



26 November 2018

ASX Market Announcements Office  
Australian Securities Exchange  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam,

**INSURANCE AUSTRALIA GROUP LIMITED  
COMPLETION OF CAPITAL MANAGEMENT INITIATIVE**

Insurance Australia Group Limited (IAG) will today complete the capital management initiative which was first announced to the market on 15 August 2018 and which was approved by shareholders at IAG's Annual General Meeting on 26 October 2018.

A total payment of \$591,765,771.45 will be made to shareholders, comprising a capital return of 19.5 cents per ordinary share and a fully-franked special dividend of 5.5 cents per ordinary share. The capital return and special dividend were determined on a pre-consolidation basis as at the record date of 1 November 2018.

The share register has also been updated to reflect the share consolidation, which took effect on 5 November 2018. The share consolidation was effected by IAG consolidating every ordinary share into 0.9760 ordinary shares (with fractional entitlements rounded up to the next whole number of ordinary shares). The total number of ordinary shares now on issue is 2,311,046,583 ordinary shares.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rebecca Farrell', is positioned above the printed name.

Rebecca Farrell  
**Company Secretary**