

16 December 2013

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IAG TO ACQUIRE WESFARMERS' UNDERWRITING BUSINESSES AND CONDUCT CAPITAL RAISING

Mike Wilkins
Managing Director &
Chief Executive Officer

Peter Harmer
Chief Executive Officer
CGU

Jacki Johnson
Chief Executive Officer
New Zealand

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Chief Financial Officer



IMPORTANT INFORMATION

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Local currencies have been used where possible. Prevailing current exchange rates have been used to convert local currency amounts into Australian dollars, where appropriate.

All references starting with "1H" refer to the six months ended 31 December, being the first half of IAG's financial year. For example, "1H14" refers to the six months ended 31 December 2013. All references starting with "2H" refer to the six months ended 30 June, being the second half of IAG's financial year. For example, "2H14" refers to the six months ended 30 June 2014. All references starting with "FY" refer to the financial year ended 30 June. For example, "FY14" refers to the year ended 30 June 2014.

AGENDA

- | | |
|--|---------------|
| 1. ACQUISITION OVERVIEW <ul style="list-style-type: none">▪ Transaction highlights▪ Strategic rationale | Mike Wilkins |
| 2. AUSTRALIA <ul style="list-style-type: none">▪ Overview of Australian business to be acquired▪ The combined business | Peter Harmer |
| 3. NEW ZEALAND <ul style="list-style-type: none">▪ Overview of New Zealand business to be acquired▪ The combined business | Jacki Johnson |
| 4. FINANCIAL IMPACT & FUNDING <ul style="list-style-type: none">▪ Earnings impact, integration process▪ Funding sources▪ Capital position | Nick Hawkins |
| 5. SUMMARY <ul style="list-style-type: none">▪ FY14 update▪ Conclusion and questions | Mike Wilkins |

ACQUISITION OVERVIEW WESFARMERS' UNDERWRITING BUSINESSES

Mike Wilkins
Managing Director and
Chief Executive Officer

HIGHLY COMPLEMENTARY ACQUISITION

SIGNIFICANT SYNERGIES – AT LEAST 5% ACCRETIVE IN YEAR TWO

ACQUISITION

- Wesfarmers' insurance underwriting companies in Australia and New Zealand
- Adds FY13 gross written premium (GWP) of over \$1.6 billion (ex-levies)
- Includes a 10-year distribution agreement with Coles
- Purchase price of \$1.845 billion

STRONG STRATEGIC FIT

- Consistent with IAG's stated strategic priorities:
 - Accelerate profitable growth in Australia – delivers market-leading intermediated position (CGU)
 - Sustain leading position in New Zealand – enhances existing market-leading position (NZI)
- Strengthens key portfolios and capabilities

EXPECTED FINANCIAL IMPACTS

- Modestly EPS accretive in year one, at least 5% accretive in year two – excluding integration costs and intangible amortisation
- \$140 million in net synergies – majority realised within two years
- Strong capital position maintained

FUNDING

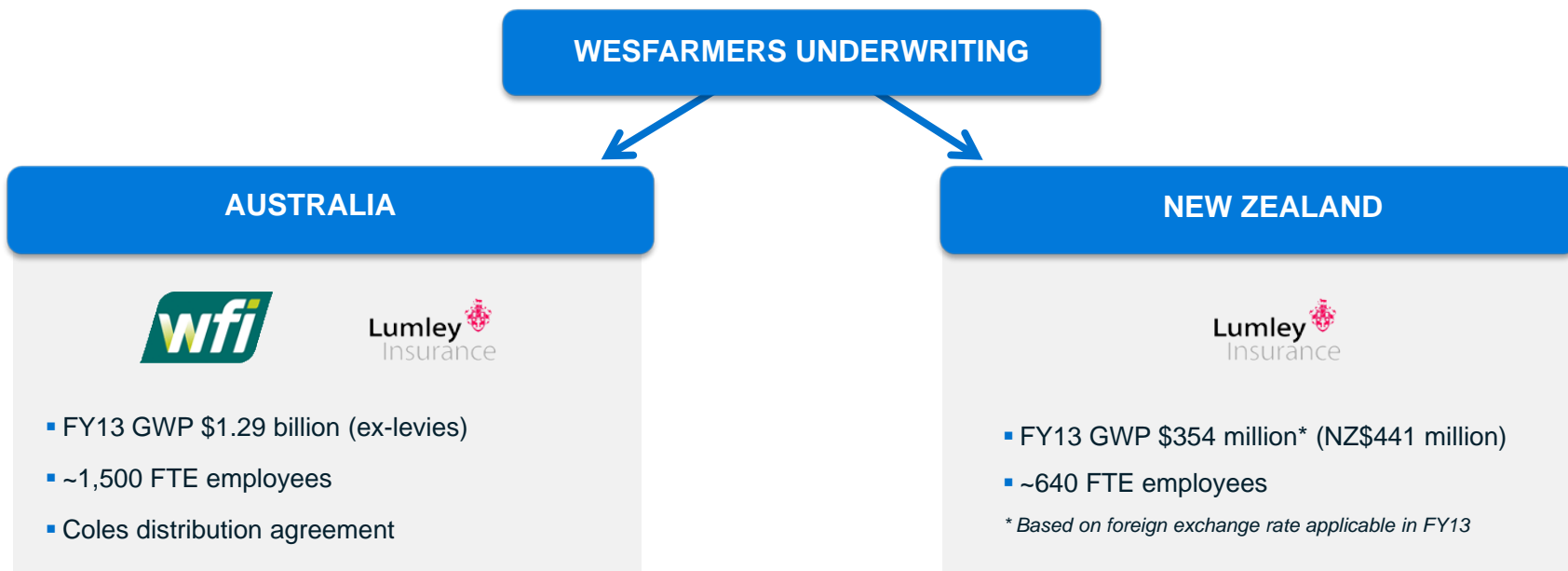
- Mixture of sources: equity, debt, internal funds
- \$1.2 billion fully underwritten equity placement

TIMING

- Subject to necessary regulatory approvals
- Completion expected in second quarter of calendar 2014

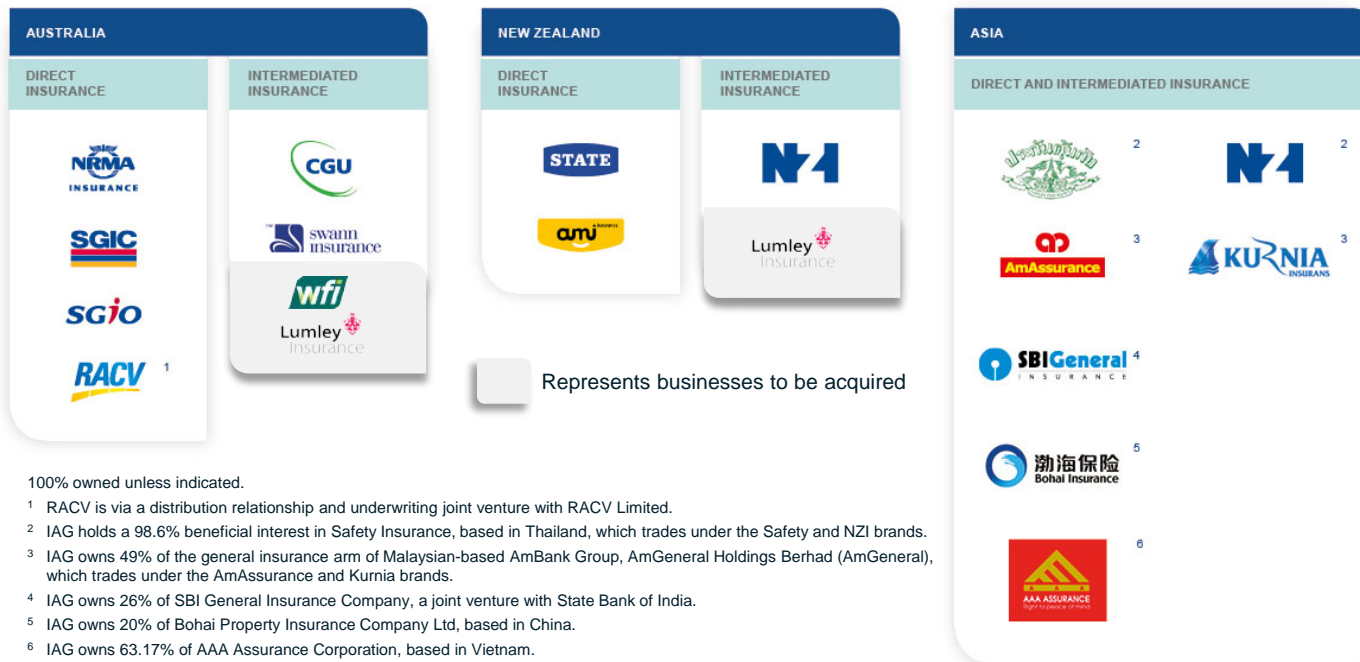
WESFARMERS' UNDERWRITING BUSINESSES BEING ACQUIRED COLES DISTRIBUTION AGREEMENT INCLUDED

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LOGICAL STRATEGIC FIT WITH IAG BUSINESSES

COMBINATION WITH CGU AND NZI



100% owned unless indicated.

¹ RACV is via a distribution relationship and underwriting joint venture with RACV Limited.

² IAG holds a 98.6% beneficial interest in Safety Insurance, based in Thailand, which trades under the Safety and NZI brands.

³ IAG owns 49% of the general insurance arm of Malaysian-based AmBank Group, AmGeneral Holdings Berhad (AmGeneral), which trades under the AmAssurance and Kurnia brands.

⁴ IAG owns 26% of SBI General Insurance Company, a joint venture with State Bank of India.

⁵ IAG owns 20% of Bohai Property Insurance Company Ltd, based in China.

⁶ IAG owns 63.17% of AAA Assurance Corporation, based in Vietnam.

AUSTRALIA DELIVERS INTERMEDIATED MARKET LEADERSHIP

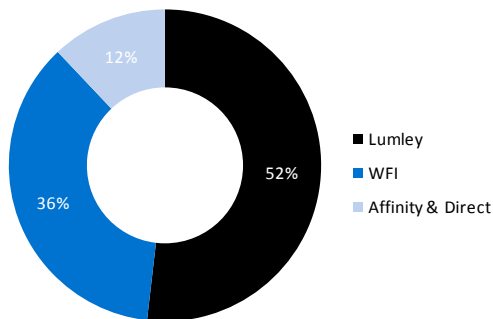
Peter Harmer
Chief Executive Officer
CGU

WESFARMERS' AUSTRALIAN UNDERWRITING BUSINESS

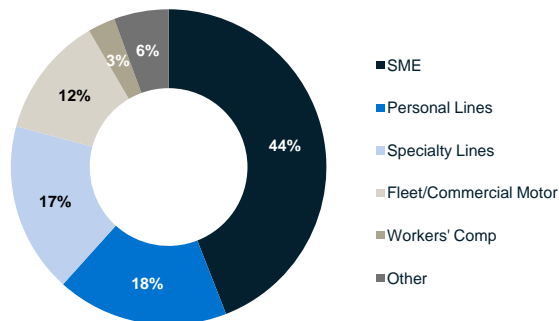
DIVERSE CUSTOMER AND PRODUCT MIX

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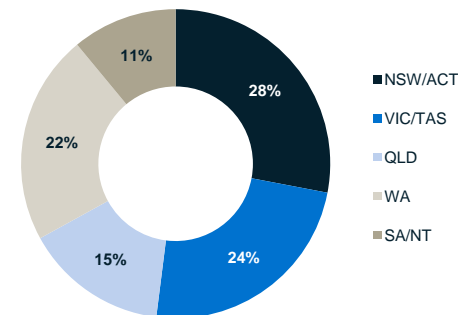
BUSINESS STREAMS



PRODUCT MIX



GEOGRAPHIC MIX



\$1.29 billion of GWP (ex-levies) in FY13, across:

- **WFI** – mainly regional and rural focus, commercial and personal lines
- **Lumley** – SME emphasis, strong commercial motor capability
- **Affinity & Direct** – includes Coles offering and retail warranty

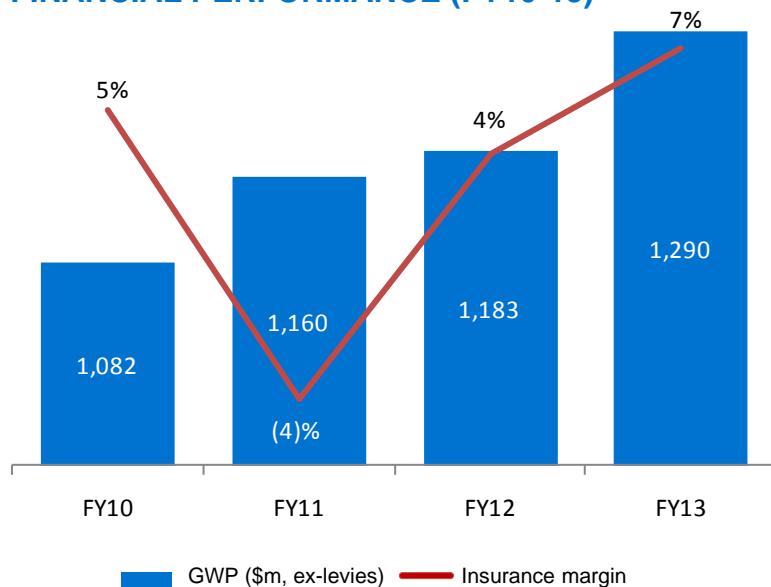
- Similar portfolio mix to CGU
- Strong SME presence
- Growing capability in corporate segment
- Smaller workers' compensation portfolio
- 86% short tail, 14% long tail

- Balanced portfolio
- Compared to CGU, slightly higher exposure in NSW and lower share in Queensland

Source: Reported FY13 results and management estimates

WESFARMERS' AUSTRALIAN UNDERWRITING BUSINESS SCOPE TO FURTHER ENHANCE UNDERLYING PERFORMANCE

WFI / LUMLEY (AUSTRALIA) – FINANCIAL PERFORMANCE (FY10-13)



- Strong recent GWP growth from mix of price and volume
- Well-advanced with portfolio remediation
 - Full margin benefit yet to accrue
- Strong retention rates
- Underlying insurance margin similar to reported margin in FY13
- FY11 / FY12 impacted by material liability adequacy test (LAT) and natural peril effects

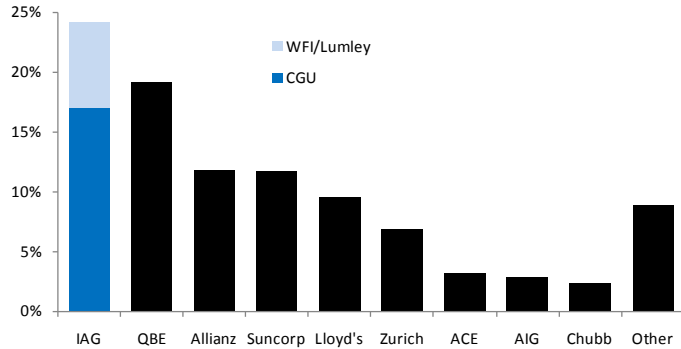
Source: Reported results and management estimates

AUSTRALIA – COMBINED CGU / WFI/LUMLEY BUSINESS

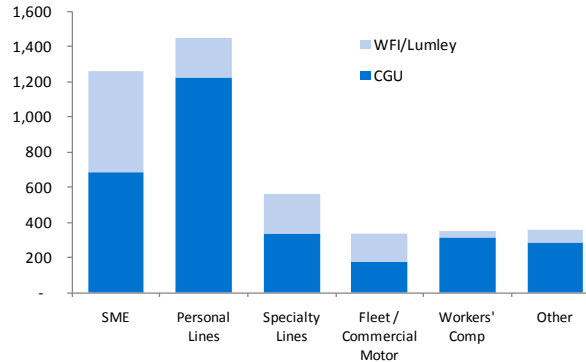
MARKET-LEADING POSITION



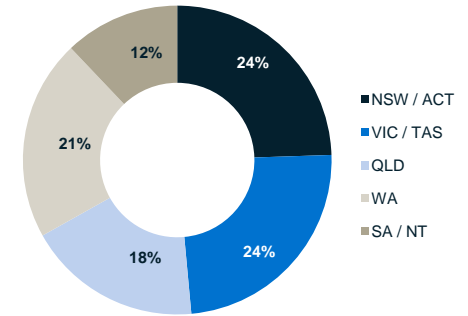
INTERMEDIATED MARKET SHARE



GWP BY PRODUCT (\$M)



GEOGRAPHIC GWP



- Over \$4.3 billion combined GWP (FY13)
- Increased scale and capability
- Highly complementary businesses – long histories
- Combined workforce of ~5,000 FTE

- Leading SME position
- Enhanced position in the mid-market and corporate segments
- Top 3 positions in commercial motor and construction & engineering

- Diversified and balanced portfolio
- Similar geographical mix to existing CGU business

Source: Reported results, APRA reports and management estimates based on data in the public domain

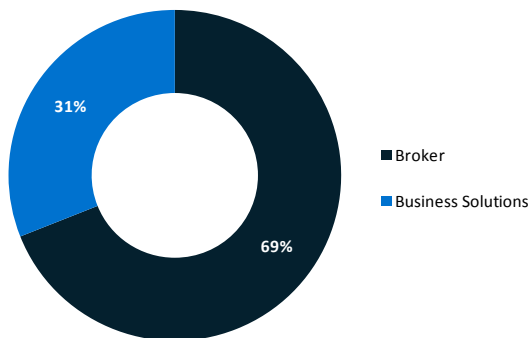
NEW ZEALAND SECURES NZI'S MARKET-LEADING POSITION

Jacki Johnson
Chief Executive Officer
New Zealand

WESFARMERS' NEW ZEALAND UNDERWRITING BUSINESS COMPLEMENTARY PRODUCT MIX

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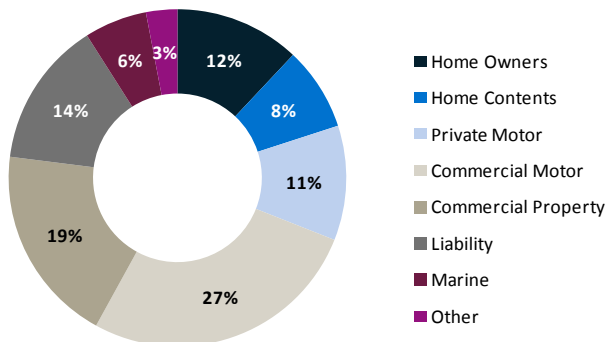
CHANNEL MIX



\$354 million* (NZ\$441 million) of GWP (FY13) across:

- **Lumley Broker**
- **Lumley Business Solutions** – includes relationship with Westpac

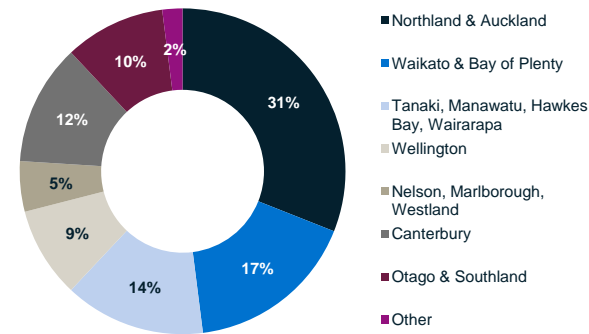
PRODUCT MIX



- Diversified product mix
- Particularly strong in commercial motor

* Based on foreign exchange rate applicable in FY13

REGIONAL PROPERTY EXPOSURE

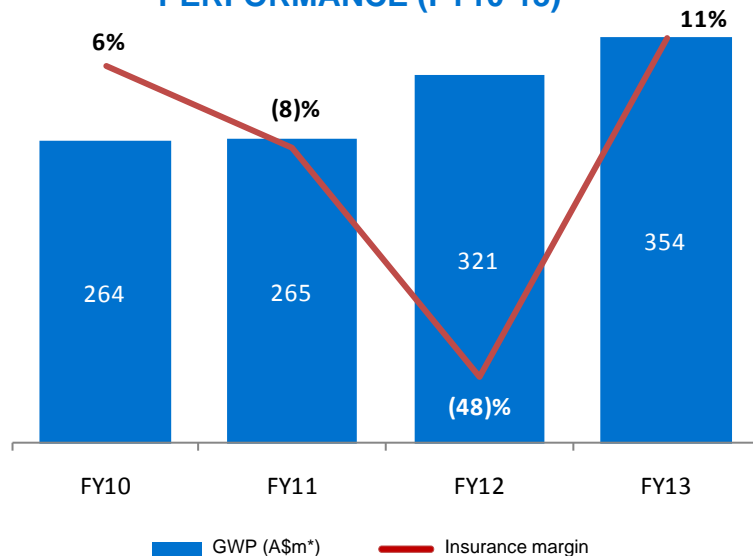


- 48% of property portfolio in higher growth central and upper North Island region – aligns to NZI strategy

Source: Reported FY13 results and management estimates

WESFARMERS' NEW ZEALAND UNDERWRITING BUSINESS STRONG UNDERLYING PROFITABILITY

LUMLEY NEW ZEALAND – FINANCIAL PERFORMANCE (FY10-13)



* Based on foreign exchange rate applicable to respective financial years

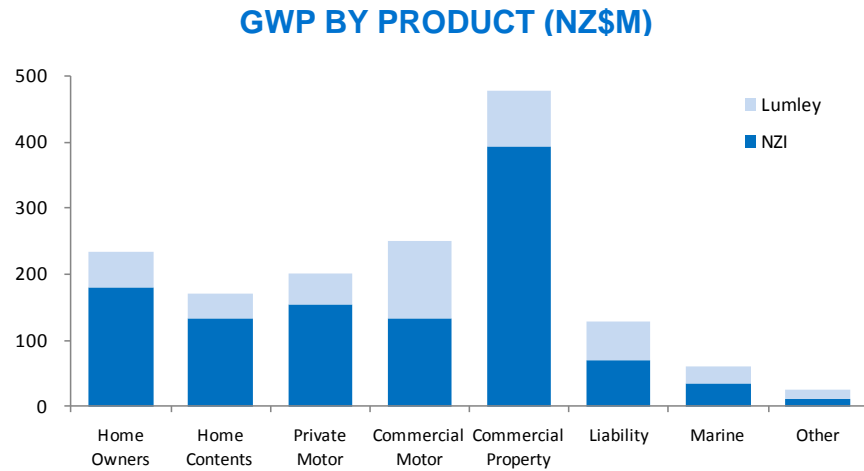
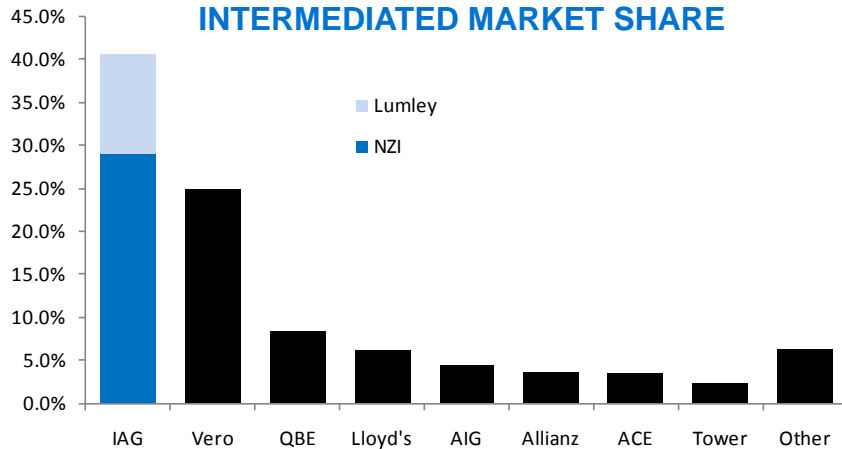
- Strong GWP growth driven by premium increases across the majority of product lines
- FY11 and FY12 insurance margin significantly impacted by Canterbury earthquakes
- FY13 insurance margin improvement driven by premium increases and benign claims environment
- Excluding earthquake effects, underlying performance has been strong, but behind NZI
- Investment in future operating performance improvements: implementation of Guidewire claims and policy systems

Source: Reported results and management estimates

NEW ZEALAND – COMBINED NZI / LUMLEY BUSINESS CLEAR MARKET LEADER



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- Strengthens leading position in New Zealand intermediated market
- Provides improved balance between direct and intermediated arms in market share terms

- Over \$1.3 billion (NZ\$1.5 billion) combined GWP (FY13)
- Significantly stronger presence in commercial lines – especially motor and liability
- Greater scale in corporate

Source: Reported results, ICNZ reports and management estimates based on data in the public domain

FINANCIAL IMPACTS & FUNDING

STRONG BALANCE SHEET MAINTAINED

Nick Hawkins
Chief Financial Officer

FINANCIAL IMPACTS

AT LEAST 5% EPS ACCRETIVE IN YEAR TWO

STRONGLY ACCRETIVE ACQUISITION

- Expected modest EPS accretion in year one, over 5% EPS accretion in year two
- Excludes integration costs and amortisation of identified intangibles

ANNUAL PRE-TAX NET SYNERGY BENEFITS OF AT LEAST \$140M EXPECTED

- Synergies reflect complementary nature of businesses
- Significant contribution expected from reinsurance
- Substantial proportion of synergies expected to be realised within two years
- Pre-tax integration costs of ~\$120 million expected – recognised as ‘net corporate expenses’

INTEGRATION PROCESS

BULK EXPECTED TO BE COMPLETE WITHIN TWO YEARS

INTEGRATION PRINCIPLES

- Bring together and refine the 'best of both' organisations
- Maintain focus on 'business as usual' performance and service
- Joint integration team with clear accountability for execution, timing and cost control

CONTROL – FIRST 100 DAYS

- Assume operational control
- Interim management structure
- Product, process and system reviews

TACTICAL – 3-6 MONTHS

- Integration of management, reporting and operational systems
- Move towards new operating model and integrate shared services
- Single underwriting management framework

DELIVERY – 6-24 MONTHS

- Harmonisation of products, underwriting, claims, processes and policy administration
- Commence migration of core insurance systems
- Unified management of partners, suppliers and key stakeholders

FUNDING MIX

COMBINATION OF SOURCES

BROAD FUNDING MIX

- Equity (up to \$1.4 billion)
 - Fully underwritten \$1.2 billion institutional placement (Placement) at \$5.47 per share (4% discount to 13 December close)
 - Non-underwritten share purchase plan (SPP) capped at \$200 million
- Subordinated debt (\$300 million)
 - Tier 2, planned early 2014
- Internal funds (at least \$178 million)
 - Largely sourced from growth assets
 - \$500 million of equities protection in place

SOURCES AND USES

SOURCES	\$m
Placement	1,200
SPP – maximum	200
Internal funds – minimum	178
Subordinated debt	300
Total sources	1,878

USES	\$m
Purchase price	1,845
Transaction costs	33
Total uses	1,878

CAPITAL POSITION REMAINS WITHIN BENCHMARKS

CAPITAL POSITION	30 JUNE 2013	ACQUISITION ¹	FUNDING ²	30 JUNE 2013 PRO FORMA
CET1 capital (\$m)	2,798	(1,503)	1,400	2,695
Tier 1 capital (\$m)	3,670	(1,503)	1,400	3,567
Tier 2 capital (\$m)	592	-	300	892
Total regulatory capital (\$m)	4,262	(1,503)	1,700	4,459
PCA (\$m)	2,558	323	(84)	2,797
PCA (x)	1.67			1.59
CET1 multiple (x)	1.09			0.96

¹ Wesfarmers' insurance underwriting businesses as at 30 June 2013.

² Based on SPP of \$200 million.

- Strong capital position maintained, within stated benchmark multiples (PCA 1.4-1.6; CET1 0.9-1.1)
- Pro forma gearing of 40% – at upper end of 30-40% targeted range
- Quota share deal for 30% of CTP book, applicable 1 July 2013 (subject to regulatory approval) – improves capital efficiency

SUMMARY

Mike Wilkins
Managing Director and
Chief Executive Officer

SUMMARY

A SIGNIFICANT OPPORTUNITY IN CORE MARKETS

- Acquisition of Wesfarmers' underwriting businesses enhances IAG's position in the Australian and New Zealand intermediated markets
- Transaction aligns with IAG's strategic priorities of accelerating profitable growth in Australia and sustaining its leading position in New Zealand
- Delivers market-leading position for CGU – highly complementary business fit
- Strengthens NZI's leading position in New Zealand
- Expected modest EPS accretion in year one, at least 5% EPS accretion in year two (excluding integration costs and amortisation of identified intangibles) – substantial synergies expected
- Detailed integration plan, drawing on the 'best of both' businesses
- Subject to necessary regulatory approvals – completion expected in second quarter of calendar 2014
- Strong capital position maintained, post transaction and related funding

OUTLOOK

FY14 GUIDANCE REAFFIRMED

- On track to deliver FY14 guidance
- Strong underlying performance expected from existing business
- 2014 catastrophe reinsurance renewal progressing well
- Continued focus on strategic priorities

FY14 GUIDANCE¹

Insurance margin	12.5–14.5%
GWP growth	5–7%

¹ Guidance for FY14 assumes no contribution from the acquired Wesfarmers underwriting businesses (assuming a 30 June 2014 completion date), net losses from natural perils in line with budgeted allowance of \$640 million, reserve releases of 1-2% of net earned premium and no material movement in foreign exchange rates or investment markets.

DELIVERS ON STRATEGIC PRIORITIES

A CLEAR FOCUS ON AUSTRALIA, NEW ZEALAND AND ASIA

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AMBITION

Our ambition is to be the world's most respected group of general insurance companies

PURPOSE

To help people manage risk and recover from the hardship of unexpected loss

STRATEGY

Deliver superior performance by actively managing our portfolio and driving operational performance and accountability

TARGETS

Long term financial targets

- ROE \geq 1.5 x WACC
- Top quartile TSR

PRIORITIES

- Accelerate profitable growth in Australia
- Sustain leading position in New Zealand
- Realise the potential of our Asian platform
- Customer focused delivery and execution
- Leverage our cultural strengths

APPENDICES

APPENDIX 1

EQUITY RAISING – OFFER SUMMARY

OFFER STRUCTURE AND SIZE

- Placement and SPP to raise up to \$1.4 billion comprising:
 - \$1.2 billion fully underwritten Placement
 - Non-underwritten SPP, to be capped at \$200 million

PLACEMENT

- Fixed issue price of \$5.47 (Placement Price) per ordinary share (New Share)
- The Placement Price represents a discount of 4% to the closing price of IAG's ordinary shares on 13 December 2013
- New Shares will rank equally with existing ordinary shares

SHARE PURCHASE PLAN

- Eligible shareholders in Australia and New Zealand will have the opportunity to subscribe for up to \$15,000 worth of New Shares per shareholder
- Issue price equal to the lower of (i) the Placement Price and (ii) a 2% discount to the 5-day volume weighted average price of IAG ordinary shares traded on the ASX up to and including the closing date of the SPP
- Record date of 7:00pm (Sydney time) 13 December 2013
- New Shares issued under the SPP will rank equally with existing ordinary shares
- Eligible shareholders will receive further information on the SPP in early January 2014

APPENDIX 1

PLACEMENT – KEY DATES

EVENT	DATE
Trading halt	16 December 2013
Bookbuild	16 December 2013
Trading halt lifted and shares recommence trading	17 December 2013
Settlement of Placement	20 December 2013
Issue of New Shares	23 December 2013
New Shares commence trading on ASX	23 December 2013

Note: These dates are subject to change. IAG reserves the right to alter the above dates at its discretion and without notice, subject to the ASX Listing Rules and the Corporations Act.

APPENDIX 2

KEY RISKS – ACQUISITION-SPECIFIC RISKS (1)

There are a number of risks, both specific to IAG and of a general nature, which may affect the future operating and financial performance of IAG, its investment returns and the value of its shares. Many of the circumstances giving rise to these risks are beyond the control of IAG. This section describes certain specific areas that are believed to be the major risks associated with an investment in IAG. Each of the risks described below could, if they eventuate, have a material adverse effect on IAG's operating and financial performance. You should note that the risks in this section are not exhaustive of the risks faced by a potential investor in IAG. You should consider carefully the risks described in this section, as well as other information in this presentation, and consult your financial or other professional adviser before making an investment decision.

COMPLETION RISK

Completion of the acquisition is conditional on certain matters, including all necessary regulatory approvals (such as clearance from the Australian Competition and Consumer Commission and the New Zealand Commerce Commission). If any of the conditions are not met, completion of the acquisition may be deferred or cancelled. Failure to complete this transaction and any action required to be taken to deploy capital raised may have a material adverse effect on IAG's financial performance, financial position and security price. If the Placement completes but the acquisition does not complete, IAG will consider various options in relation to the use of the funds raised from the Placement including use of the funds for general corporate purposes, repayment of debt or return of funds to securityholders.

REALISATION OF SYNERGIES

The acquisition involves the integration of businesses that have previously operated independently. The long term success of the combined group (and the ability to realise synergies) will depend, in part, on the success of integration of the acquisition into IAG's current operations. The integration process will involve, among other things, integrating personnel and combining different corporate and workplace cultures. The process of integrating operations could, among other things, divert management's attention, interrupt or lose momentum in the activities of the businesses and could result in the loss of key personnel. There is also a risk that the integration of the acquisition may be more complex than currently anticipated, encounters unexpected challenges or issues and takes longer than expected. In addition, it may not be possible to achieve the integration or otherwise realise the full cost synergies that IAG anticipates or in the timeframe that IAG anticipates. Any of these outcomes could have an adverse effect on the combined group's business, results of operations or financial condition and performance.

APPENDIX 2

KEY RISKS – ACQUISITION-SPECIFIC RISKS (2)

RELIANCE ON INFORMATION PROVIDED

IAG undertook a due diligence process in respect of Wesfarmers' insurance underwriting businesses, which relied in part on the review of financial and other information provided by the vendors. IAG has prepared (and made assumptions in the preparation of) the financial information relating to Wesfarmers' insurance underwriting businesses on a stand-alone basis and also to IAG post-acquisition ("Combined Group") included in this presentation, in reliance on financial information and other information provided by the vendors. IAG is unable to verify the accuracy or completeness of all of that information. If any of the data or information provided to and relied upon by IAG in its due diligence process and its preparation of this presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of Wesfarmers' insurance underwriting businesses and the Combined Group may be materially different to the financial position and performance expected by IAG and reflected in this presentation. Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the acquisition have been identified. Therefore, there is a risk that unforeseen issues and risks may arise, which may also have a material impact on IAG.

ANALYSIS OF ACQUISITION OPPORTUNITY

IAG has undertaken financial, business and other analyses of Wesfarmers' insurance underwriting businesses in order to determine its attractiveness to IAG and whether to pursue the acquisition. It is possible that such analyses and the best estimate assumptions made by IAG draw conclusions and forecasts that are inaccurate or which are not realised in due course. To the extent that the actual results achieved by Wesfarmers' insurance underwriting businesses are different to those indicated by IAG's analysis, there is a risk that the profitability and future earnings of the operations of the Combined Group may be materially different from the profitability and earnings expected as reflected in this presentation.

APPENDIX 2

KEY RISKS – SPECIFIC RISKS

CATASTROPHES AND LATENT RISKS

IAG is subject to the risk of large-scale claims arising out of catastrophes which may have a significant impact on its earnings and financial condition. Catastrophes may include cyclones, earthquakes, tsunamis, wind, hail, floods, bushfire, volcanic eruptions and explosions, which are inherently unpredictable with regard to incidence and severity. Reinsurance is used extensively to mitigate these risks. Certain product classes offered by IAG may also be subject to the emergence of new types of latent claims that, should they eventuate, could have a material adverse impact on IAG's financial performance and position. An historical example includes asbestos. Reinsurance as well as policy exclusions are used to mitigate or remove these risks.

REINSURANCE

There can be no assurance that IAG's current reinsurance coverage is adequate, that it matches the underlying risks assumed, that reinsurance will be available at adequate rates or levels in the future or that increases in reinsurance costs will be recovered through premium rates. IAG is exposed to the credit and disputed coverage risk that its reinsurers may default on their obligation to pay claims. Failure by a reinsurer to make payment for any reason could adversely affect IAG's financial performance and position and therefore its ability to meet obligations to its policyholders. IAG carefully manages counterparty credit exposure to mitigate this risk.

COMPETITION

As a leading general insurance group in Australia and New Zealand, IAG faces competitive pressures on its ability to achieve strong and sustainable insurance margins. Competitors, existing and new, developing superior business models or underwriting capabilities could result in increased pressure on IAG's ability to maintain its share of GWP and/or its insurance margins.

INVESTMENT PERFORMANCE

IAG invests in a range of different funds and markets and accordingly, is exposed to risk and volatility in those markets generally and in the securities and other assets in which it invests.

MERGERS, ACQUISITIONS AND DIVESTMENTS

IAG regularly examines its portfolio of businesses and a range of corporate and other opportunities with a view to pursuing merger, acquisition or divestment activities which are designed to improve its strategic and/or market position and performance over the medium to long term. Any merger, acquisition or divestment activities which are pursued could, for a variety of reasons, have a material impact on the financial performance and position of IAG including diversion of management resources, dilution of focused effort or loss on divestment.

APPENDIX 2

KEY RISKS – GENERAL RISKS

SHARE PRICE RISK

There are general risks associated with an investment in the share market. As such, the value of New Shares may rise above or fall below the Placement Price, depending on various factors including investor perceptions, Australian and worldwide economic conditions and IAG's financial performance and position. Further, broader market factors affecting the price of IAG shares are unpredictable and may be unrelated or disproportionate to the financial or operating performance of IAG. Recent turmoil in global credit markets has negatively affected economies across the globe and led to increased volatility in stock markets, including the ASX. Continued volatility in global markets could negatively impact the value of New Shares.

ACCOUNTING STANDARDS

IAG prepares its general purpose financial statements in accordance with AIFRS and with the Corporations Act. Australian Accounting Standards are subject to amendment from time to time, and any such changes may impact on IAG's statement of financial position or statement of financial performance.

RISKS RELATED TO CHANGES IN TAXATION LAW

Future changes in taxation law in Australia and in other jurisdictions, including changes in interpretation or application of the law by the courts or taxation authorities in Australia or other jurisdictions, may affect taxation treatment of an investment in IAG shares, or the holding or disposal of those shares.

GLOBAL MARKET AND ECONOMIC ENVIRONMENT

The financial performance of IAG is significantly affected by changes in investment markets and economic conditions both globally and in Australia, New Zealand and Asia, being the primary places in which IAG conducts business. These changes may influence the performance of those businesses or the value of IAG's investment portfolio. Such changes may also influence the operating margins of IAG and its businesses and the demand for IAG's financial products and services.

APPENDIX 3

INTERNATIONAL SELLING RESTRICTIONS (1)

This document does not constitute an offer of new fully paid ordinary shares ("New Shares") of IAG in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec ("the Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus and Registration Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

IAG, and the directors and officers of IAG, may be located outside Canada, and as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon IAG or its directors or officers. All or a substantial portion of the assets of IAG and such persons may be located outside Canada, and as a result, it may not be possible to satisfy a judgment against IAG or such persons in Canada or to enforce a judgment obtained in Canadian courts against IAG or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also complies with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages or rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

APPENDIX 3

INTERNATIONAL SELLING RESTRICTIONS (2)

Canada (British Columbia, Ontario and Quebec provinces) (continued)

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against IAG if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against IAG. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against IAG, provided that (a) IAG will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, IAG is not liable for all or any portion of the damages that IAG proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding, or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur Canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

APPENDIX 3

INTERNATIONAL SELLING RESTRICTIONS (3)

China

The information in this document does not constitute a public offer of the New Shares, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The New Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors".

European Economic Area - Belgium, Denmark, Germany and Netherlands

The information in this document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to produce a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- to any legal entity that is authorised or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

France

This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 *et seq.* of the General Regulation of the French Autorité des marchés financiers ("AMF"). The New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the New Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

APPENDIX 3

INTERNATIONAL SELLING RESTRICTIONS (4)

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies Ordinance (Cap. 32) of Hong Kong (the "Companies Ordinance"), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the "Prospectus Regulations"). The New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to "qualified investors" as defined in Regulation 2(l) of the Prospectus Regulations.

Japan

The New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

APPENDIX 3

INTERNATIONAL SELLING RESTRICTIONS (5)

Malaysia

This document may not be distributed or made available in Malaysia. No approval from the Securities Commission of Malaysia has been or will be obtained in relation to any offer of New Shares. The New Shares may not be offered or sold in Malaysia except pursuant to an exemption from the prospectus requirements under the Malaysian Capital Markets and Services Act.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Securities Act 1978 (New Zealand). The New Shares are not being offered or sold in New Zealand, or allotted with a view to being offered for sale in New Zealand, and no person in New Zealand may accept a placement of New Shares other than to:

- persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or
- persons who are each required to (i) pay a minimum subscription price of at least NZ\$500,000 for the securities before allotment or (ii) have previously paid a minimum subscription price of at least NZ\$500,000 for securities of IAG ("initial securities") in a single transaction before the allotment of such initial securities and such allotment was not more than 18 months prior to the date of this document.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

APPENDIX 3

INTERNATIONAL SELLING RESTRICTIONS (6)

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of IAG's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

APPENDIX 3

INTERNATIONAL SELLING RESTRICTIONS (7)

United Arab Emirates

Neither this document nor the New Shares have been approved, disapproved or passed on in any way by the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates, nor has IAG received authorisation or licensing from the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates to market or sell the New Shares within the United Arab Emirates. No marketing of any financial products or services may be made from within the United Arab Emirates and no subscription to any financial products or services may be consummated within the United Arab Emirates. This document does not constitute and may not be used for the purpose of an offer or invitation. No services relating to the New Shares, including the receipt of applications and/or the allotment or redemption of New Shares, may be rendered within the United Arab Emirates by IAG. No offer or invitation to subscribe for New Shares is valid in, or permitted from any person in, the Dubai International Financial Centre.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to IAG.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

APPENDIX 3

INTERNATIONAL SELLING RESTRICTIONS (8)

United States

This presentation 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. This presentation may not be distributed or released in the United States.

APPENDIX 4

PRO FORMA PROFIT & LOSS

	IAG FY13	Wesfarmers Underwriting Businesses Reported FY13	Levies FY13	Adjusted FY13	Pro Forma Pre- Synergies FY13
	\$m	\$m	\$m	\$m	\$m
Gross written premium¹	9,498	1,644	78	1,722	11,220
Net earned premium	8,318	1,391	74	1,465	9,783
Net claims expense	(4,982)	(922)	-	(922)	(5,904)
Commission & underwriting expenses	(2,178)	(404)	(74)	(478)	(2,656)
Underwriting profit	1,158	65	-	65	1,223
Investment income on technical reserves	270	44	-	44	314
Insurance profit	1,428	109	-	109	1,537
Investment income on shareholders' funds	347	27	-	27	374
Fee income & share of associates	22	-	-	-	22
Net corporate expense / interest	(149)	-	-	-	(149)
Profit before tax	1,648	136	-	136	1,784
Income tax ²	(424)	(41)	-	(41)	(465)
Non-controlling interests	(106)	-	-	-	(106)
Profit after tax from continuing operations, before amortisation	1,118	95	-	95	1,213
Reported insurance margin	17.2%	7.8%		7.4%	15.7%

¹ IAG reports GWP inclusive of levies, Wesfarmers reports GWP exclusive of levies.

² Assumes tax rate of 30%.