

11 June 2010

Market Announcement – Insured Group Limited (INS)

Further to the February 2010 Profile, Insured Group Limited (the **Company**) advises that it is advancing the negotiation of extensions in relation to all of the vendor finance payment obligations which were due on 1 April 2010. The board is comfortable with the progress being made and the terms of the proposed extensions.

The Company's preferred method of satisfying its funding requirements is to proceed with the capital raising approved by shareholders at the special meeting on 10 March 2010. All necessary NZX and other regulatory consents are expected to be obtained by 30 June 2010 for a prospectus seeking to raise NZ\$10 million, through the offer of ordinary shares and convertible redeemable preference shares.

Among the other options being considered is a possible trade sale of various subsidiaries. The Company is in advanced discussions with various interested parties in this regard.

Trading revenue for the Company* for the year ending 30 June 2010 is expected to increase 10% on the A\$10m generated by ACIL in the 2009 financial year. While the Company anticipates reporting an operating profit for the full year, the impact of the extraordinary costs incurred in relation to the reverse takeover process, which was completed earlier this year, will result in the reporting of a moderate loss.

* which comprises wholly-owned subsidiary Australian Consolidated Insurance Limited and its controlled entities (**ACIL**).

Wayne Miller
Managing Director
Insured Group Limited