



SBA Welcomes New Cornerstone Shareholder

In October 2008 SBA welcomed Arthur J Gallagher as a new cornerstone shareholder.

We are genuinely excited about the bringing together of two organisations which are each extremely successful in their own right, as detailed below:

Facts about SBA

- Arguably Western Australia's leading independent "High End" risk advisory and insurance broking firm.
- Company revenues tripled between 2004 and 2008.
- Won a W.A. Business News "Rising Star" Award in 2008 as one of the state's fastest growing private companies.
- Won an Australian Business Award for Enterprise in 2008 recognising Industry Leadership nationally.
- Has attained a strong presence in specialties of Energy, Resources, Construction and Corporate.

Facts about AJG

- The worlds 4th largest Insurance Broker.
- The world largest Third Party Claims administration agency.
- Listed on the New York Stock Exchange with a Market Capitalisation of US\$ 2.5 Billion.
- Admitted to the Fortune 1000 list in 2008.
- Does business in over 100 countries with more than 9,000 direct employees including over 500 already in Australia.

Copies of the SBA Media Release and West Australian Press relating to this transaction are attached hereto. More information on AJ Gallagher is available at www.ajg.com



Arthur J. Gallagher & Co.
culture driven success

Media Release

Strictly embargoed until...

3pm, Friday, October 10, 2008

Perth broking company joins forces with world's fourth largest intermediary

PERTH-based Specialised Broking Associates Pty Ltd has entered a landmark partnership with leading global company Arthur J. Gallagher & Co, the world's fourth largest insurance broking brand.

Established five years ago, SBA has had an extraordinary record of growth, providing specialist insurance broking and risk advisory services for large corporate customers, focusing on the mining, energy, resources and construction industries.

Gallagher originated in the US and celebrated its 80th anniversary last year, now conducting business across more than 100 countries, delivering an array of customised insurance and risk management programs.

"SBA has grown at a rapid pace since 2003 and we view the partnership with Gallagher as our major second stage to further that growth," SBA Executive Chairman Bill Grierson said.

"The financial services market is changing globally and we believe smaller firms partnering with major internationals will lead the way as a market trend over the next few years.

"Gallagher truly understands specialisation, which is a business strategy we're totally committed to, and our goals on this front can only be achieved with a fully like-minded party."

Under the arrangement, Gallagher – admitted to the Fortune 1000 list earlier this year – will take a significant minority stake in SBA. The new enterprise will become known as SBA Gallagher and retain an independent presence in the local market.

“The unique positioning that SBA Gallagher brings to the market will be ‘boutique international’. There really isn’t anything of this kind in Perth at present,” Mr Grierson said.

Gallagher’s Australian Chairman Peter Searson welcomed the alliance with SBA, given the two companies already had strategic alignments in the areas of construction, resources and other industries.

“This is an opportunity for us to promote the Gallagher brand across Australia, through the network and resources of SBA, helping to grow our retail presence and make real in-roads in the local market,” he said.

SBA’s clients include companies such as Alcoa, Iluka Resources, Australian Worldwide Exploration, BGC Group, Fortescue Metals and Clough Limited.

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For further comment, contact:

- Bill Grierson, SBA Executive Chairman – 0422 444 989
- Peter Searson, Gallagher’s Australian Chairman – 0439 381 090

IN THE NEWS

Perth broker joins global leader

PERTH-BASED insurance broker Specialised Broking Associates Pty Ltd has partnered with the world's fourth-largest insurance broking brand, Arthur J Gallagher & Co.

Established in 2003, SBA placed \$11 million in premiums on its first day, was profitable in the first month and by May this year was placing \$70 million in annual volume on behalf of about 80 customers.

The specialist insurance-broking and risk-advisory services provider focuses on large corporate customers in the mining, energy, resources and construction industries.

Clients include Alcoa, Iluka Resources, Australian Worldwide Exploration, BGC Group, Fortescue Metals Group and Clough.

According to SBA executive chairman Bill Grierson, the partnership with Gallagher, which was admitted to the Fortune 1000 list earlier this year, meant gaining a wealth of technical abilities that would benefit new and existing customers, building on the company's position in the top tier of the premium insurance market.

With the two companies already having strategic alignments in the areas of construction, resources and other industries, Mr Grierson also felt the partnership simply made sense.

"They specialise, we specialise; they have a focus on construction and resources, we also focus on construction and resources," Mr Grierson said.

Under the arrangement, Gallagher has taken a 40 per cent stake in SBA.

The business will be known as SBA Gallagher and retain an independent presence in the local market.

WA Business News
16/10/08



The West Australian
15/10/08

Insurer buys into Specialised Broking Associates

RACHEL DONKIN

American insurance giant Arthur J Gallagher has taken a 40 per cent stake in corporate insurance broker Specialised Broking Associates, in a move the Perth group said would give clients more financial security in the global market turmoil.

SBA chairman Bill Grierson con-

firmed Gallagher had taken a "significant minority stake" in the group under a "mutual agreement" which gave SBA more opportunities to expand after four years of strong growth.

He would not discuss the financial details of the transaction or Gallagher's future plans for its stake in SBA, which is a small player

in the market and places about \$75 million worth of insurance on behalf of clients annually.

"At this point in time it's a strategic stake," he said.

Chicago-based, New York Stock Exchange-listed Gallagher is the world's fourth-biggest insurance broker and has offices in Australia in the Eastern States.

