

Update: Sale process for IAG UK's private motor and mass-market distribution businesses

As announced to all employees in July, IAG has decided to find a new investor or owner for Hastings, Advantage, and the Equity/ Open and Direct Branch Networks.

I know this is an uncertain period for everyone and I have been very impressed so far how people have been concentrating on the business during this period. I thought it would be helpful to give you an update on where we are with process and indicative timescales between now and the end of the year.

Since the announcement, I have been focusing on the sale process for IAG and have been working closely with external advisers who specialise in this area who are helping the Group with this procedure.

For the last few weeks, we have been developing material to present to potential purchasers. This will be fine tuned over the next 3 weeks or so. Once this material is complete, it is likely that we will commence verbal presentations to the interested parties mid September.

Once these presentations have taken place there will be a period where interested parties can submit bids to the Group.

We hope that this part of the process will be concluded towards the end of November, with the formal legal signing off towards the end of the calendar year.

I would like to remind you that, IAG will only look to sell these businesses if they receive a price which reflects fair value to the brands.

Our consultations with staff at Manchester and Leicester on the potential transfer of work to Bexhill are continuing on plan. We expect to be able to publish the final timetable by October.

I will endeavour to keep all employees informed of the sale process over the coming months and I would like to thank you all for your hard work and continued support during this period.

Neil Utley

Chief Executive Officer IAG UK

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