

**ASX announcement: Calliden Group Limited (CIX)**

24 February 2011

**Calliden announces largest profit to date**

Calliden Group Limited (**Calliden**) today reported a net profit of \$10.1m for the year ended 31 December 2010.

The strong improvement in its profit primarily reflects the benefits of premium rate increases and underwriting enhancements which have driven improved underlying claims ratios.

The profit includes the one off positive recovery from its court case with Australian Unity Limited and sale of Sports Underwriting, offset by a liability adequacy test (LAT) expense, poor weather and restructuring costs incurred in centralising its back office.

The return on equity for the year is 10% compared to the original target of 12.5%.

The Board has maintained the dividend at 1 cent per share fully franked.

**Subsequent Weather Events**

Calliden will also provide an update on the unprecedented weather events in the first quarter of 2011. The total net cost of the events including reinstatement premiums is estimated to be \$7.6m fully developed. Calliden has no direct exposure in New Zealand.

The Group's insurer, Calliden Insurance Limited, is well capitalised with 2.5 times the minimum capital requirement prior to the January and February weather events. After including the impact of the weather events it remains strongly capitalised at around 2.0 times the minimum capital requirement. The group capital position is subject to different rules and is 2.0 times the minimum capital requirement and remains at around 1.5 times the minimum after the weather events.

Nick Kirk (CEO) and Adrian Diggelmann (CFO) will be giving a presentation on the full year results of the Group on Friday 25 February 2011 at 8.30am AEST.

For further information please contact:

Nick Kirk  
Chief Executive Officer  
(02) 9551 1102

Adrian Diggelmann  
Chief Financial Officer  
(02) 9551 1170

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