

Letter to Shareholders

October 4, 2013

Dear Shareholder,

At the Annual General Meeting ("AGM") of Argus Group Holdings Limited held on September 26, 2013 the entire Board of Directors was re-elected. At the first meeting of the newly-elected Board held immediately after the AGM, Ms. Sheila Nicoll was re-elected Chairman and all other Officers remain unchanged.

At the AGM I reported that Management and the Board were proud of the significant milestone achieved in 2013 with profits of \$12.6 million driven by strong business fundamentals and the welcome return of a dividend payment to Shareholders. We grew our Shareholder's Equity to \$95.5 million, generating a return on average Shareholder's equity of 14 percent from our eight core businesses. The leadership team is focused on providing excellent service and satisfaction to our customers, on delivering long term, sustainable value to our Shareholders and maintaining our commitment to the community. I stated how proud we were of the external recognition that we had received during the year which included an upgrade of our A. M. Best financial outlook back to stable, winning the inaugural Corporate Social Responsibility award by the Bermuda Insurance Institute, receiving Gold level Investors in People Accreditation with the highest score ever given by the assessor and winning the Corporate Games 'Sport for Life' Grand Award for our commitment to company spirit and employee fitness. In my remarks I also highlighted that Management continues to focus on:

- (i) further strengthening our operations;
- (ii) continuing to protect and strengthen our investment portfolio;
- (iii) improving our A. M. Best financial rating;
- (iv) keeping pace with regulatory change in each of our territories; and
- (v) attracting and retaining talented people.

Mr. David Pugh, Chief Financial Officer, also provided an overview of the financial performance of the Group and reinforced the message that Argus had achieved a significant milestone in 2013 and that Management and the Board were confident about the future.

Shareholders approved the introduction of a Dividend Reinvestment Programme (DRIP) that will allow Shareholders to choose to utilize their cash dividends to automatically purchase additional shares in the company, subject to terms and conditions of the Programme. Details of the DRIP will be circulated to Shareholders shortly.

It was a real pleasure to meet with those Shareholders who were able to attend the AGM in person. I would like to thank all Shareholders for their continued loyalty and support.

Yours sincerely,


Alison S. Hill
Chief Executive Officer



Argus Group Holdings Limited

The Argus Building
14 Wesley St., P.O. Box HM 1064
Hamilton HM EX, Bermuda

Tel: (441) 295-2021
Fax: (441) 292-6763

e-mail: insurance@argus.bm
www.argus.bm