Asia Mideast Insurance and Reinsurance P/L (AMIR).

Mark Searles, CEO and Managing Director of Austbrokers Holdings, said the two acquisitions supported his vision to drive significant growth in the business through both existing and expanded revenue channels.

"Adding Nexus to the Austbrokers family is a natural extension as we embark on our next phase of growth through diversification and strategic acquisitions" Mark Searles said.

Fabian Pasquini, Chief Distribution Officer at Austbrokers stated "Broking and insurance distribution is a core component of the Group, and in WA, Nexus is one of the best in the business. Their outstanding leadership, operating model and portfolio diversity have remarkable synergies with our existing Austbrokers network. We look forward to helping Nexus grow and become even more successful over the coming years."

The Nexus acquisition adds 13,000 SME and commercial policies to the Austbrokers Group and takes the total Austbrokers network to 50 stand-alone partner insurance brokerages.

Nexus Managing Director Mark Patterson will continue to lead the business, with responsibility for the strategic direction and day-to-day management.

"Finding a partner who can truly complement our business was imperative to Nexus. Austbrokers adopt a genuine partnership, 'owner-driver' model, and I'm delighted that we can now leverage their centralised expertise, efficiencies and support to improve our existing operations. As a longstanding IBNA member, important synergies with Austbrokers already exist so we expect a smooth transition process" Mark Patterson said.

Mr Searles said taking a 75% share in AMIR was part of a strategic move to expand the product offering of the group and diversify its revenue base.

Craig Patterson, Managing Director of Austagencies said "We are keen to extend our specialised underwriting niche business into areas where we have, or can attain, leading positions. In Australia,

there is no one like AMIR. They offered important synergies as a long-standing business with a strong reputation and superb underwriting performance with the same Lloyds security.”

“The AMIR acquisition is significant as it opens up a global market platform with strong capability in offshore energy risks, as well as cover for energy-related construction, and associated activity” Craig Patterson said.

“AMIR is a strong strategic fit for Austagencies and our parent company Austbrokers Holdings. Not only is it a new specialist segment, it opens up exciting opportunities for domestic and international distribution.” Craig also explained that AMIR’s leadership team was another key factor in the acquisition.

“During due diligence we discovered enormous support for AMIR and its owner Adel Dawood who has grown the business and built some great broker relationships internationally. We believe AMIR is an outstanding niche business and is consistent with the acquisition model we have deployed successfully in the past.”

AMIR founder and Managing Director Adel Dawood added: “When we were considering possible partners to work with, Austagencies’ reputation as an underwriting-led agency made the decision easy. We have operated a very successful business with sound underwriting results for many years and we wanted a partner who could help us further develop our existing and future plans. Given the methodical way in which Austagencies has gone about understanding our business we know we have aligned with the right partner.”

About Nexus (Aust) Pty Ltd	About Asia Mideast Insurance and Reinsurance P/L (AMIR)
<p>Established in 1980, Nexus is one of the largest general insurance broking businesses in Western Australia. It has expanded from a small broking business in regional Bunbury, to one that now supports five branches, and employs over 50 staff spanning across the south west of WA.</p> <p>Nexus places \$56 million in general insurance, generating income of \$12 million.</p>	<p>Established in 1997, AMIR has established a reputation in this time for disciplined underwriting. This has resulted in long-term support from its syndicates at Lloyds due to the excellent underwriting out-turn achieved over that period.</p> <p>AMIR’s business is focussed on offshore energy risks. It also provides cover for energy related construction and some associated activity. AMIR has capabilities in some casualty-aligned business, which Austagencies will develop further.</p> <p>Last year’s premium income was in excess of AUD \$10 million.</p>

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About Austbrokers Holdings Limited

Austbrokers Holdings Limited (ASX: AUB) is Australia's leading equity-based insurance distribution, specialist underwriting agency and risk services group.

AUB's unique owner-driver business model – whereby broker principals retain active control of their businesses while benefitting from group-level operational support – facilitates genuine partnership and success. The AUB distribution network comprises 50 brokerages representing over 320,000 clients with \$2 billion of GWP and approximately \$1.8 billion in funds under management.

The Specialist Underwriting Agencies Division operates a number market leading businesses providing insurance products to defined market segments with a combined GWP in excess of \$270 million. The Insurance and Risk Services Division provides specific risk service solutions to a range of clients and insurance companies. All three business divisions are supported by market-leading operational and technology support services to help improve the efficiency and effectiveness of the operating businesses.