

**Media Release**

7 December 2011

**\$8.3 million profit from sale of 50% shareholding in Claims Services Australia Pty Ltd**

Calliden Group Limited ("Calliden") yesterday announced the sale of its 50% shareholding in Claims Services Australia Pty Ltd ("CSA") to Innovation Group plc ("Innovation Group") for a cash consideration of \$10.0m. This represents an \$8.3 million profit compared to its book value of \$1.7 million.

This transaction is consistent with Calliden's strategy of actively managing its investments in insurance related entities. CSA, under the stewardship of Calliden's joint venture partners, Brian Lloyd and Mark Rix, has been an excellent investment for Calliden's shareholders. The \$10 million proceeds will be deployed to support Calliden's continued growth in the Australian general insurance market.

Calliden signed a new five year claims service agreement, including the home and motor portfolio, with CSA earlier this year, having brought its commercial claims in-house at the same time.

This sale agreement takes effect from today and the profit will be included in Calliden's FY2011 financial results, to be announced in February 2012.

Nick Kirk, CEO of Calliden said:

"We have had a strong working relationship with CSA through the claims handling service they provide our motor and home insurance customers. We look forward to continuing this relationship with the Innovation Group as the new 100% owner of the business. We believe they will be able to provide additional scale and efficiency benefits that are associated with being a leading global claims management provider. We would like to thank Brian and Mark for the great job they have done in developing CSA. We look forward to continue working with them both as integral parts of Innovation Group in Australia."

Martin Jones, CEO Asia & Australia for Innovation Group commented:

"This is an exciting day for us and a significant milestone as we continue to grow our business in Australia. The CSA team has an excellent reputation and will add considerable depth and ability to our operations here. I welcome the CSA team to the Innovation Group and am very much looking forward to working with them. Our immediate focus is to ensure CSA's clients including Calliden and their customers continue to enjoy the high levels of service they do today."

CSA becomes a wholly owned subsidiary of Innovation Group. Innovation Group is a global leader of business process outsourcing and software solutions to the insurance, fleet, automotive and property industries. It has over 800 global clients including AXA, RSA, American Modern Insurance Group, LeasePlan, The Ford Motor Company, Aviva, Toyota and Zurich.

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