QBE Insurance Group Limited ABN 28 008 485 014 Level 02, 82 Pitt Street, SYDNEY NSW 2000 Australia GPO Box 82, Sydney NSW 2001 telephone +61 2 93754444 • facsimile +61 2 92316104

www.qbe.com



6 June 2013

The Manager Market Announcements Office **ASX Limited** Level 4 **Exchange Centre** 20 Bridge Street SYDNEY NSW 2000

Dear Sir/Madam

Senior Convertible Securities Tender Update

Please find attached an announcement for release to the market.

Yours faithfully,

Duncan Ramsay Company Secretary

D Lomsay

Encl.





Date: 6 June 2013

Page: 1 of 1

SENIOR CONVERTIBLE SECURITIES TENDER UPDATE

As part of its ongoing capital and debt management program, QBE announced on 28 May 2013 that it would conduct a limited tender offer for up to US\$500 million of the outstanding Senior Convertible Securities due 2030 ("SCS") issued by QBE Funding Trust V in May 2010.

The tender followed QBE's placement of US\$600 million of senior debt securities (notified to the ASX on 26 April 2013) and the SCS becoming available for redemption in May 2013.

The tender closed on 4 June 2013 and QBE received tenders for US\$317 million SCS of which US\$300 million will be settled in QBE shares and the balance in cash. Assuming a share price of A\$15.50 and an AUD:USD exchange rate of 0.97, approximately 20 million QBE shares would be issued as part of the tender settlement.

Following the tender settlement and eliminating securities re- purchased by QBE, there will remain 329,214 SCS securities outstanding, with an aggregate accreted value at 27 June 2013 of approximately US\$223 million.

This market announcement has been prepared for publication in Australia only and may not be released elsewhere. This market announcement does not constitute an offer of securities for sale in Australia, the United States or any other jurisdiction. Any securities described in the market announcement may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933 or an exemption from registration.

For further information, please contact:

Investor Relations

Group Head of Investor Relations Tony Jackson Tel: +61 (2) 9375 4364 investor.relations@qbe.com

Media Enquiries

David Symons Tel: +61 (2) 9212 4666 Cell: +61 (0) 410 559 184

Email: david@catocounsel.com.au

ABN 28 008 485 014
82 Pitt Street
SYDNEY NSW 2000 Australia
www.gbe.com

QBE Insurance Group Limited is listed on the Australian Securities Exchange, is recognised as one of the top 20 global insurance and reinsurance companies as measured by net earned premium and has operations in 48 countries.