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14 April 2014

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

Dear Sir/Madam

QBE confirms strategic review of US middle market business

Please refer to the attached Market Release.

Yours faithfully

A handwritten signature in dark ink that reads "D Ramsay".

Duncan Ramsay
Company Secretary



MARKET RELEASE

14 April 2014

QBE confirms strategic review of US middle market business.

QBE today confirmed that it is undertaking a strategic review of its US based middle market business, as foreshadowed in February 2014.

QBE's Chief Executive Officer, Mr John Neal said "We are well advanced in implementing remediation work which will allow QBE's North American business to return to profit. As part of this process, we continue to assess options for various components of the US business, including the US middle market business."

The review will include a continuing focus on improving the profitability of the middle market business, consideration of opportunities to increase scale and support for our business partners, refining the business strategy and operating model and exploring options for a potential sale of all or part of the middle market business."

The US middle market business represents around US \$900 million of gross written premium, mainly property and casualty business written through a number of agencies across the US.

Mr Neal added "Consistent with our strategic objectives to return the North American business to profit and to deliver on our performance targets, the time is right to consider our longer term plans to maximise shareholder value."

Further update on progress of the review will be included in QBE's half year results announcement.

- ENDS -

For further information, please contact:

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QBE Insurance Group Limited is listed on the Australian Securities Exchange, is one of the top 20 global insurance and reinsurance companies as measured by net earned premium and has operations in 43 countries.