

ASX announcement: Calliden Group Limited (CIX)

2 February 2010

Calliden Group Limited market update

Calliden Group Limited advises that its pre-tax result for the year ended 31 December 2009 is likely to range between a loss in the order of \$1 million and around breakeven point. This compares with a pre-tax profit of \$7 million in the previous year.

The range reflects management's emerging clarity around Calliden's liability adequacy test (LAT) adjustment at the 31 December 2009 balance date, an approximately 50% reduction (c. \$6 million) in investment income as previously flagged, and a weaker than expected underwriting performance, partly due to a significant claim in Western Australia in November which was settled in January in addition to the Victorian bushfires earlier in the year.

Calliden CEO Nick Kirk said that "while the result for 2009 is disappointing, we are confident about the outlook for 2010 given an expected improvement in investment income and the anticipated benefits of premium price rises over the past 12 months."

The Group's insurer Calliden Insurance Limited remains strongly capitalised with a capital adequacy ratio of 2.1 times the minimum required by APRA.

In line with its stated policy, the board of Calliden will consider the issue of a dividend on the basis of the final result for 2009, the capital needs of the company in the year ahead and any required APRA approval.

Details on Calliden's performance during 2009 will be provided at the time of the full-year results announcement on 25 February 2010.

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