
IAG RAISES \$1.2 BILLION THROUGH INSTITUTIONAL PLACEMENT



Insurance Australia Group Limited (IAG) today announced that it had completed the bookbuild to raise \$1.2 billion in ordinary equity through an institutional placement at a price of \$5.47 per ordinary share.

The equity raised through the placement, along with the other capital raising initiatives announced yesterday, will be used to fund the purchase of the insurance underwriting businesses of Wesfarmers Limited.

The \$1.845 billion acquisition is expected to strengthen IAG's position in its home markets of Australia and New Zealand. It comprises the Wesfarmers underwriting companies trading under the WFI and Lumley Insurance brands, as well as a ten-year distribution agreement with Coles.

The acquisition is subject to all necessary regulatory approvals and is expected to be completed in the second quarter of calendar 2014.

IAG has requested that the current trading halt be lifted prior to the commencement of trading this morning.

As previously announced, IAG intends to offer retail shareholders the opportunity to participate in a share purchase plan. This will allow eligible shareholders to increase their investment in IAG at a price which is no more than the price paid by institutional investors in the placement. Details of the share purchase plan are expected to be made available to shareholders in early January 2014.

ADDITIONAL INFORMATION

Further information about the acquisition and associated funding can be found in the investor presentation lodged with the ASX yesterday.

About Insurance Australia Group

Insurance Australia Group Limited (IAG) is the parent company of a general insurance group with controlled operations in Australia, New Zealand, Thailand and Vietnam, employing around 13,500 people. Its current businesses underwrite approaching \$10 billion of premium per annum, selling insurance under many leading brands including NRMA Insurance, CGU, SGIO, SGIC and Swann (Australia); NZI, State and AMI (New Zealand); Safety and NZI (Thailand); and AAA Assurance (Vietnam). IAG also has interests in general insurance joint ventures in Malaysia, India and China. For further information please visit www.iag.com.au.

Media

Andrew Tubb
T +61 (0)2 9292 3134
M +61 (0)411 014 771
E andrew.tubb@iag.com.au

Investor Relations

Simon Phibbs
T +61 (0)2 9292 8796
M +61 (0)411 011 899
E simon.phibbs@iag.com.au

Insurance Australia Group Limited

ABN 60 090 739 923
388 George Street
Sydney NSW 2000
Australia
T +61 (0)2 9292 9222
www.iag.com.au

IMPORTANT INFORMATION

The information in this announcement is for information purposes only. To the extent that certain statements contained in this announcement constitute “forward-looking statements” or statements about “future matters”, the information reflects IAG’s intent, belief or expectations at the date of this announcement. IAG gives no undertaking to update this information over time (subject to legal or regulatory requirements). Any forward-looking statements, including projections, guidance on future revenues, earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause IAG’s actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Neither IAG, nor any other person, gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur.

An investment in IAG shares is subject to investment and other known and unknown risks, some of which are beyond the control of IAG. IAG does not guarantee any particular rate of return or the performance of IAG nor does it guarantee the repayment of capital from IAG or any particular tax treatment. Persons should have regard to the risks outlined in the investor presentation. This announcement should be read in conjunction with that presentation and the important notes contained in that document.

This announcement is not financial advice or a recommendation to acquire IAG shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek such legal, financial and/or taxation advice as they deem necessary or appropriate to their jurisdiction.

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The new securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or the securities laws of any state or other jurisdiction of the United States, and accordingly may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the U.S. Securities Act, or are offered and sold in a transaction exempt from registration requirements. This announcement may not be distributed or released in the United States.