

8<sup>th</sup> May 2006

**Company Announcement Platform  
Australian Stock Exchange**

**FOR IMMEDIATE MARKET RELEASE**

**Austbrokers Holdings Limited (ASX code: AUB) enters into Heads of Agreement with IBNA Limited**

Austbrokers Holdings Limited (Austbrokers) has entered into a heads of agreement with IBNA Limited (IBNA) concerning a proposal for Austbrokers to provide the same services to IBNA members that IBNA currently provides. As part of that proposal, it is proposed that Austbrokers would acquire certain assets from IBNA required to undertake those services.

The heads of agreement provides for a 6 month exclusive negotiation period and amongst other things is subject to execution of appropriate formal legal documentation between IBNA and the relevant IBNA members. Otherwise the agreement is largely non-binding on the parties.

Austbrokers will make a further announcement when the proposal is further advanced but key potential outcomes for both parties are set out in the attachment.

**About IBNA**

The IBNA Group is a leading insurance broker network through a national group of 78 independent brokers. The IBNA Group places annually approximately \$800 million in gross insurance premiums. IBNA operates as a collective or cluster group. While it provides services to its members, unlike Austbrokers, IBNA holds no equity interest in its members.

**About Austbrokers**

The Austbrokers Group is one of Australia's leading insurance broker networks. It provides a broad range of insurance broking services and products including premium-funding, which are distributed mainly to the SME market through its 33 network brokers in which it has an equity interest.

Yours sincerely

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

**S.S. Rouvray  
Company Secretary**

For further information contact

Steve Rouvray

Tel: (02) 9930 9568 or Mobile 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 / IBNA HEADS OF AGREEMENT**

### **KEY POTENTIAL OUTCOMES**

- Austbrokers / IBNA creating a “combined” marketing force of 111 brokers Australia wide (33 in which Austbrokers own equity and 78 IBNA members) with gross premiums of approximately \$1.5 billion.
- Create greater scale to invest in products / policy wordings tailored for clients and Austbrokers / IBNA brokers.
- Establish a succession planning solution for the IBNA members.
- Better access to / use of existing or future Austbrokers underwriting facilities may be achieved. e.g. Sentinel, Australian Bus & Coach.
- Rationalisation of any area of duplication in particular back end services such as IT, member services, compliance & other combined initiatives.
- Acquisition of certain assets from IBNA with surplus cash being returned to IBNA members post sale.
- Delivering value to IBNA licence holders who "transfer" to Austbrokers as part of this proposal.
- IBNA Broking Pty Ltd being acquired by Austbrokers and evolving to provide services for Austbrokers / IBNA members.