

EVOLVING TO DELIVER SUSTAINABLE BUSINESS OUTCOMES

31 MARCH 2009

MICHAEL WILKINS

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

















AGENDA

- 1 WHO WE ARE**
- 2 OUR REFINED STRATEGY AND DEVOLVED OPERATING MODEL**
- 3 DRIVING SUSTAINABLE BUSINESS OUTCOMES**



WHO WE ARE

OUR BUSINESS MODEL AND BRANDS

	DIRECT INSURANCE	INTERMEDIATED INSURANCE		DIRECT INSURANCE		DIRECT INSURANCE		INTERMEDIATED INSURANCE	
AUSTRALIA		 	NEW ZEALAND		ASIA	 **	UNITED KINGDOM		eVENTURES
				 ***					
				INTERMEDIATED INSURANCE					
	 *					OTHER			
				 大陆汽车俱乐部 China Automobile Association					

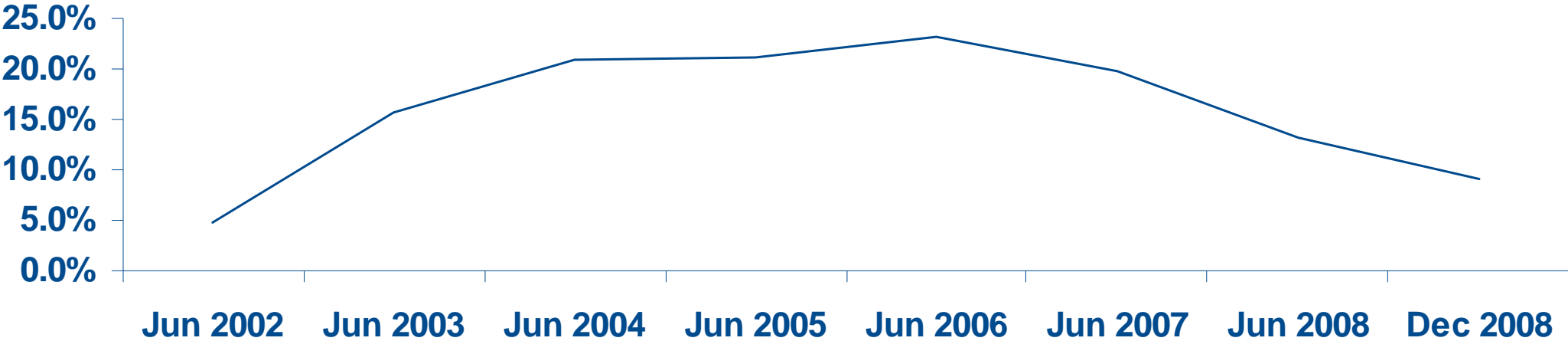
* RACV is via a distribution relationship and underwriting joint venture with RACV Limited

** 49% ownership of AmG Insurance, which is part of AmAssurance

*** 98% voting rights

MARKET CONDITIONS TOUGH FOR ENTIRE INDUSTRY

AUSTRALIAN GENERAL INSURANCE INDUSTRY ROE %



Source: APRA general insurance statistics

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OUR REFINED STRATEGY AND DEVOLVED OPERATING MODEL

OUR REFINED CORPORATE STRATEGY

A portfolio of high performing, customer-focused diverse operations providing general insurance in a manner that delivers superior experiences for our stakeholders and creates shareholder value

OUR TARGETS

- Top quartile TSR
- ROE > 1.5x WACC

OUR STRATEGY

- Deliver superior performance by actively managing our portfolio and driving operational performance and execution

OUR STRATEGIC PRIORITIES

- Improve our performance in Australia and New Zealand
- Pursue selective international growth options – Asia and other narrow specialist opportunities
- A devolved model with the Corporate Office as portfolio manager
- Driving operational performance and execution

OUR DEVOLVED OPERATING MODEL

SIMPLE, BASED ON HOW CUSTOMERS INTERACT WITH US



OUR ACHIEVEMENTS

IMPLEMENTING OUR STRATEGY

PRIORITY	STATUS
Move to a simpler operating model by end of September 2008	✓
Deliver \$130m in annual before tax run rate savings in Australia	✓
Appoint CEO of Direct Insurance	✓
Pursue select opportunities in Asia	✓
Scale back operations in the UK	✓
Exit from Lloyd's syndicate 4455 ('Alba') and underwriting agency	✓
Focus on driving performance and optimising returns in our home territories of Australia and New Zealand	Ongoing

3 DRIVING SUSTAINABLE BUSINESS OUTCOMES

DRIVING OUR LONG TERM SUCCESS

BUSINESS SUSTAINABILITY



OUR CUSTOMERS

INNOVATION AND SPEED TO MARKET



Unworry. **NRMA** INSURANCE



Undifficult.



Unworry. **NRMA** INSURANCE

UNPAY
up to
12.5%.

Combine certain policies and save. Ask here.



Unworry. **NRMA** INSURANCE

Stay with us and save. Ask here.



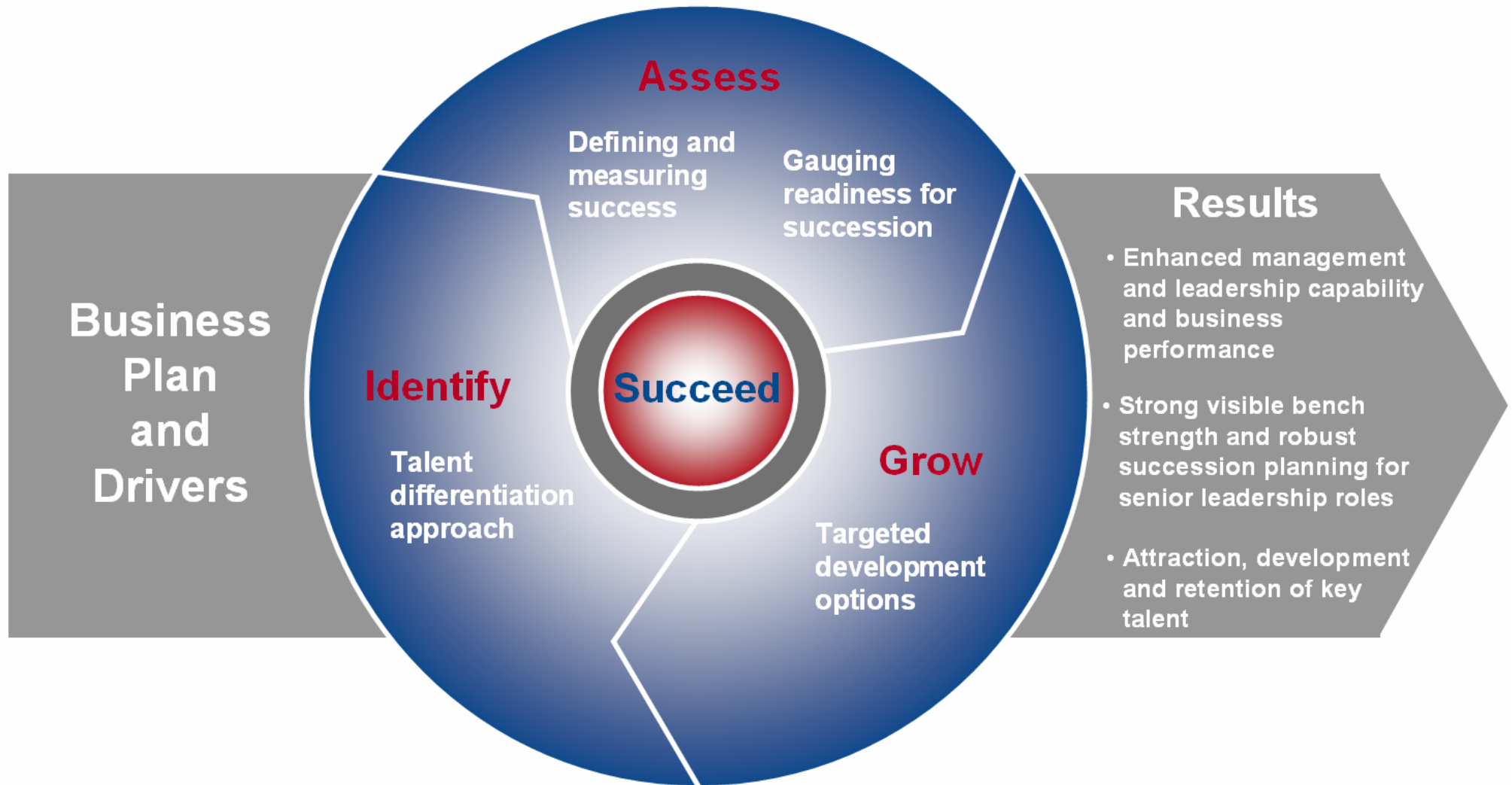
UNLEAVE

AND SAVE UP TO 20%
on your comprehensive car insurance.



WORKFORCE

ATTRACTING AND RETAINING TALENT



THE COMMUNITY

QUICK TO RESPOND AND HELP THE COMMUNITIES WE SERVE

BUSHFIRE DAMAGE Emergency claims for CGU Insurance customers

If you are a CGU policy holder and your home, car or business has been damaged by the Victorian bushfires, please call CGU's 24-hour claims hotline on **1300 550 194**, or contact your insurance adviser.*

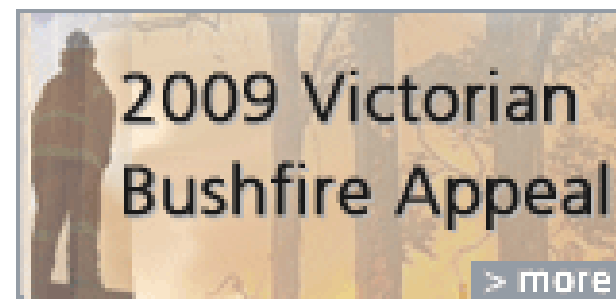
CGU's 24-hour Claims Hotline

1300 550 194

www.cgu.com.au

CGU Insurance Limited ABN 27 004 478 371
AFS Licence Number 238291

* Your CGU policy terms and conditions apply.

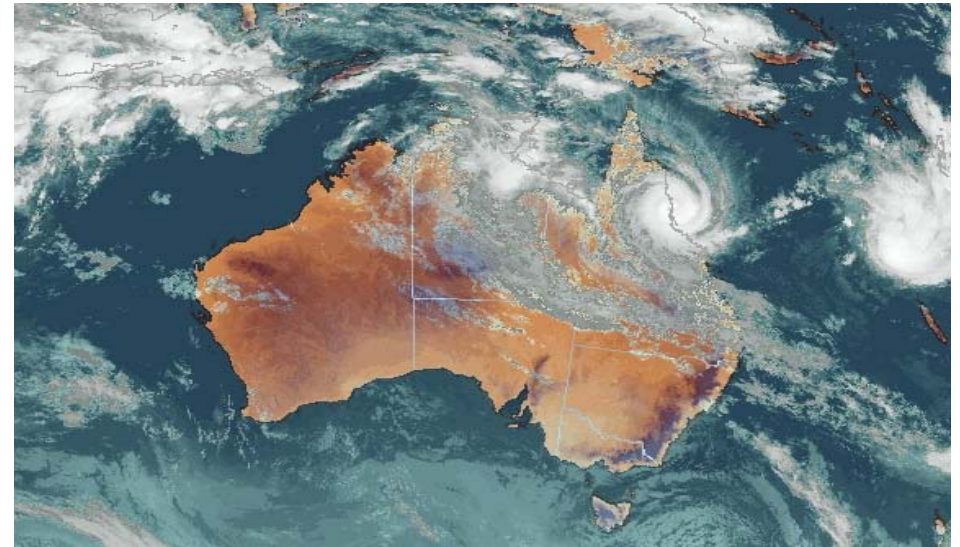


ENVIRONMENT

RESPONDING TO CLIMATE CHANGE AND REDUCING EMISSIONS IS A RESPONSIBILITY SHARED BY ALL MEMBERS OF THE COMMUNITY

We contribute in four key areas:

- Continuing to work with and influence government
- Assisting customers and suppliers reduce their emissions, and developing products which reward people for sustainable behaviour
- Helping communities prepare and adapt for the threats of climate change, and become more resilient
- Reducing our own greenhouse gas emissions



Severe Australian tropical cyclones

















Sydney April 1999 hailstorm (hail size 9cm+)

MAINTAINING A DEVOLVED OPERATING MODEL

PRINCIPLES AND LEARNINGS

- Clear roles and accountabilities
- Adult/adult relationship
- Define the role of the Corporate Office
- Build governance frameworks
- Maintain discipline around strategy to achieve alignment across the organisation
- Selected shared activities managed at a Group level, only when it makes sense

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				INTERMEDIATED INSURANCE					
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ACTIVE PORTFOLIO MANAGEMENT & GOVERNANCE (CORPORATE OFFICE)

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