

UNDERVALUED OFFER FOR IAG SHARES – FURTHER WARNING

Insurance Australia Group Limited (IAG) has issued a further warning to its shareholders concerning an undervalued offer for IAG shares. A company trading as Shareholder Sales Group Pty Ltd of Elsternwick, Victoria, has approached IAG shareholders with an offer to buy their shares at \$2.01, a price significantly below current trading levels. As at close of business yesterday, IAG shares traded at \$4.39.

The warning is the fourth alert issued by IAG in the last six months, with all undervalued offers coming from companies trading under different names.

IAG Head of Investor Relations, Mr Mike Woods, reminded shareholders these unsolicited share offers are not endorsed by the company. No action needed to be taken by shareholders to reject the undervalued offer.

“IAG shareholders who receive offer documents from Shareholder Sales Group, or any other company, should carefully consider their options when deciding whether to accept it, and compare the price offered for their shares with the most recent trading price on the Australian Stock Exchange.

“As a rule, we urge shareholders to seek independent financial advice before taking any action regarding offers to buy shares.

“Shareholders should consider either not to accept the undervalued offer by ignoring the documents they received or, if they wanted to sell their shares, to sell them at the current market price through a broker who is licensed to trade on the ASX.”

Mr Woods indicated he was fully aware a number of shareholders had expressed concern about companies such as Shareholder Sales Group obtaining details of their shareholding.

“IAG is obliged under the Corporations Act to provide a copy of information from its share register provided certain conditions are met. Unfortunately, we have no control over the use of this information,” he said.

Mr Woods said IAG had again informed ASIC of this latest offer, and will continue to work closely with the regulator to ensure IAG shareholders’ interests are protected to the extent permitted currently under the law. IAG has also communicated with the Australian Shareholders Association on the matter.

About Insurance Australia Group Limited

Insurance Australia Group Limited (IAG) is an international general insurance group, with operations in Australia, New Zealand, the United Kingdom and Asia. Its current businesses underwrite more than \$7.5 billion of premium per annum. It employs more than 16,000 people of which around 11,000 are in Australia. It sells insurance under many leading brands including NRMA Insurance, CGU, SGIO and SGIC (Australia); NZI and State (NZ); Equity Red Star and Hastings Direct (UK); and NZI and Safety (Thailand). For further information please visit www.iag.com.au

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