

IAG STANDS FOR...

SOLID

UNDERLYING

PERFORMANCE

We recorded a net profit attributable to shareholders of \$153 million for the year ended 30 June 2003 (2002 – loss of \$25 million), confirming the sound logic of the CGU and NZI acquisition and reflecting the ongoing success of initiatives to improve business fundamentals. A fully franked final dividend of 7 cents per share will be paid to ordinary shareholders* on 13 October 2003. This takes the total dividend for the year to 11.5 cents per share, a 9.5% increase on the previous year.

HOW INSURANCE WORKS

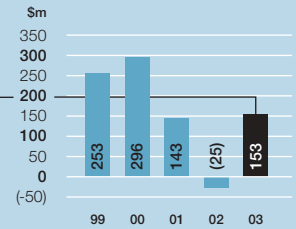


* registered on 10 September 2003

Net profit attributable to shareholders

\$153m

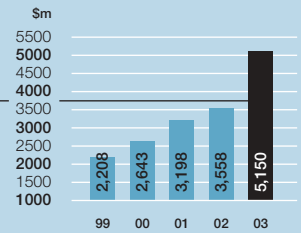
Net profit attributable to shareholders increased to \$153m, compared with a loss of \$25m in the previous year.



Gross written premium

\$5,150m

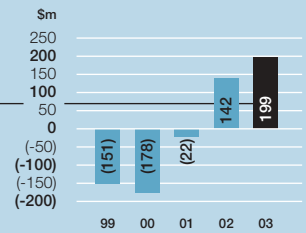
Gross written premium increased 45% to \$5,150m from \$3,558m in the previous year. Around 9% of this was organic growth, with the remaining 36% from the CGU/NZI acquisition.



Underwriting result

\$199m

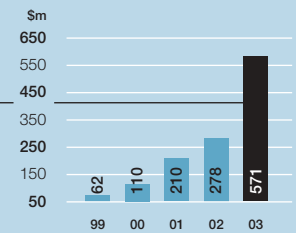
Underwriting profit increased to \$199m from \$142m in the previous year.



Insurance result

\$571m

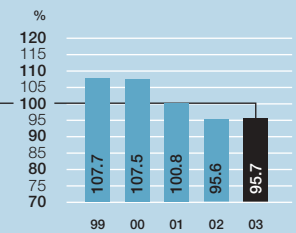
Insurance profit rose to \$571m from \$278m in the previous year.



Combined ratio

95.7%

The Group's combined ratio was 95.7%, consistent with 95.6% in the previous year.



Insurance margin

12.3%

Insurance margin – the insurance result as a percentage of net earned premium – rose to 12.3%, up from 8.7% in the previous year.

