

10<sup>th</sup> August 2006

Company Announcements Platform  
Australian Stock Exchange Limited

**For Immediate Market Release**

**Acquisition of Shield Underwriting Holdings Pty Ltd**

Austbrokers Holdings Limited (AUB) advises that it has acquired Shield Underwriting Holdings Pty Ltd (“Shield”). The initial payment of \$3.62 million was funded from existing cash resources. This represents approximately 60% of the estimated purchase price which will vary based on the future performance of Shield. The acquisition will be accretive for shareholders.

Austbrokers CEO, Lachlan McKeough stated “We are pleased to be able to expand our underwriting agency activities with an organisation that has such a strong presence in its niche market of motor dealers, motor trades and commercial and residential property”.

The Shield group of underwriting agencies targets insurance products to niche commercial businesses which require specialised insurance arrangements. Shield Group annual premiums exceed \$20 million which will increase the annual premium for AUB’s Austagencies underwriting agency business, under whose banner the agencies will operate, to around \$55 million.

The Shield Group comprises:

- 5Star Underwriting Agency nationally underwrites House Accounts for the motor dealership sector. A House Account insures the property and liability risks of the dealers, tailored to their specific exposures such as hail and driving risks. 5Star has recently developed a retail motor insurance product for major novated lease fleet vehicles.
- MTA Insurance Agency which was formed in 2005 in partnership with Motor Traders' Association of NSW, issues package insurance policies for the SME network of motor trades businesses, such as smash repairers, auto mechanics and electrical, and all the supporting trades.
- Shield Underwriting Agencies and Shield Lease Bonds Agency specialise in Guarantee Bonds which take the place of cash deposits or bank guarantees as security for residential property acquisition or commercial real estate leasing.

The major underwriters for the agencies include Suncorp, Lumley and QBE.

Mr. Trevor McWhirter, Chairman and Founder of Shield, stated “I am looking forward to working with Austbrokers, as a non-executive Director of Shield, to develop and to continue to expand the Shield business”.

Mr. Martin McAvenna, CEO of Shield commented “This is an excellent opportunity for us in joining the Austbrokers group. Combining to become a larger underwriting agency group with our new colleagues at Austagencies will provide significant opportunities for the Shield businesses.”

Yours sincerely



S.S. Rouvray  
**Company Secretary**

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