

15 March 2010

Manager, Company Announcements Office
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

**IAG FINANCE (NEW ZEALAND) LIMITED (IAN)
QUARTERLY INTEREST PAYMENT**

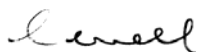
IAG Finance (New Zealand) Limited today announced the Interest Rate in respect of the RES for the quarter ending 14 June 2010, calculated as follows:

Bank Bill Rate (90 Day Bank Bill Rate as at 15 March 2010)	4.4300 % pa
Plus RES Margin	<u>4.0000 % pa</u>
	8.4300 % pa
Multiplied by 1 – Tax Rate	0.70
Interest Rate	5.9010% pa
Interest Payment per RES	\$1.4874

The Interest Payment of \$1.4874 is expected to be fully franked and will be paid in respect of each RES on 15 June 2010 with a Record Date of 4 June 2010, subject to the satisfaction of the interest payment tests set out in clause 3.3 of the RES Terms.

Under the RES Terms all calculations of interest payments will be rounded to four decimal places. For the purposes of making any payment in respect of a RES Holder's aggregate holding of RES, fractions of cents will be disregarded.

Yours sincerely



Glenn Revell
Company Secretary

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