

15 September 2014

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 Reset Exchangeable Securities (RES) for the quarter ending 14 December 2014, calculated as follows:

Bank Bill Rate (90 Day Bank Bill Rate as at 15 September 2014)	2.6467 % pa
Plus RES Margin	<u>4.0000 % pa</u>
	6.6467 % pa
Multiplied by 1 – Tax Rate	0.70
Interest Rate	4.6527% pa
Interest Payment per RES	\$1.1600

The Interest Payment of \$1.1600 is expected to be fully franked and will be paid in respect of each RES on 15 December 2014 with a Record Date of 5 December 2014, 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 are disregarded.

Yours sincerely



Chris Bertuch
Group General Counsel & Company Secretary