



NRMA Insurance Group Ltd

Presentation of Financial Results

Year ended 30 June 2001

Acting CEO, Ian Brown

CFO & Head of IT, George Venardos

31 August 2001

1

Ian Brown

Slides 1 – 15 and Slide 30

George Venardos

Slides 16 - 29

- Welcome everyone and thank you for taking the time to join us for today's presentation of our full year results.
- Welcome also to those joining us via teleconference.

Agenda



Overview of results & dividend	Ian Brown
Results by segment	George Venardos
Looking forward	Ian Brown
Questions	Ian Brown & George Venardos

2

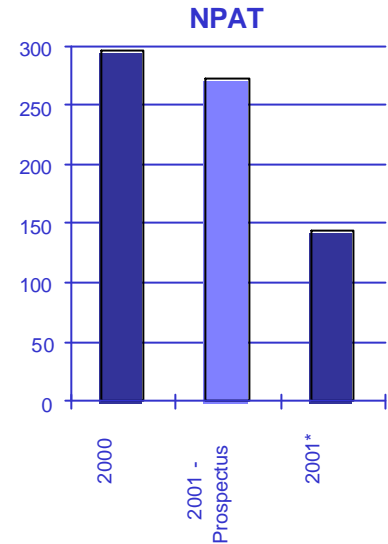
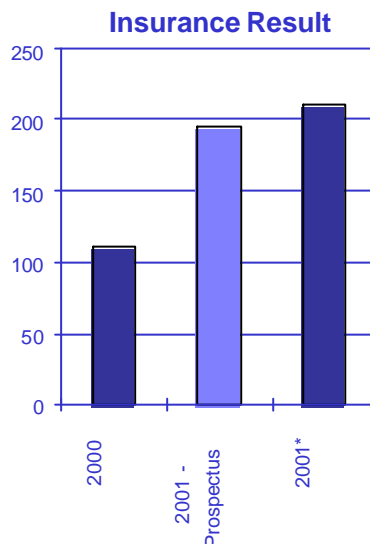
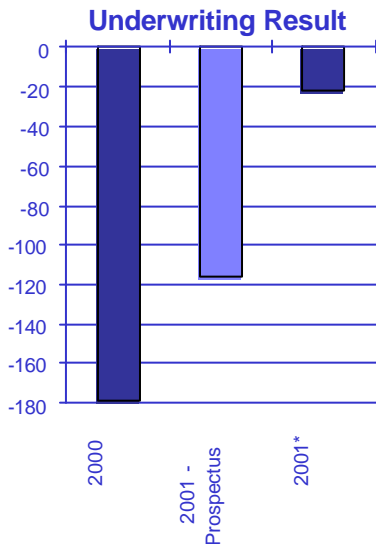
I will start today's presentation with an overview of the full year results and compare these to the prospectus forecasts.

I will also be addressing the final dividend.

I will then hand over to George Venardos, our CFO, who will provide a more detailed analysis of the individual business segment results.

We are happy to take your questions when the presentation has concluded.

Strong operating result, subdued investment returns



* Full 12 months. Statutory result is from 22 July 2000

3

This presentation is based on full 12 month figures, including 12 months of the NRMA Insurance operations acquired by NIGL in late July 2000. A reconciliation to the statutory result from 22 July is contained in the Investor Report – separate documents in your packs/on the website.

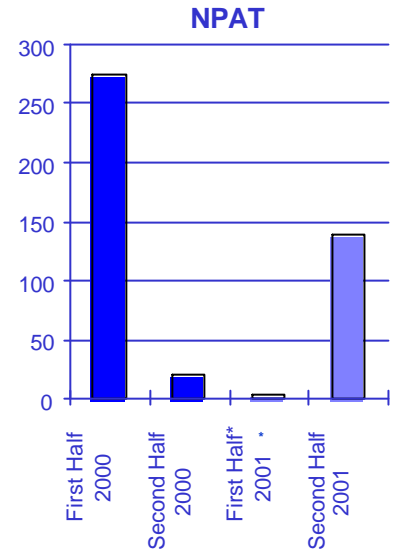
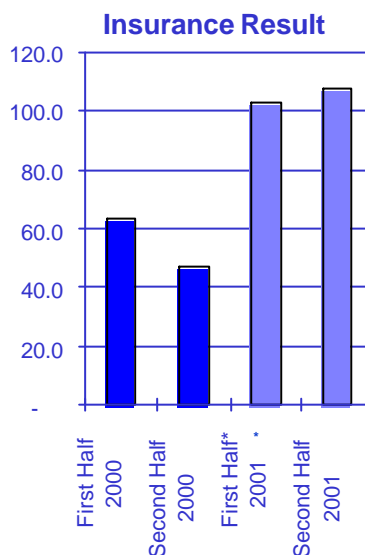
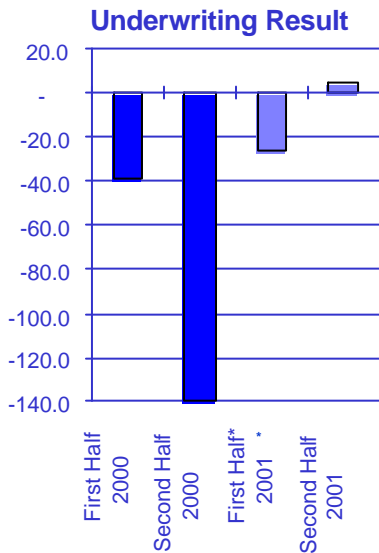
The Group had a strong operating result for the year with the Underwriting result and Insurance result both outperforming the Prospectus forecasts.

It is important to note these results have been achieved, despite:

- \$62m insurance loss in the Inwards portfolio (versus a prospectus forecast of a \$11m insurance profit)
- Investment performance on Technical Reserves (which are included in the Insurance result) being \$79m behind prospectus.

The overall Group Profit is behind the previous year and prospectus forecasts due in the main to the return from Shareholder Funds being \$132m behind prospectus as a result of the flat equity markets during the year.

Second half performance continued improving trends



* Full 6 months. Statutory result is from 22 July 2000.

4

The second half of this financial year has yielded an even stronger operational performance than that reported at the first half

The underwriting result has moved into profit for the first time in many years, despite restructuring provisions of \$10m booked in the second half

This strong underwriting result contributed to an insurance profit of \$107m for the half, up from \$103m in the first half.

Profit After Tax also made a significant turnaround following a recovery in the equity markets after the very disappointing performance in the first half.

Improved key indicators in Profit After Tax of \$143m*



Overall result of \$143m* includes:

-  **91% increase in insurance result to \$210m**
-  **21% increase gross written premium to \$3,198m**
-  **\$156m improvement in combined ratio from 107.5% to 100.8%**
-  **Reduction in expense ratio from 21.6% to 20.3%**
-  **Restructure costs of \$27m (approx \$19m net of tax)**
-  **Amortisation and interest expense \$23m above prospectus**

* Full 12 months. Statutory result from 22 July 2000.

5

Looking at the highlights, the strong underwriting performance has contributed to a 91% increase in our insurance result to \$210m. This has been the combined result of pricing and cost efficiencies.

GWP has grown 21% to \$3.2 billion, generated by acquisitions during the period and organic growth in existing portfolios.

We have also seen further improvements in the combined ratio from 107.5% last year to 100.8%

The focus on expense ratio for our Australian operations has seen us outperform both the prior year and prospectus forecasts. We are continuing to work at leveraging our scale to bring further reductions in the expense ratio for the whole Group.

The Group result has been achieved despite restructuring provisions of \$27m (\$19m net of tax) and amortisation and interest exceeding the prospectus by \$23m, of which \$17m arose from the State and HIH workers' compensation acquisitions.

Normalised return for shareholders increased



	2000	2001*
Financial Results/Ratios		
GWP	\$2,643m	\$3,198m
Profit attributable to shareholders	\$296.4m	\$142.7m
ROE (Average Equity)	10.38%	5.32%
ROE (Normalised)	7.10%	10.90%
EPS	19.28	9.40
EPS (Normalised)	12.40	19.19
DPS	n/a	10c
Insurance Ratios		
Loss Ratio	85.9%	80.5%
Expense Ratio (Australia)	21.6%	19.5%
Expense Ratio (Group)	21.6%	20.3%
Combined Ratio	107.5%	100.8%
Insurance Margin	4.6%	7.6%
Probability of sufficiency	>90%	>90%

* Full 12 months. Statutory result from 22 July 2000

6

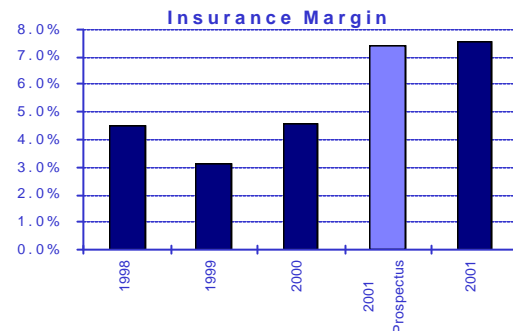
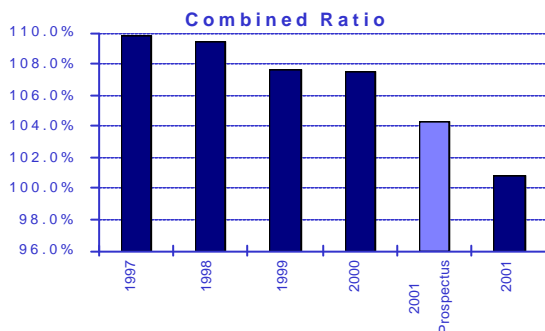
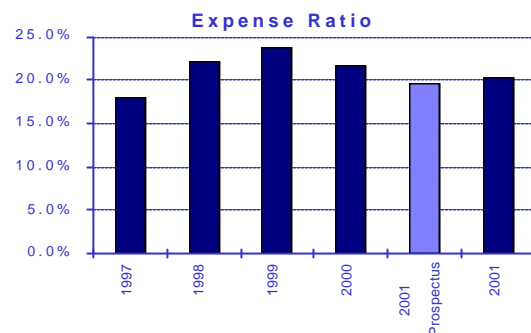
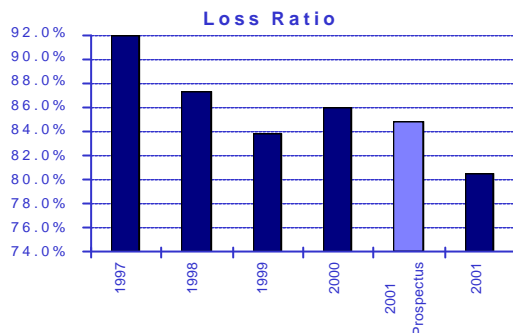
The profit for the current year has been impacted by a combination of flat investment markets, one-off expenses (such as demutualisation and initial share registry expenses), acquisitions and a disappointing result in the inwards reinsurance portfolio

This has adversely affected our reported Return on Equity and Earnings per Share figures.

Adjusting investment returns to a normalised basis, the ROE and EPS each grew by more than 50% to 10.9% and 19.2 cents, respectively.

It is important to note that the results for the year were achieved whilst maintaining the probability of sufficiency for the Group's claims reserves at, or above, 90%.

Insurance ratios outperform prospectus in Australia ...



The key ratios have shown a marked improvement over 5 years.

These slides show that, with the exception of the expense ratio, all key ratios outperformed the prospectus. The marginal shortfall on the expense ratio is entirely attributable to the affect of the State Insurance portfolio (which has a higher expense ratio in common with other New Zealand market participants).

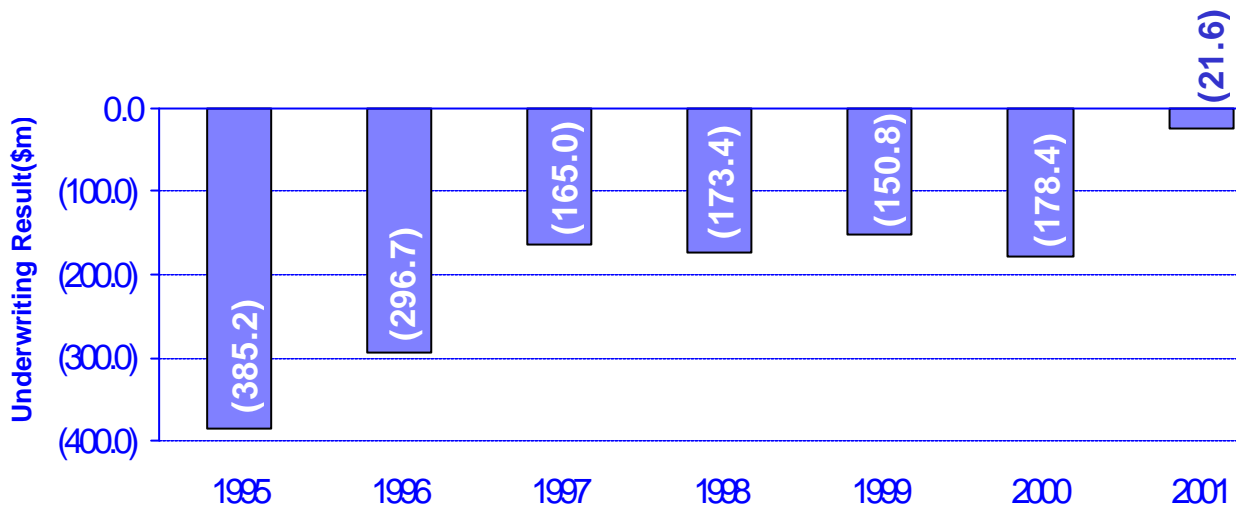
Our success in improving these key ratios is the outcome of:

- pricing and claims management strategies in both long & short tail books;
- scale advantages from acquisition and merger activity; and
- technology advancements such as eCommerce & the national product platform

The expense ratio has begun to improve again:

- 1997 and 1998 were affected by significant investment in systems and, to a lesser extent, the inclusion of more broker-sourced business following the SGIO acquisition; and
- the Group is now leveraging this investment to ensure that the ratio continues its recent downward trend.

On a greatly improved underwriting result



* Full 12 months. Statutory result is from 22 July 2000.

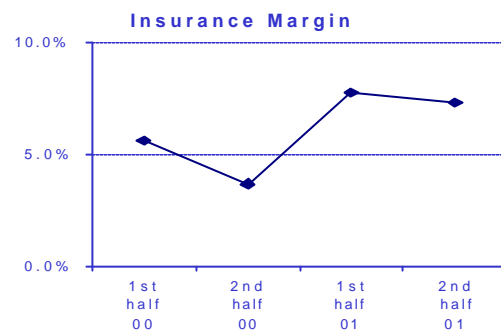
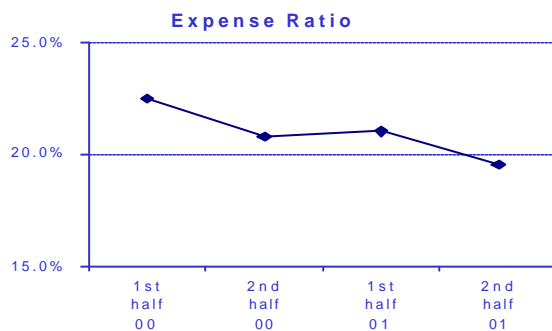
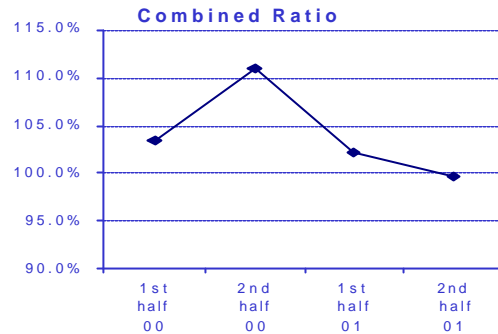
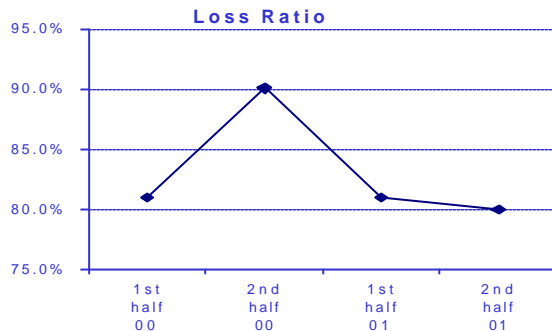
8

If we translate these Insurance Ratios into the actual Underwriting Results, we once again see a clear trend.

The Underwriting loss of \$21.6m reflects our combined ratio of just over 100% and is significantly different than the position we occupied in the 1990's when our Short Tail book was seriously under-performing.

Our combined ratio is now in our target operating zone of between 98% and 100%, depending on the mix of business, although we prefer to consider this in terms of the desired ratios for the underlying mix of short and long tail portfolios.

Our underlying performance improved in second half



9

If we look just at the second half results, we have demonstrated an even stronger performance than the first half. The key insurance ratios show:

Marginal improvement in the loss ratio (80.1% against 80.9%)

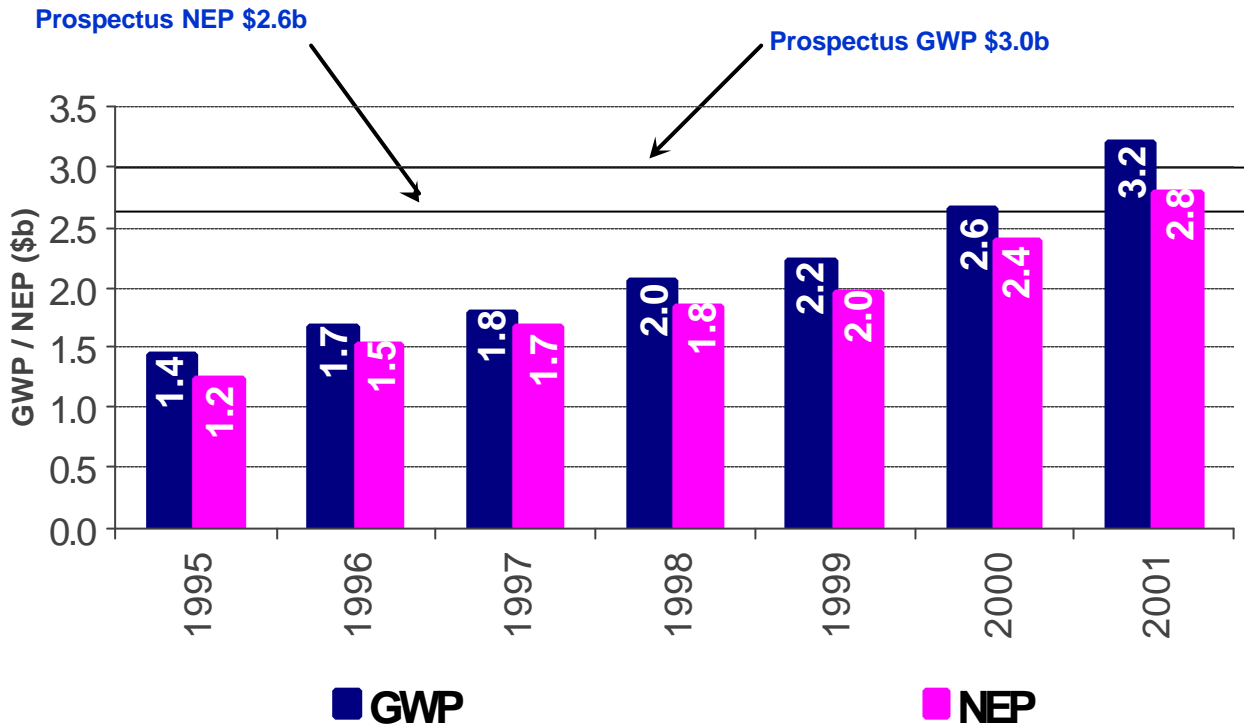
Expense ratio reduction (19.7% against 21.1%)

Combined ratio reduction (99.8% against 102.0%), and

Insurance margin marginally down (7.3% against 7.8%) due to lower fixed interest returns on technical reserves

These ratios are on a Group basis. The improvement in the expense ratio is even more marked if the analysis is done on an Australia-only basis. State Insurance, as mentioned previously, has a higher expense ratio.

Premium growth exceeded prospectus forecast ...



Average growth rate per annum for the period is 15%

10

Central to achieving this result has been the growth and diversification of the book - from being a motor vehicle and home insurer in NSW to now being diversified in both product and geographic terms.

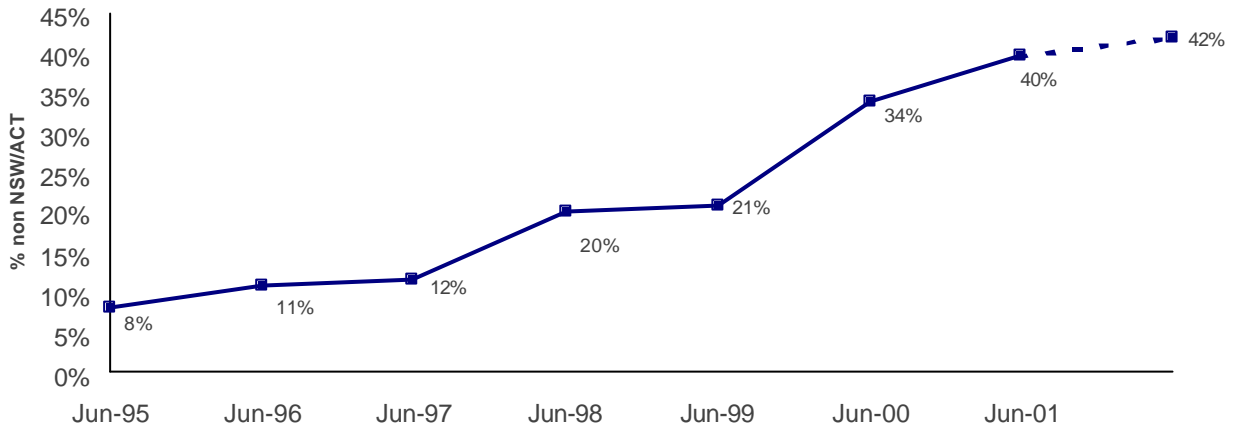
We remain the largest general insurer in Australia. GWP has grown from \$1.8b in 1997 to \$3.2b in 2001. In comparison to June 2000, it represents a 21% increase which reflects:

- Full year contribution from IMA
- Acquisition of State Insurance and HIH workers' compensation businesses
- Growth in emerging products of Health and SME Commercial
- Increases in premium rates between 5% and 12% in short tail classes

All of these factors have meant that the Group has outperformed the prospectus for both our Gross Written Premium and our net earned premium levels.

Over the last 7 years there has been on average 15% growth per annum. We have thus more than doubled our premium in 6 years and are well on track to achieve the \$4bn gross written premium target by 2003.

And geographic diversification continued ...



Gross written premium

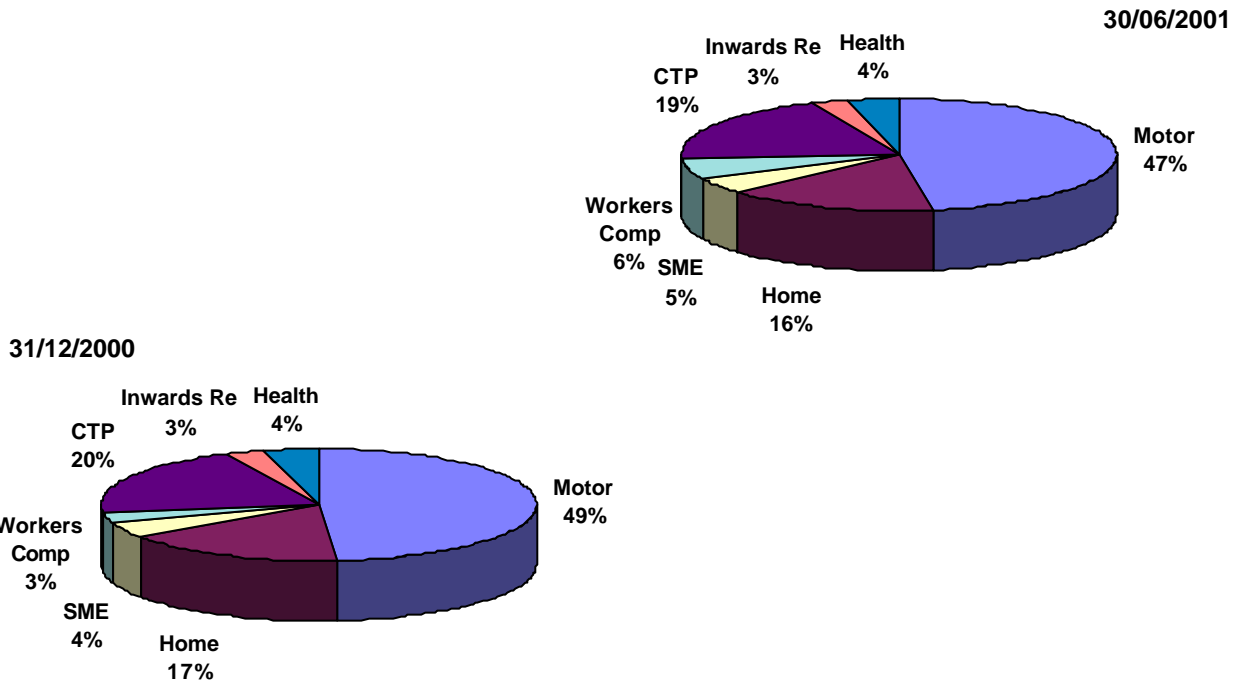
11

The Group continues to increase its premium diversification outside NSW and ACT and is heading to the Group's stated aim of 50%.

Our run-rate going into the 2002 financial year is 42%. Counter-balancing the full year impact of State Insurance and the ex-HIH portfolio are:

- Larger rate experience related increases in NSW, which skewed the premium back in favour of the NSW business.
- Growth in businesses such as Health and SME Commercial have been only in NSW to date.
- Cessation of the Inwards Re book, which was all classified as outside of NSW.

While product concentration reduced



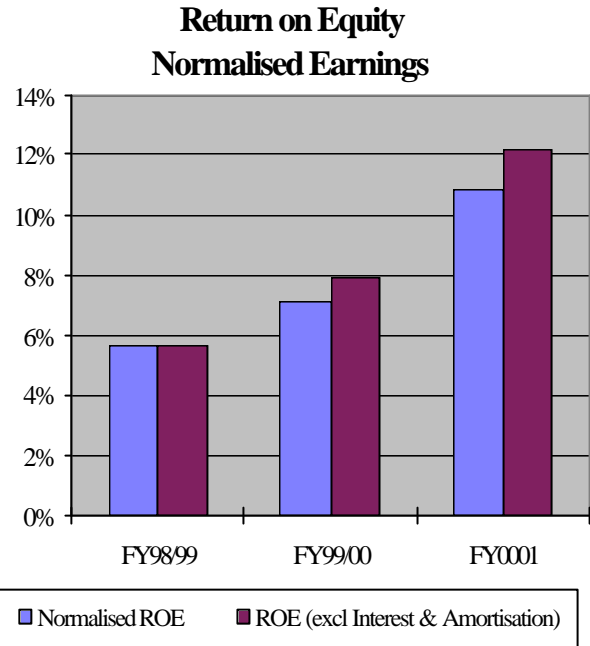
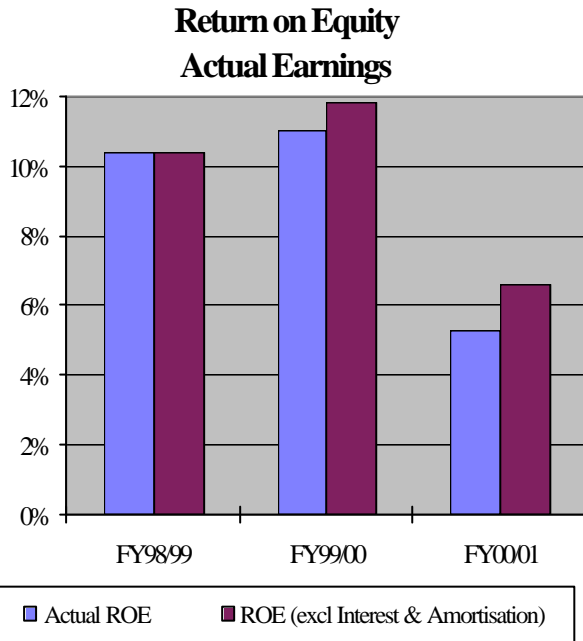
Includes Australian operations gross written premium only

These graphs demonstrate the inroads made to addressing concentration issues for our Australian business.

The further reduction in our reliance on motor insurance in the last 6 months in the mix of business is due to growth in SME commercial and workers' compensation insurances.

Strategically, we are focused on further diversification of the GWP mix through initiatives in health and SME commercial insurance – and, outside what is captured in these graphs, we will also be growing our retirement services business.

RoE subdued by investments, but underlying RoE improved



Calculated for full 12 months

13

Whilst actual earnings have been lower than in previous years, this is attributable to the volatility of the investment markets. We stand by our view on the long-term value of our exposure to equities but continue to work on innovative ways to reduce the reported volatility.

On a normalised basis, that is 8% on Technical reserves and 11.5% on shareholder funds, the full year earnings were \$292m after tax. This is an increase in the normalised earnings of over \$100m.

On this basis, it is pleasing to see that the RoE has increased from 7% to almost 11% and it is this performance that forms the basis for our dividend policy.

Final dividend of 6 cents



NRMA Insurance Group Limited
(ABN 60090739923)

-  Full year normalised earnings - \$292m

-  Dividend policy unchanged

“expect to maintain a dividend payout ratio of between 40% and 70% of normalised earnings of the Group over time”

-  Final dividend - 6c per share fully franked, 10c per share for the year

-  Represents 50% of normalised earnings for the year

14

In line with the disclosures in our prospectus, the Board expects to maintain a dividend payout ratio of between 40 - 70% of normalised earnings of the Group over time.





Based on the full year normalised earnings of \$292m the Board approved a final dividend of 6c per share. This, when coupled with the interim dividend of 4c per share, represents a payout ratio of 50% of the normalised earnings for the period reflecting the Board's view that the underlying business performance has been strong.

Both dividends are fully franked.

So, in summary



NRMA Insurance Group Limited
(ABN 60090739923)

-  Net profit after tax of \$143m* for the full year
-  Best operational performance in years – now in our target operating zone
-  Final dividend - 6c per share fully franked, 10c per share for the year
-  Now, for some more detail on the components of our result

* Full 12 months. Statutory result from 22 July 2000

15

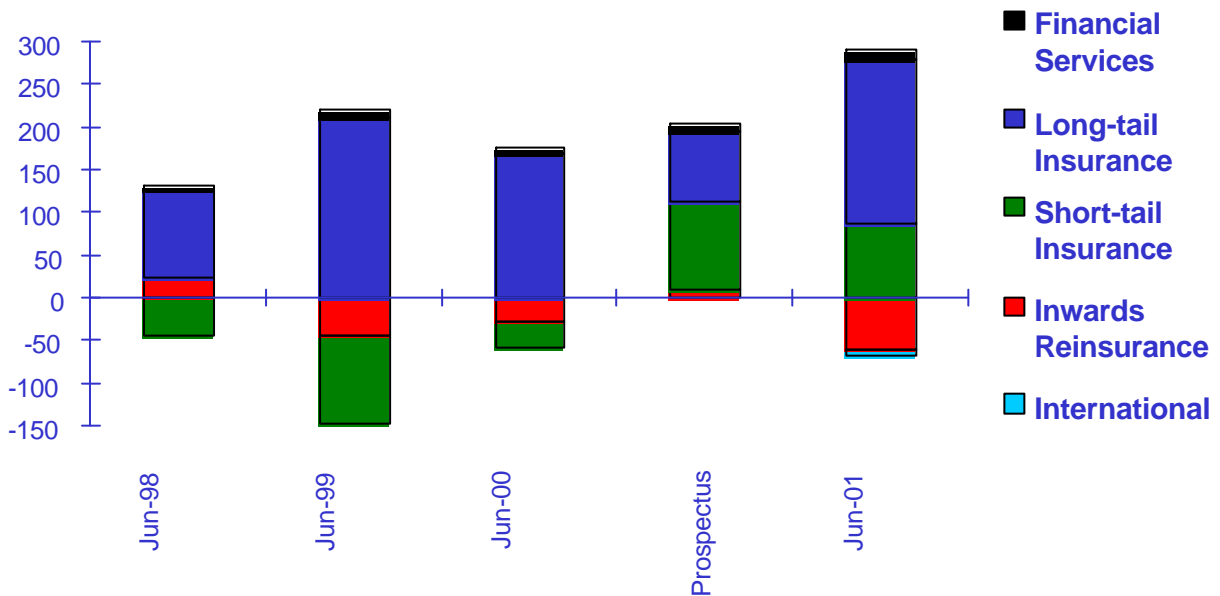
Summary of key points.

George Venardos will now to provide more detail on the components of the result.

Improved results from continuing segments (before tax)*



Before tax operating results



* Before tax (FS after statutory fund tax)

The underlying business has exceeded its prospectus forecasts and has shown significant improvement over prior years.

All of our continuing businesses are operating above the line for the first time in many years and each of the core businesses are making significant contributions to our operating result. The turnaround in the short tail book is most pleasing.

The remaining negative in our portfolio is our Inwards Reinsurance book, which is in run-off. Our strategy for managing the run-off, and the measures put in place in recent months should minimise the risk of this result being below the line in future. I will detail more on this later.

The small loss from International is in line with our expectations and is due to the restructuring provision in State Insurance in NZ of \$10m.

Going forward the International segment will also include our Captive Reinsurer which is based in Dublin.

Short tail insurance contribution of \$88m



	2000 Actual \$m	2001 Prospectus \$m	2001* Actual \$m
Financial Results			
Net Premium Revenue	1,708.9	1,960.9	1,988.2
Underwriting Result	(103.1)	15.4	31.4
Investment Income on Technical Reserves	73.8	85.3	56.2
Insurance Result	(29.4)	100.7	87.6
Insurance Ratios			
Loss Ratio	82.7%	78.2%	77.6%
Expense Ratio	23.4%	21.0%	20.8%
Combined Ratio	106.1%	99.2%	98.4%
Insurance Margin	(1.7)%	5.1%	4.4%

* Full 12 months. Statutory result is from 22 July 2000, adjusted for inwards reinsurance

17

There has been outstanding underwriting performance in the short tail portfolio, which exceeded prospectus forecasts by \$16m.

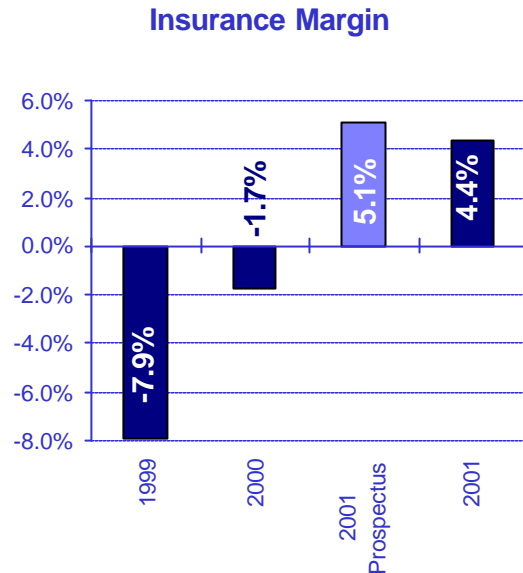
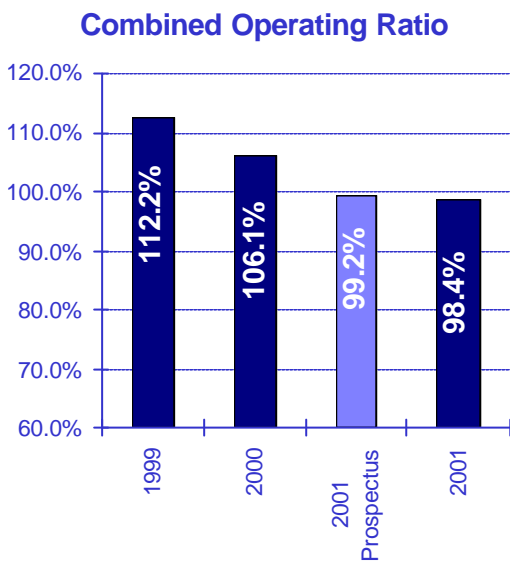
It represents a \$134m improvement in underlying business performance.

This has been achieved by a concentrated effort to reduce average claims costs and operating expenses throughout the Group, together with price increases and underwriting initiatives implemented since early in 2000. We are now working to deliver further improvements in the expense base.

Whilst weather patterns overall were reasonably benign during the year, the two months either side of Christmas were not. As a result, our staff had to manage as many storm claims this year as were managed for the April 1999 hailstorm, albeit that the claims were less severe. The minimal impact on reported profit is due to the foresight of our research analysts that led to the purchase of a storm stop loss during this period.

The shortfall against the prospectus forecast insurance margin is purely a result of investment returns on technical provisions being lower than forecast.

Short tail insurance margin stronger



* Full 12 months. Statutory result is from 22 July 2000.

18

All of our key ratios are moving in the right direction with a significant lift in the insurance margin over prior years.

Average claims costs have been the focus for this year and the average finalised claims size in NSW motor has reduced in real terms quite appreciably. This has been due to the implementation of 25 claims management initiatives including:

- The preferred smash repairer scheme
- A reduction in claims recovery leakage, and
- A focus on fraud detection.

As disclosed in the prospectus, these initiatives were forecast to deliver \$31m in savings and this target has been met.

This downward trend is significant given it has been achieved in a period when the Australian Dollar has devalued, resulting in imported parts prices increasing. Our long term target operating zone for the short tail business is a combined ratio of between 98% to 100% and we are now in that zone.

With positive momentum in premium pricing and our focus on expense reduction, we believe there is scope for further improvement on this result.

Long tail insurance contribution of \$191m



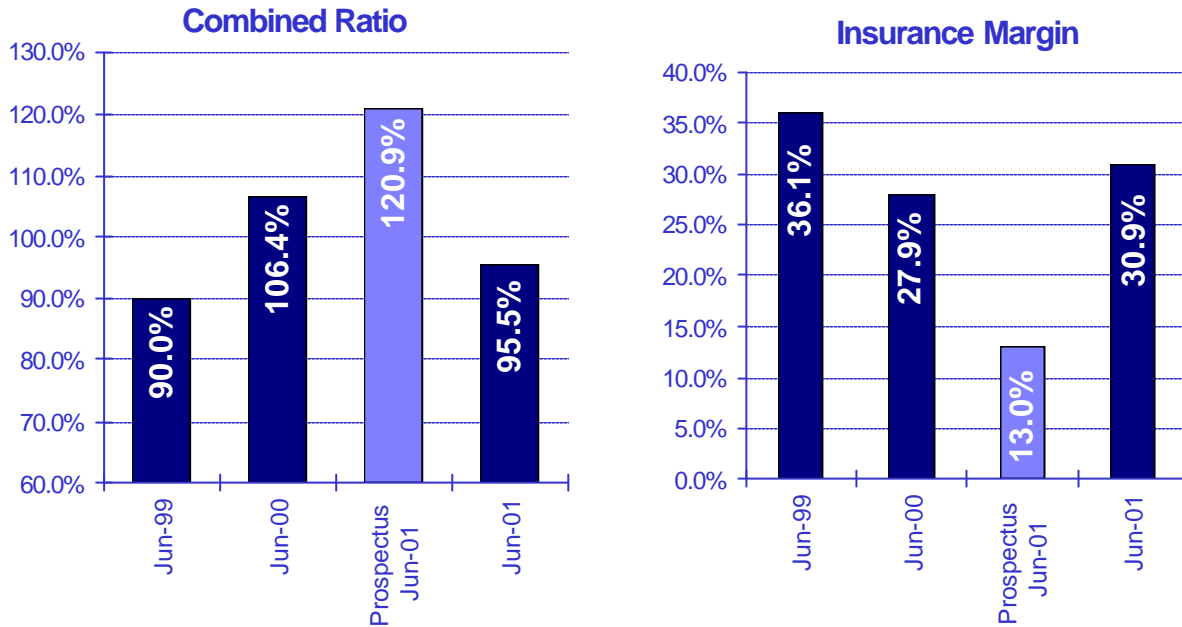
	2000 Actual \$m	2001 Prospectus \$m	2001* Actual \$m
Financial Results			
Net Premium Revenue	600.5	636.9	618.1
Underwriting Result	(38.4)	(133.1)	27.9
Investment Income on Technical Reserves	206.1	216.2	163.0
Insurance Result	167.7	83.1	190.9
Insurance Ratios			
Loss Ratio	91.2%	107.2%	82.2%
Expense Ratio	15.2%	13.7%	13.3%
Combined Ratio	106.4%	120.9%	95.5%
Insurance Margin	27.9%	13.0%	30.9%

* Full 12 months. Statutory result is from 22 July 2000.

19

- The long tail portfolio has achieved excellent results for the year. However, we believe it exceeds our view of normal / sustainable performance.
- Our traditional conservative reserving, combined with the stability of the key statutory compensation schemes within the portfolio, have enabled releases from prior period claims reserves.
- The claims expense for the year includes \$24.2m attributable to the effect of decreasing interest rates.
- The strong result reflects stability in the three key underwritten schemes in which we participated during the year. The NSW and ACT CTP schemes continued to perform well but even more pleasing, given its recent history, has been the improvement in the WA workers' compensation portfolio.
- Looking forward, the ex-HIH portfolio of workers' compensation business and our further expansion into CTP in Queensland provide opportunities for more growth and diversity. On the administration front, we will be implementing a new claims system for the statutory compensation classes. This will further enhance our ability to manage these claims on a national basis, improving efficiency and effectiveness of our claims management philosophy.

Long tail margin above normal levels



* Full 12 months. Statutory result is from 22 July 2000.

20

The long tail insurance result continues its favourable trend and is \$108m better than the prospectus.

There have again been prior year reserve releases. These can be attributed to our above industry claims management processes, stability of the statutory schemes, our conservative reserving and targeting of preferred risk groups.

In terms of expecting further significant releases, it should be remembered that the stability of the schemes is reflected in our pricing and reserving assumptions for premium rate changes. This mitigates, rather than eliminates, the prospect of further releases.

We continue to hold the view that the long term target operating zone for long tail business is a combined ratio of between 110-115% at which level these products can generate a sustainable insurance margin.

Restructuring expenses reflected in State Insurance result



	2001 Actual \$m
Financial Results	
Net Premium Revenue	109.8
Underwriting Result	(7.4)
Investment Income on Technical Reserves	1.5
Insurance Result	(5.9)
Insurance Ratios	
Loss Ratio	65.9%
Expense Ratio	40.8%
Combined Ratio	106.7%
Insurance Margin	(5.4)%

21

This slide sets out the results of our New Zealand operation, State Insurance, from the date of acquisition.

The key item of note is the expense ratio which has been impacted by \$12m of restructuring provisions. Adjusting for these one-off costs, the expense ratio would be in the region of 30%.

Going forward, net of the cost savings and one off expenses, the expense ratio should stabilise around 25%.

The rollout of the new business model should be completed by December this year and will be followed by the replacement of IT systems.

The business remains on track to be EPS positive within 18 months of the date of acquisition.

Inwards reinsurance hit by 1999 losses and increased reserving



	2001 Prospectus \$m	2001 First Half \$m	2001 Second Half \$m	2001 Actual \$m
Financial Results				
Net Premium Revenue	47.6	37.9	21.4	59.3
Underwriting Result	1.0	(38.6)	(34.8)	(73.4)
Investment Income on Technical Reserves	9.7	6.5	5.0	11.5
Insurance Result	10.8	(32.1)	(29.8)	(61.9)
Probability of Sufficiency		90%	95%	95%

* Full 12 months. Statutory result is from 22 July 2000.

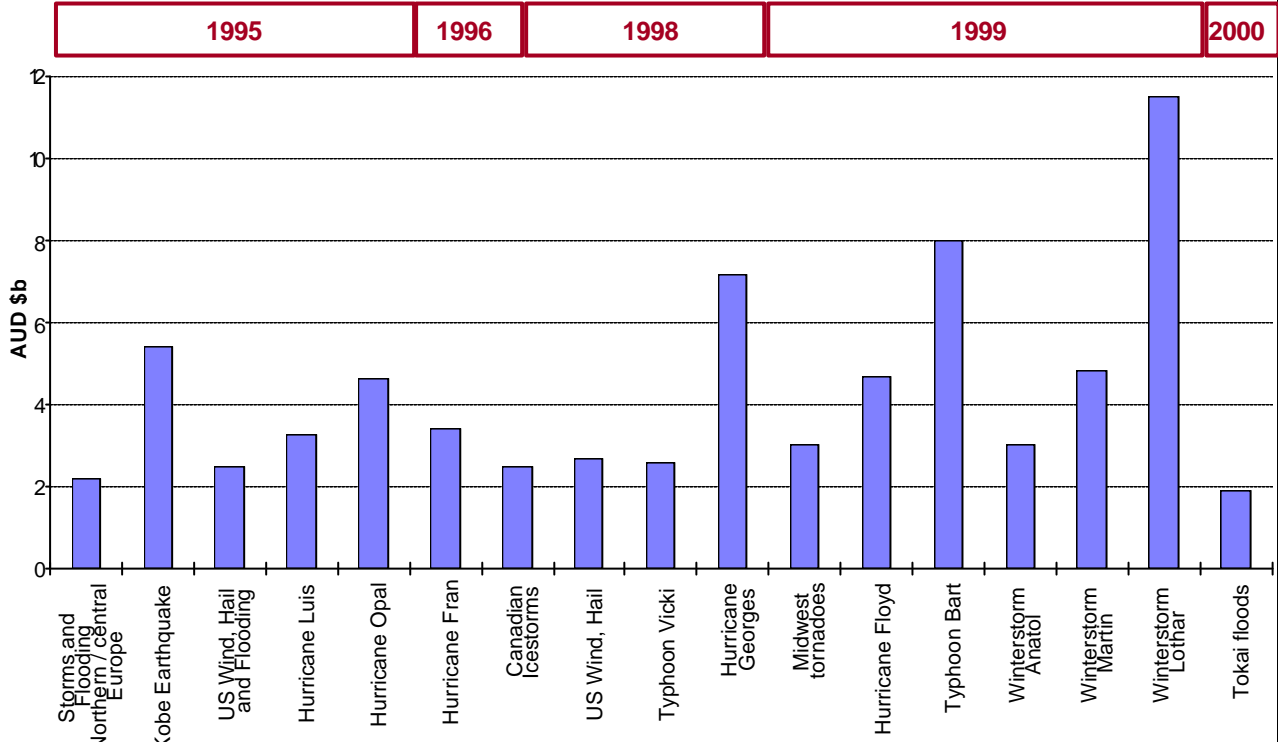
22

The result for Inwards Reinsurance is very disappointing. The shortfall against the prospectus is due to:

- further adverse development and late notifications on the 1999 underwriting year; and
- further strengthening of reserves to provide additional comfort as to the adequacy of the reserves. Over the year, the increase in the probability of sufficiency for this portfolio added \$37m to the claims expense.

To put this result in context ...

1999 an expensive year for reinsurance market



Source: PWC/Swiss Re/ Sigma

I thought it would be helpful to remind everyone just how bad 1999 was.

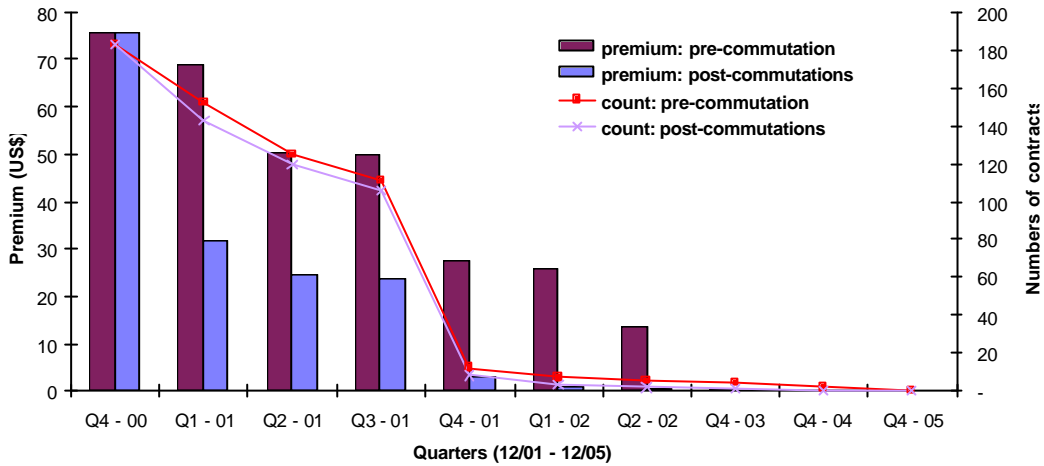
As you can see, the 1999 year saw unprecedented catastrophe activity with Typhoon Bart, Hurricane Floyd and Winterstorm Lothar and above the \$5bn mark.

By way of contrast, 2000 had minimal catastrophes and very minor economic losses.

Inwards reinsurance run-off accelerated by treaty commutations



Inwards Re - in-force "exposed" premium and #'s run off



24

This graph is an analysis of how the in-force premium will be run off over the next 4 years.




The key point to note from this graph is the enormous effect the recent commutations have had on the run-off profile. These have been effected since year end at a net cost of less than \$2m.

The purple bars show the profile before commutations and the blue bars show it after commutations. You can see that now and through the next financial year, our exposure is minimal.

We expect to negotiate further commutations in the next few months.

Managing down further exposure on inwards reinsurance



-  \$75m USD exposed premium when book put into run off. Reduced to \$38m USD
-  New retrocession program in place for 1H02 financial period incidents. Maximum aggregate retention of \$40m in Group
-  Probability of sufficiency increased to 95%

25

In dollar terms, the effect of the commutations to date has been to reduce our premium exposure from US\$75m to US\$38m.

We have implemented a new retrocession programme for June 2002 financial year events and have reduced our per event excess from US\$2.5m to US\$500k.

The maximum aggregate retention in the Group is now AUD40m and the upper limit of our programme is designed to cover us to a 1 in 500 year event.

And as already noted, we have increased our probability of sufficiency for the existing portfolio to 95%.

These measures provide substantial protection against future adverse development and we will continue to monitor this portfolio very closely.

Steady result from financial services



	2000 Actual \$m	2001 Prospectus \$m	2001 Actual \$m
Financial Results			
Building Society	(2.8)	2.6	1.0
Superannuation and Retirement	5.6	(0.4)	0.7
Risk Products	3.2	3.3	7.0
Managed Investments	(1.2)	(0.5)	(0.9)
Return on Shareholders Funds	3.0	4.1	4.4
Net Profit after Statutory Fund Tax	7.8	9.1	12.2
Life Company Embedded Value	151	n/a	185

* Full 12 months. Statutory result is from 22 July 2000.

26

The **Building Society's** profit of \$1m was an improvement on the prior year and is almost entirely attributable to the mortgage business that benefited from the shape of the yield curve during the year. The short-fall against our prospectus forecast is attributable to new business strain and collection issues in the credit card portfolio which issued over 35,000 cards during the year and added almost \$100m to outstandings.

Poor investment markets impacted the **Superannuation and Retirement** result. The portfolio experienced steady growth again this year and is now being readied as a key element of the Retirement Services strategy announced in June, which should significantly improve our new business flows and funds under management.

In our **Life Risk** business our net new premium income grew by 135% and our retention experience was in excess of 90% (industry average of 85%). Our mortality experience was well ahead of forecast as was the overall result.

The **Managed Investments** products suffered from the downturn in investment markets.

A pleasing aspect was the further growth in the embedded value of the life company up to \$185m.

Corporate expenses affected by one-offs and acquisitions



	2000 Actual \$m	2001 Prospectus \$m	2001 Actual \$m
Corporate Office	(128.0)	(99.0)	(121.0)
Amortisation	(13.0)	(16.0)	(24.4)
Interest	(15.0)	-	(14.8)
Fee based businesses	(41.0)	18.0	14.8
Total	(197.0)	(97.0)	(145.4)

* Full 12 months. Statutory result is from 22 July 2000.

27

A number of matters were identified in the first half results as causing an over-run in the corporate office expenses. These related mainly to expenses on demutualisation, integration and share registry.

At the time of that announcement, we had flagged an expectation that we would return to a more normalised level for the second half. We were on track for that until the restructuring of our distribution networks was announced in June of this year.

The second half expenses include \$15m of restructuring costs and the \$3m payout made to the former CEO.

Increased amortisation and interest expenses in the second half are a result of the State and HIH portfolio acquisitions. \$6m of the interest overrun for the year relates to the first half - being funding repaid in September 2000 which was 3 months later than planned and forecast.

Investment markets subdued returns



	2000 \$m	2001 Prospectus \$m	2001 First Half \$m	2001 Second Half \$m	2001 \$m
Investment returns					
Technical provisions	288	311	129	103	232
Shareholder funds	447	302	(20)	190	170

Annualised return	Actual %	Normalised %
Technical provisions	6.8 %	8.0 %
Shareholder funds	4.5 %	11.5 %

* Full 12 months. Statutory result is from 22 July 2000.

28

A key component of the first half results was the adverse impact of investment markets. The impact was less in the second half of the year, but the turnaround was insufficient to recoup the 'lost' income in the first half.

The prospectus was based on the Group's view of normalised and expected returns at that time, ie 8% for technical provisions and 11.5% for shareholder funds.

Asset class returns ahead of benchmarks



	Actual return %	Benchmark %	
Investment returns - 12 months to 30/6/01			
Australian Equities	10.5%	9.1%	All Ords Accumulation Index
Fixed Interest	7.6%	7.0%	Internal Benchmark (1)
International Equities	(5.7)%	(6.0)%	MSCI
Cash	6.1%	6.1%	UBSW Bank Bill Index
Total (excluding hedge)	6.5%	5.9%	
Currency Hedge	(0.7)%	0.0%	
Total (including hedge)	5.8%	5.9%	

(1) Based on basket of government securities matching duration of portfolio

29

Our Asset Management team managed to outperform benchmark for each class, including the externally managed overseas equities.

An Australian : US dollar hedge dragged overall performance down to be marginally behind an unhedged position. This hedge was removed before the end of the financial year. The loss suffered from this hedge was \$35.6m and equated to a 0.7% reduction in the return on our total portfolio.

Now, I will hand back to Ian Brown to conclude

Promising outlook for margins, capital under consideration



-  Sustained long and short tail portfolios in target ratio zones
-  Delivering value from State and HIH workers' compensation acquisitions
-  Continued focus on emerging businesses
-  Capital management / structure post APRA reform finalisation

30

There is no doubt that we are in a favourable part of the insurance cycle with considerable momentum supporting our improved results. We will be concentrating on sustaining the performance of our insurance portfolios in the target ratio zones.

Over the next 24 months, we will be looking for further diversification of the domestic book and expense-driven margin growth across all classes of business.

Continued returns from our continuing core portfolios will be enhanced by the integration of our recent acquisitions and the investment in our emerging Health and SME commercial operations. We will also be moving forward with the launch of our newly focused Retirement Services business.

Also receiving ongoing attention will be our capital management to ensure that we can provide the appropriate balance of security and returns for our stakeholders. The finalisation of APRA's new prudential capital regime will provide additional clarity and facilitate a number of decisions in regards to our capital position and structure.



NRMA Insurance Group Limited
(ABN 60090739923)

QUESTIONS

31

This result demonstrates the value of many initiatives put in place over the last 18 months in particular and the capacity of the Group to deliver quality returns.

It has been a pleasure to have the opportunity to present such strong operational result to you today and I believe the Group is now set to deliver ongoing improvement in returns.

We will now take questions.