

Annual General Meeting 2006

Michael Hawker
Chief Executive Officer

15 November 2006

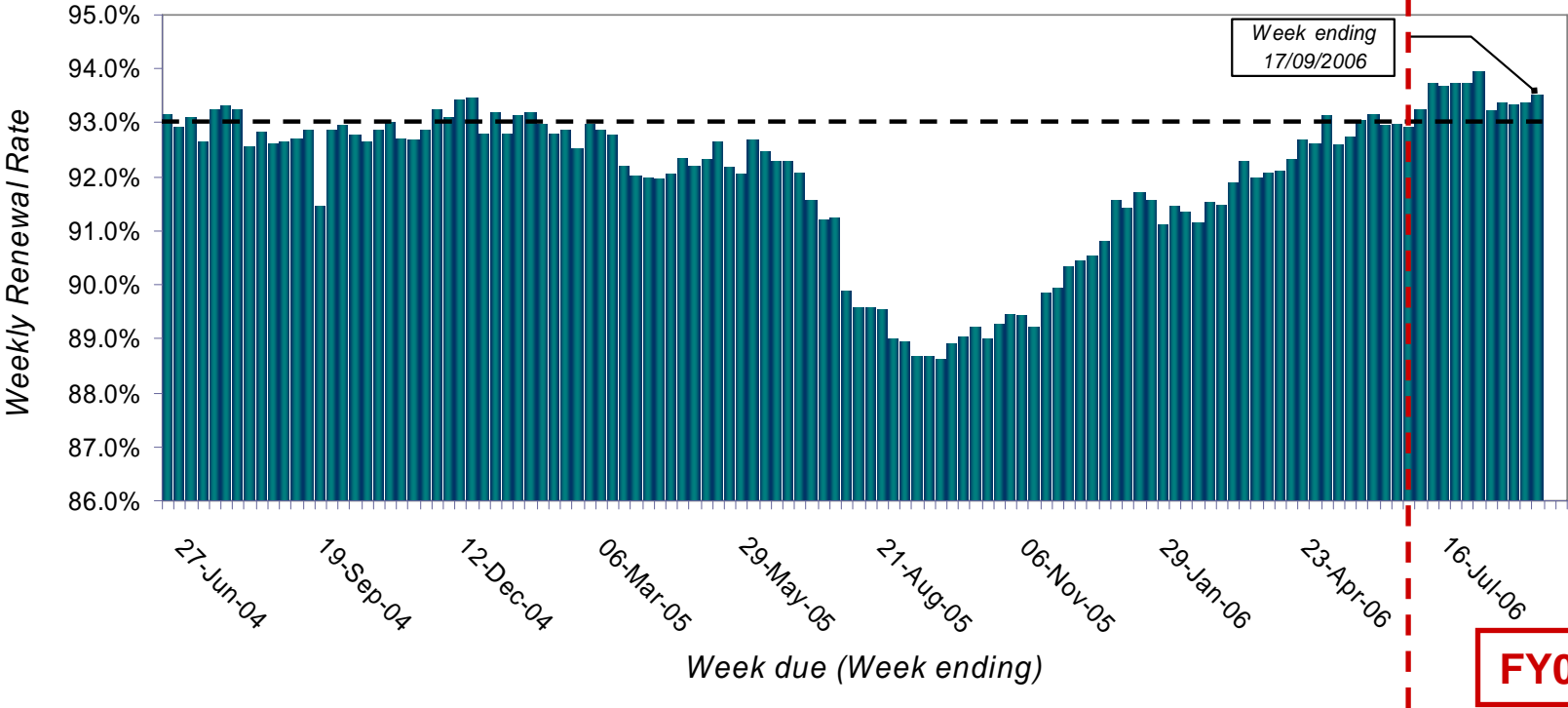




Year in Review

Momentum in Personal Insurance

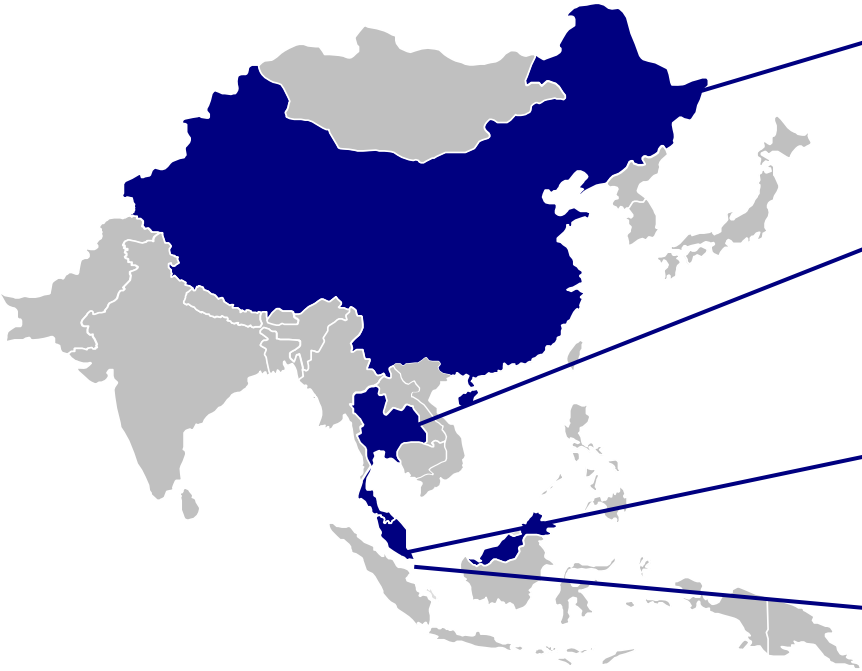
*NSW Car Comprehensive
Adjusted Weekly Due Renewal Rate*



Cyclone Larry & NZ snow storm



Established a presence in Asia



1. This logo is the property of China Pacific Property Insurance (CPPI). IAG is seeking to acquire 24.9% of CPPI; the transaction is not yet complete.
 2. IAG owns 30% of AmAssurance.

Award winning performance



WINNER	General Insurance Company of the Year Australia and New Zealand Insurance Industry Awards
WINNER	Triple Bottom Line Award World Environment Day Awards, United Nations (Australia)
WINNER	Underwriter of the Year – NZI Insurance Brokers' Association of New Zealand Awards
WINNER	Large Business of the Year National Sustainable Business Awards (New Zealand)
MEMBER	FTSE4Good index series Dow Jones sustainability index

2006 Results

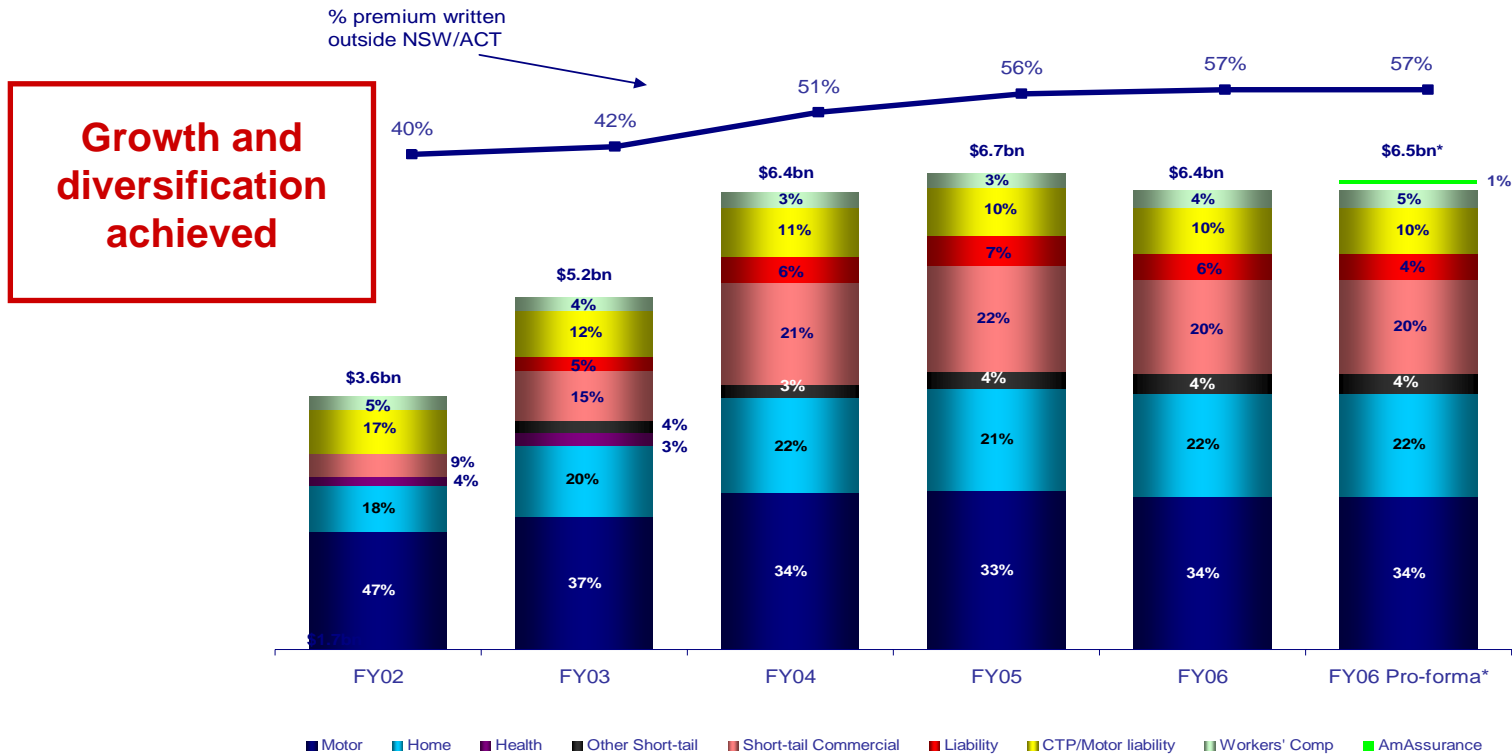
- Net profit after tax of \$759 million
- Second highest ROE and insurance margin
- Dividend of 29.5 cents per share fully franked
 - Up 11.3% on FY05
- Special dividend 12.5 cents per share fully franked
 - Returned \$200 million to shareholders



GWP: four year growth 15.5%pa



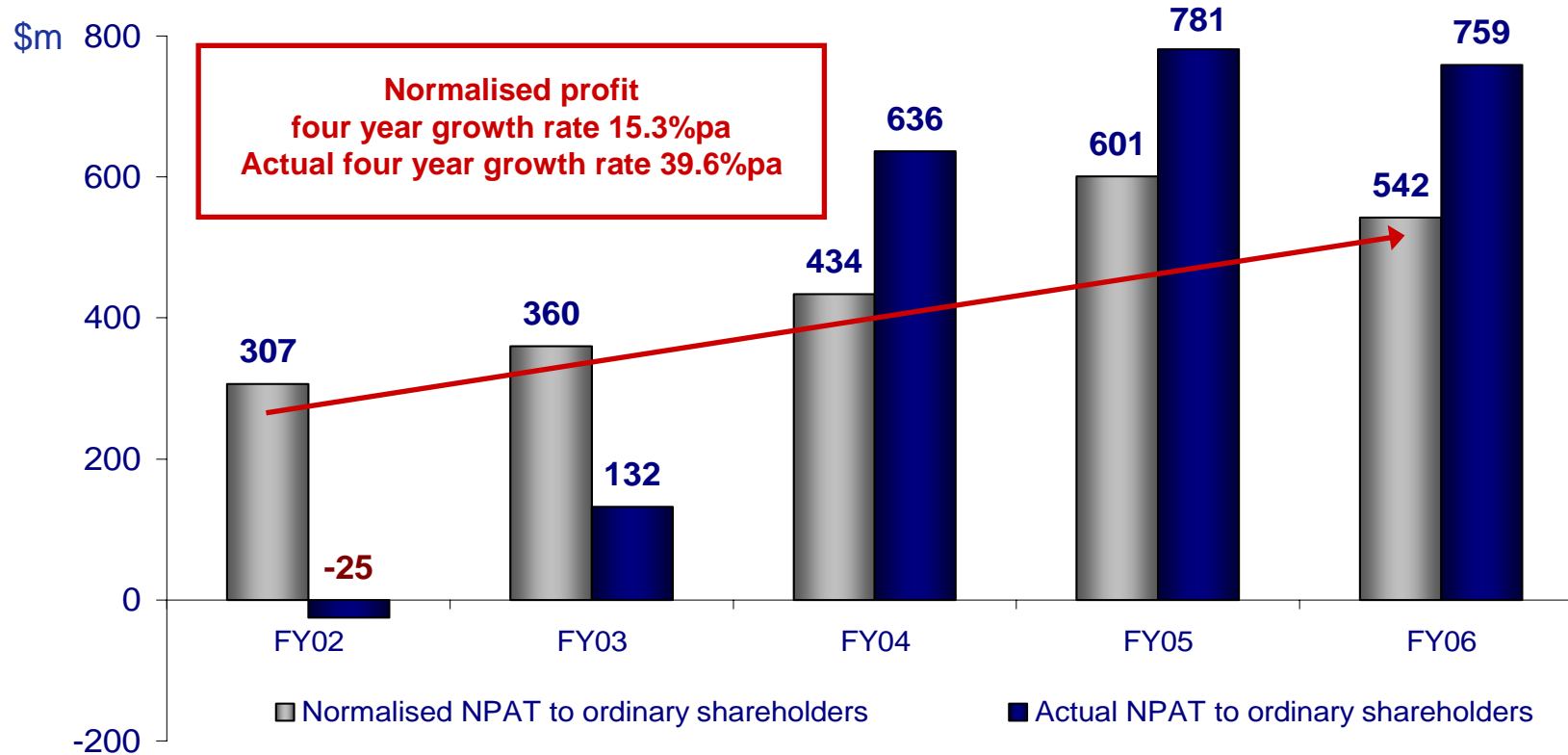
Gross Written Premium by line of business



For the year ended 30 June.

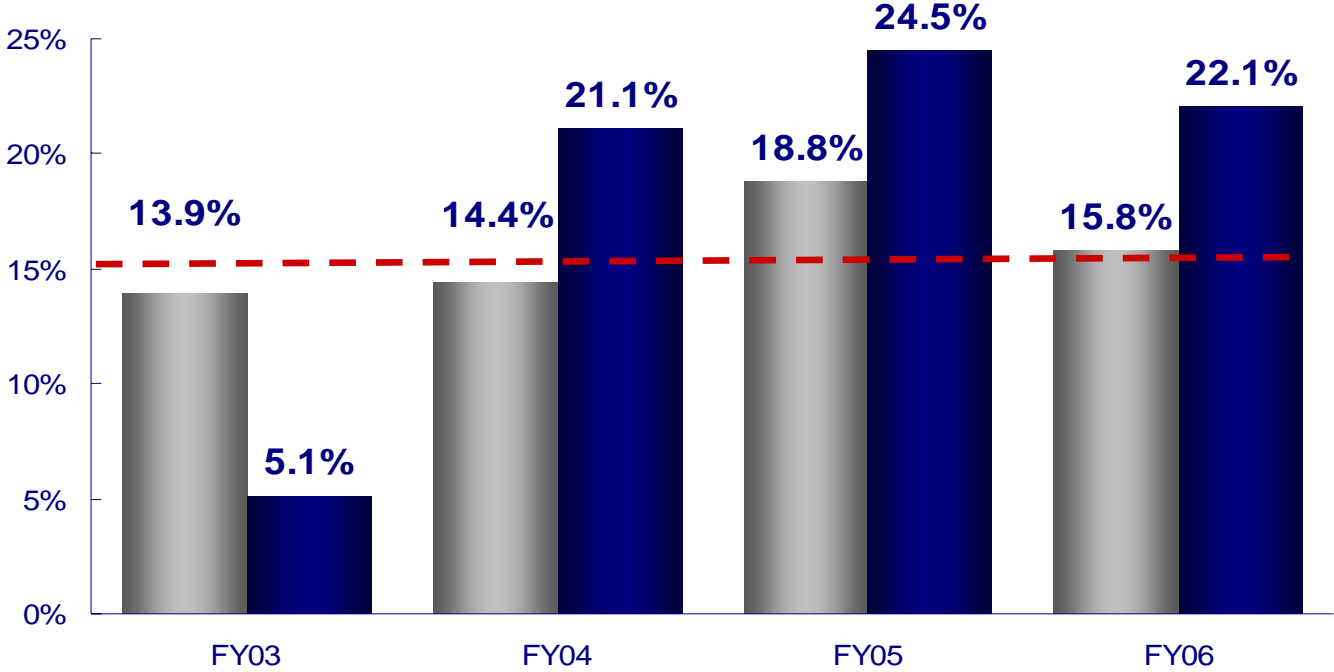
Insurance Australia Group Limited ABN 60 090 739 923

Profit: four year normalised growth 15.3%pa



For the year ended 30 June.

ROE: four year average 15.7%

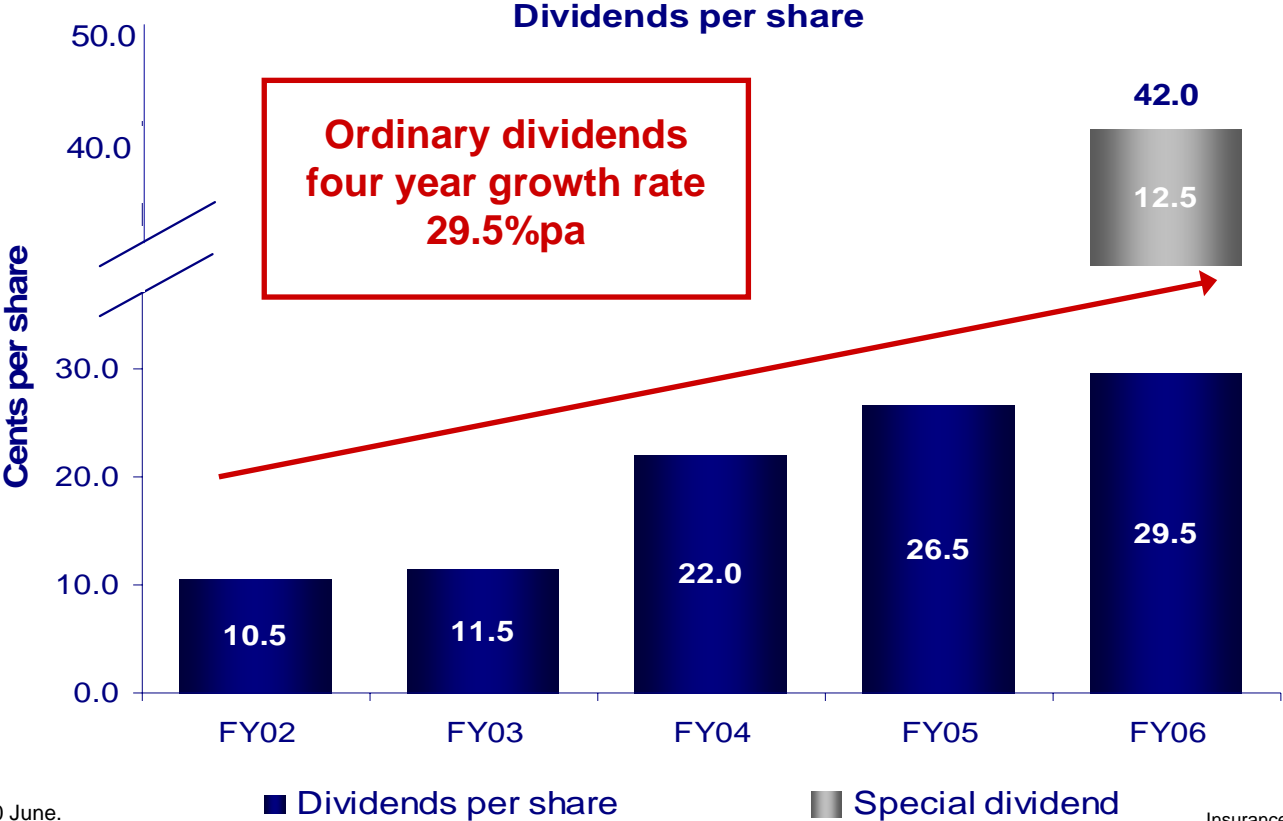


**Normalised ROE
four year average
15.7%**

■ ROE (Normalised) attributable to holders of ordinary shares
■ ROE (Actual) attributable to holders of ordinary shares

For the year ended 30 June.

Dividends: four year growth 29.5%pa



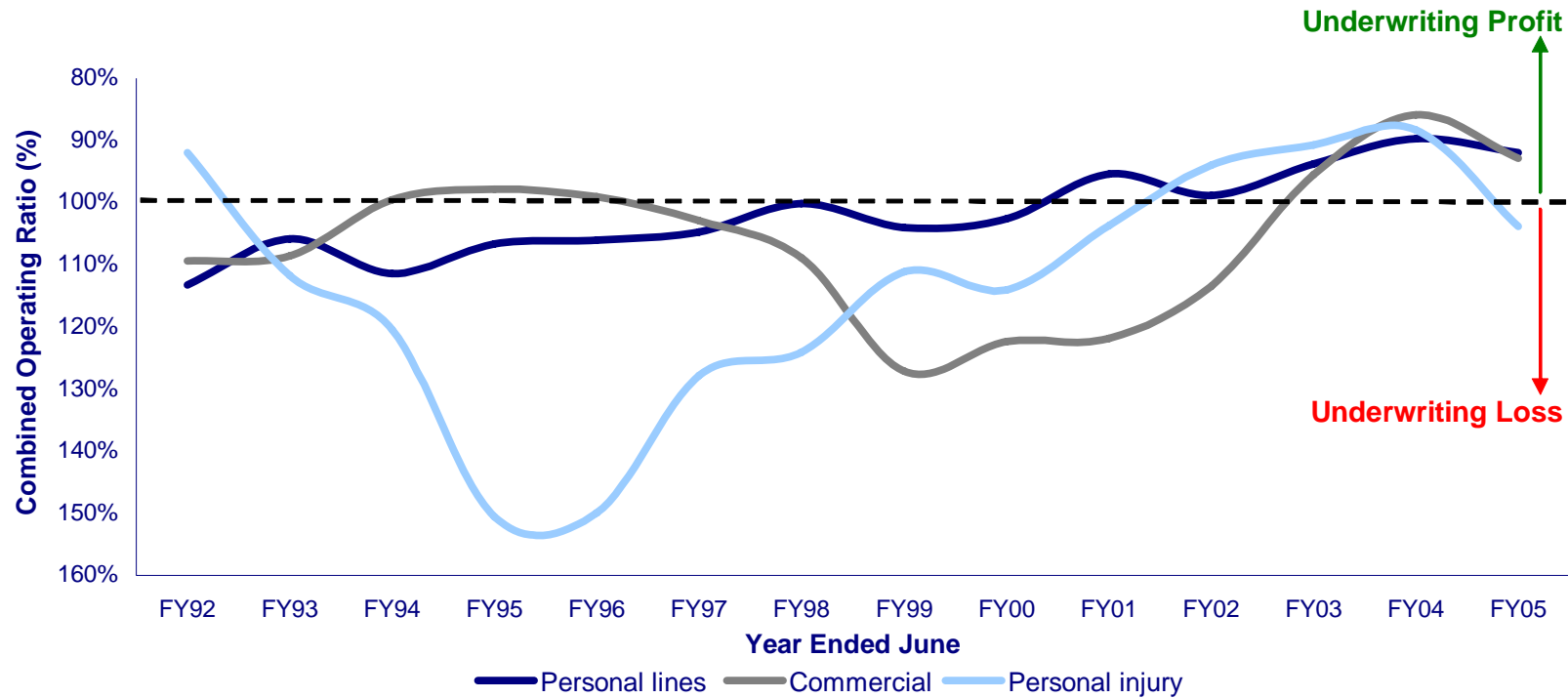
**Ordinary dividends
four year growth rate
29.5%pa**

For the year ended 30 June.

Australian general insurance cycles



Combined Operating Ratio



Source: APRA and company estimates.

Our operations today

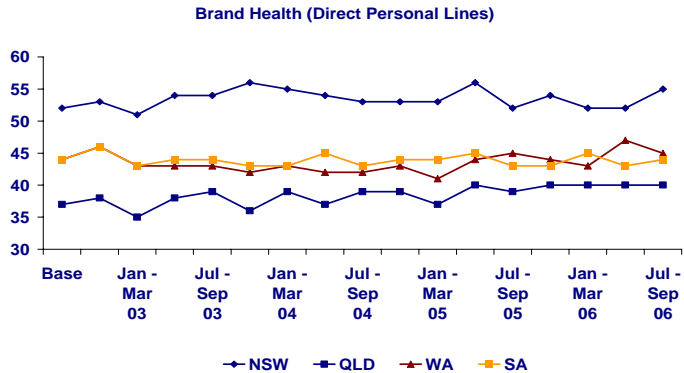


1. This logo is the property of China Pacific Property Insurance (CPPI). IAG is seeking to acquire 24.9% of CPPI; the transaction is not yet complete.
 2. IAG distributes products through RACV.
 3. These logos are the property of IAG's joint venture subsidiaries.

Customer measures strong



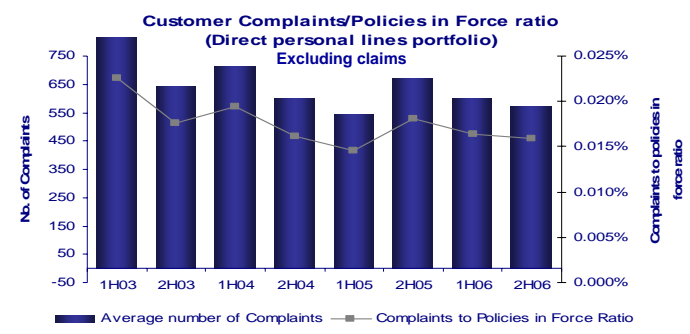
Health of retail brands remains strong in Australian direct personal lines



Claims satisfaction remains strong in Australian direct personal lines



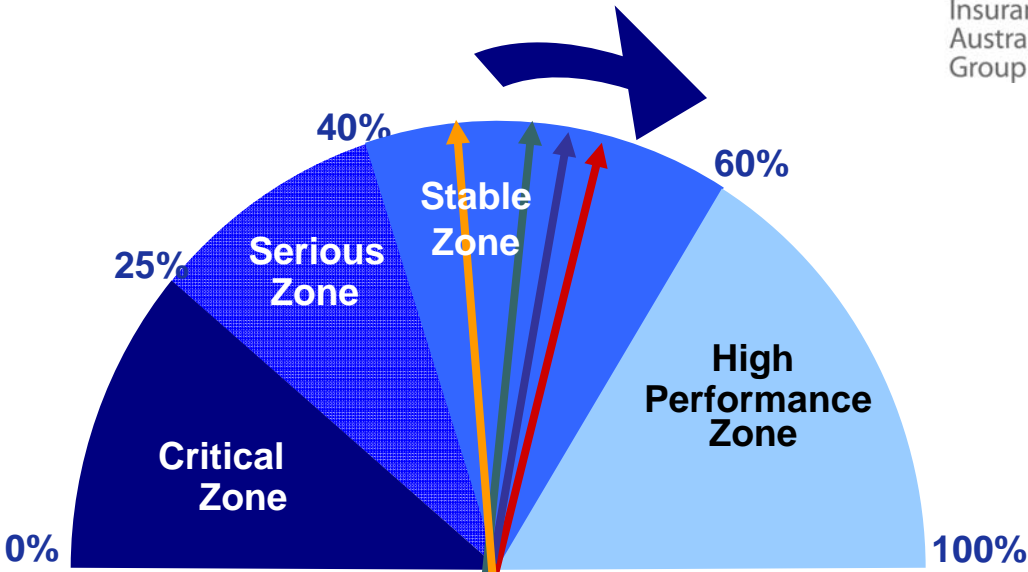
Customer complaints continue to trend below 0.02% in largest portfolio



NZ strong overall customer satisfaction score



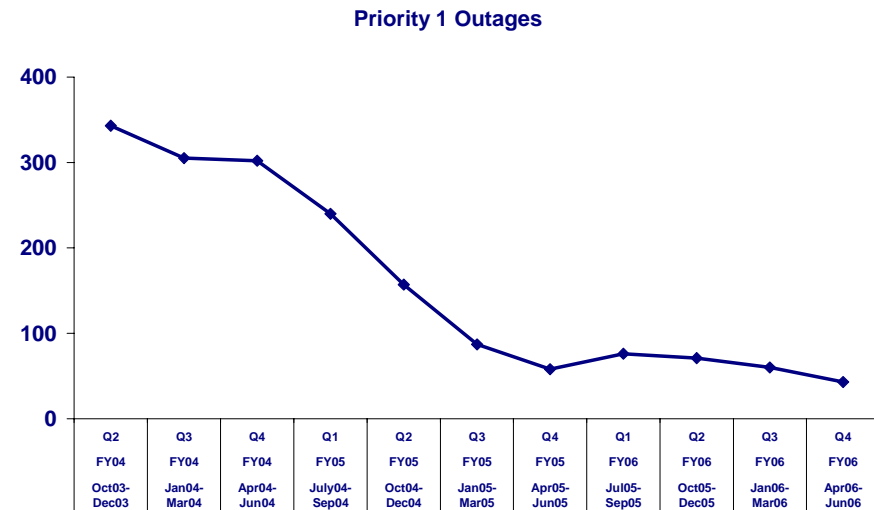
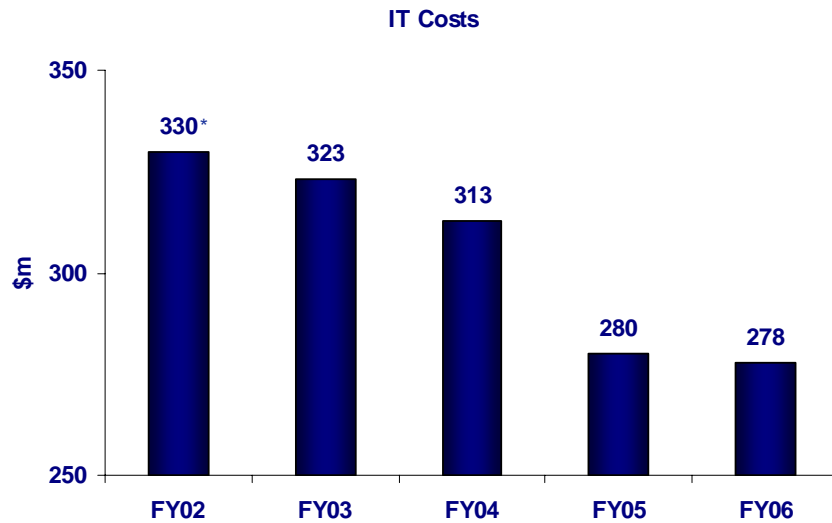
Employee engagement



Employee Engagement Score: IAG Australia

Year	2003	2004	2005	2006
Score	45%	53%	54%	56%

IT costs down, effectiveness up



For the year ended 30 June.

* Includes CGU prior to acquisition by IAG.

Our sustainability report



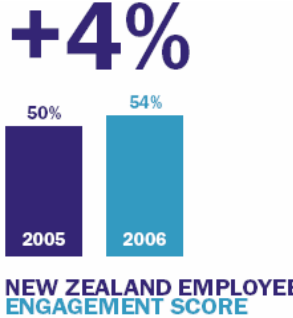
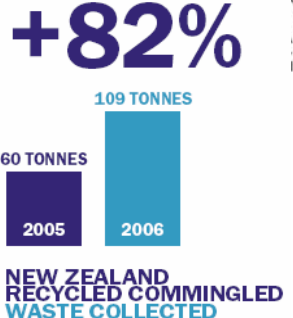
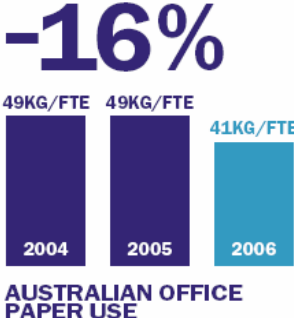
A SINGLE PERSON CAN MAKE A WORLD OF DIFFERENCE

The report has been developed based on the Global Reporting Initiative (GRI) 2002 Guidelines for Sustainability Reporting. These guidelines are the internationally accepted best practice framework system for social, environmental and economic reporting. The report includes a table of disclosure and assurance as identified by our stakeholders.

Our approach to the report continues to evolve and we welcome additional feedback and suggestions on how the Group can improve its reporting. www.insuranceaustralia.com.au

In response to feedback from our stakeholders, we have only entered a limited number of our metrics into this report. The full report can be found on page 16 of this report. www.iag.com.au

IAG Insurance Australia Group
 Group Sustainability Report 2006
 Insurance Australia Group Limited
 ABN 60 090 739 923



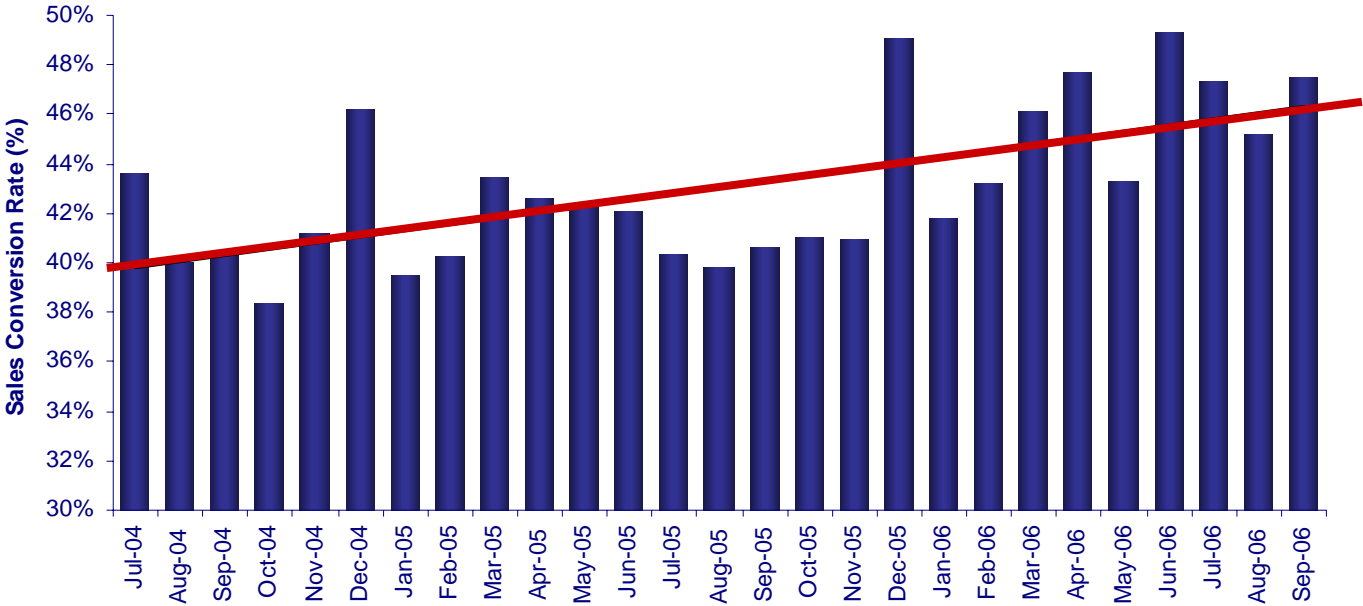
Outlook



Sales conversions trending up



**Australian Direct Personal Lines
National Sales Conversion Rates
for Telephone Call Centres**



First three months of this financial year

- Performance in line with our guidance
- Continuing momentum in personal lines
 - Renewal rates at highest level in two years
 - Marketing initiatives well received by customers
 - Improving conversion rates on new business
- Commercial lines GWP in line with FY06
 - Workers' compensation & liability performing well
- NZ continues to deliver solid performance (in NZ\$) in a competitive market



Outlook: year ending 30 June 2007

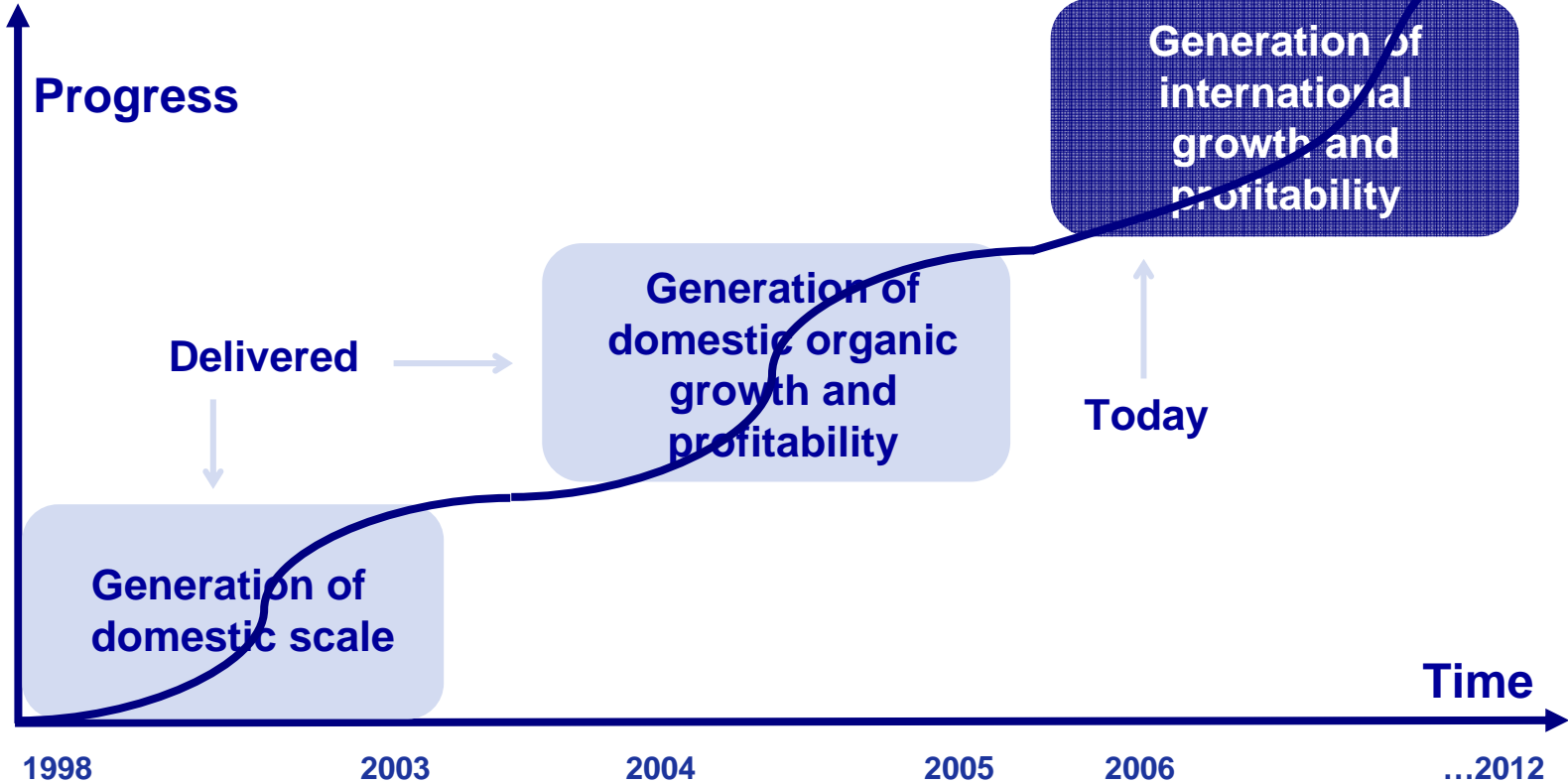


Outlook firmed from full year announcement

- Generate GWP growth of 8 – 10%
 - GWP growth in first six months 3 - 5% on 1H06
- Further shareholder accretive acquisitions in the pipeline
- Deliver normalised ROE above 15%

Subject to no large losses or catastrophes beyond our allowances, no major falls in bond values, and no material movement in current foreign exchange rates.

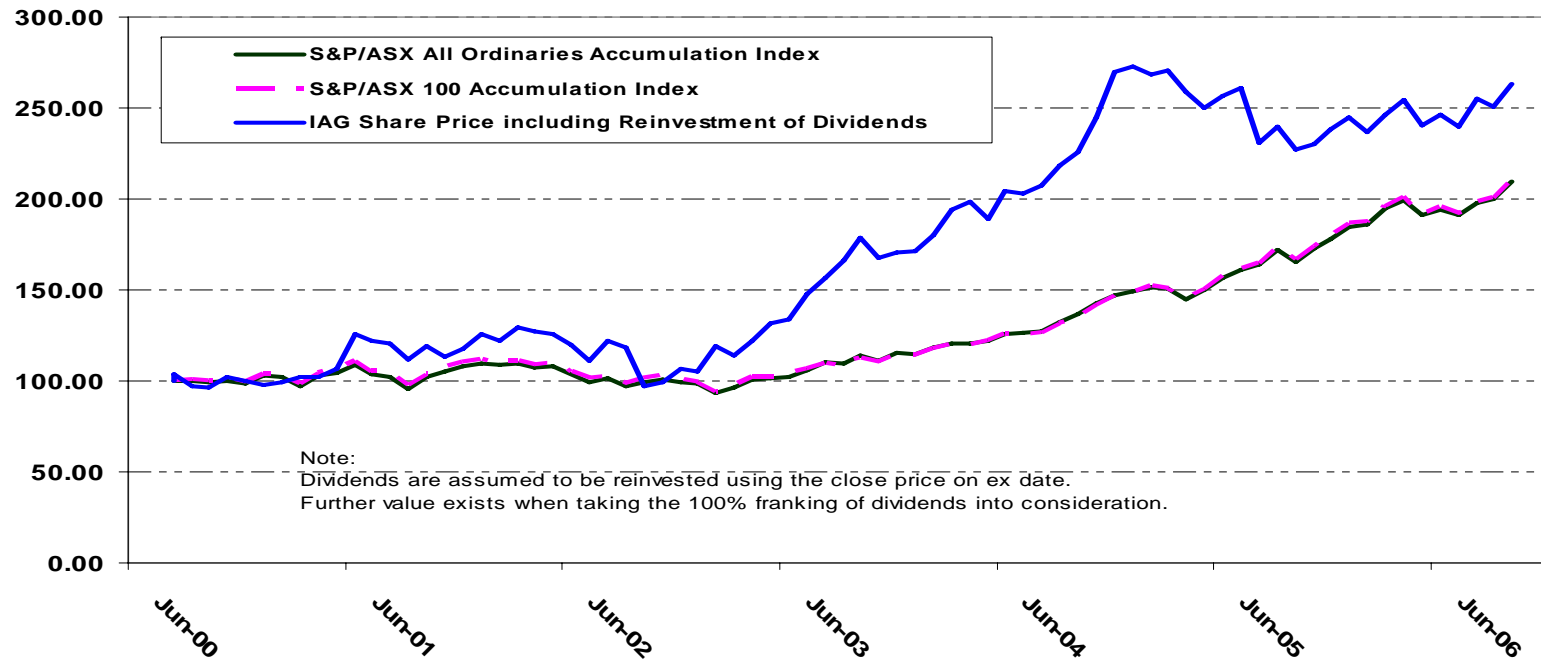
Strategy remains on track



IAG share performance



IAG share performance - since listing





Annual General Meeting 2006