

30th January 2015

Market Announcements Platform
ASX Limited
Level 6, Exchange Centre
20 Bridge Street
Sydney NSW 2000

FOR IMMEDIATE RELEASE

Dear Sir / Madam

Acquisition of 60% interest in Altius Group Pty Ltd

Austbrokers Holdings Limited (**AUB**) has today completed an agreement to acquire a 60% interest in Altius Group Pty Ltd (**Altius**) through the acquisition of 60% of the shares in its holding company, Forean Group Holdings Pty Ltd. The Altius founders Derick Borean and Richard Forby will continue in their roles and retain a 40% interest.

Altius are a leading provider of workplace rehabilitation and injury management solutions to insurers, local, state and federal government organisations, SMEs, national and multi-national organisations. With more than 120 staff across 12 locations, they have capabilities spanning occupational health and rehabilitation, as well as psychological health and medical assessment services. The transaction is in accordance with Austbrokers declared strategy to be the leading provider of risk services to companies and business partners across Australia.

AUB made a cash payment of \$13.6 million on Completion funded from AUB's borrowings. Further payments will be made later this year based on the results for the 2015 financial year (payment estimated to be \$3.45 million) and whether net debt and working capital differ from agreed targets. A further final payment will be made in 2016 based on results achieved for the 2016 financial year with a maximum acquisition price of \$24 million (subject to any net debt/working capital adjustment).

On a first full year basis the Altius acquisition is expected to add 3.3% to Austbrokers' underlying earnings per share however, AUB will only be entitled to its share of profits from today and will bring acquisition expenses to account in the current financial year. For the 2015 financial year, after acquisition and finance costs, it is anticipated the acquisition will add 0.7% to underlying earnings per share. For these purposes, underlying earnings is a reference to AUB's consolidated net profit after tax excluding adjustments to carrying values to associates, after tax loss on sale of portfolios, interest in associates and controlled entities and amortisation of tangibles. Attached is the media release for the acquisition.

Yours faithfully,



Stephen Rouvray
Company Secretary
Austbrokers Holdings Limited

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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 Holdings Limited 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.

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MEDIA RELEASE

Austbrokers Holdings significantly expands its Risk Services capabilities by acquiring 60% of Altius Group.

Sydney, 30 January, 2015: ASX-listed Austbrokers Holdings Limited (ASX:AUB) today announced it has acquired 60 per cent of the Altius Group Pty Ltd, a leading provider of rehabilitation and related support services.

The acquisition continues Austbrokers Holdings' strategic intent to become Australia's leading risk services provider to brokers, insurers and clients by leveraging its 'owner-driver' model via investments in insurance brokers, specialist underwriting agencies and risk services & support companies, all supported by the provision of market leading services.

"This major acquisition is a significant step in our overall diversification strategy. Austbrokers has long signalled its intent to make more acquisitions and expand scale in Risk Services. We are now taking our highly successful Owner-Driver business model further into this market segment," said Austbrokers Holdings CEO and Managing Director, Mark Searles.

Austbrokers Holdings has previously formed highly successful partnerships with Procure Group and Risk Strategies Pty Ltd, but this is its largest deal to date. "With the addition of Altius, we expect to significantly grow and enhance our Risk Services area, further removing dependence on the Insurance Broking distribution area for growth and mitigating the effects of the insurance rate cycle," Mr Searles said.

Altius has capabilities spanning occupational health and rehabilitation, as well as psychological health and medical assessment services. With more than 120 staff across 12 locations, they are a leading provider of workplace rehabilitation and injury management solutions.

"This acquisition helps us become the leading provider of risk services to companies and business partners across Australia and helps to differentiate the Group from other national insurance broking groups. Like us, Altius are positioned for growth and have a strong financial performance history, with rapidly growing market share across expanding markets. They also have deep commercial relationships with a number of Australia's leading insurers," Mr Searles added.

All current management, staff and the trading names of Altius group will remain as is, with both founding directors Derick Borean and Richard Forby continuing in their roles.

"We are very excited about this partnership with Austbrokers," said Altius Managing Director Derick Borean.

"We believe the Austbrokers Owner-Driver business model delivers us the opportunity to accelerate our growth strategy without compromising our high performing business model or appetite for innovation. We share similar values, similar philosophies and great optimism on the future of our

industry, so our partnership is a natural fit.”

Altius has a proven, high performing model that delivers exceptional results for clients. In addition to insurers and agents, their clients include local, state and federal government organisations, SMEs, national and multi-national corporates.

This is one of Austbrokers Holdings largest acquisitions yet, and the second major acquisition in just three months - following the November 2014 announcement of becoming the largest insurance broking cluster network in New Zealand. Further details on the arrangement can be obtained through the ASX release.

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About Austbrokers Holdings Limited

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

AUB employs a unique owner-driver business model – where businesses retain active control of their businesses while benefitting from group-level operational support. AUB comprises more than 70 equity businesses, representing over 450,000 clients with in excess of \$2.5 billion of GWP.

AUB operates three market leading business divisions within Australia– an insurance broking network (Austbrokers), specialised underwriting agencies (Austagencies/SURA) as well as a risk services division. All three business divisions are supported by market leading operational and technology services to help drive the growth, efficiency and effectiveness of each partner business. Additionally, the Group has equity interests in Broking entities and operates the largest broking cluster group in New Zealand.

About Altius Group Pty Ltd

Established in 2000 and representing in excess of \$14 million in revenue annually, Altius Pty Ltd is a leading provider of workplace rehabilitation and injury management solutions.

Altius has four distinct, yet integrated divisions spanning occupational health, psychology services and medical assessment services. With more than 120 staff across 12 locations, Altius is dominant in rehabilitation services with over 90 per cent of its revenue being generated in the return to work space throughout Australia

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