



Press Release

AIG  
175 Water Street  
New York, NY 10038  
www.aig.com

Contacts:

Liz Werner (Investors): 212-770-7074; [elizabeth.werner@aig.com](mailto:elizabeth.werner@aig.com)

Molly Binenfeld (Media): 212-770-3141; [molly.binenfeld@aig.com](mailto:molly.binenfeld@aig.com)

**AIG ANNOUNCES REFERENCE YIELDS FOR STERLING AND EURO-DENOMINATED DEBT SECURITIES SUBJECT TO ITS PREVIOUSLY ANNOUNCED TENDER OFFERS**

NEW YORK, June 25, 2014 – American International Group, Inc. (NYSE: AIG) today announced the pricing of the Sterling and Euro-denominated debt securities issued by AIG (the “Sterling and Euro Securities”) subject to its previously announced cash tender offers (the “Tender Offers”) pursuant to its offer to purchase dated June 12, 2014 (the “Offer to Purchase”).

The reference yield for each series of Sterling and Euro Securities was calculated as of 2:00 p.m., London time, on June 25, 2014, based on the mid-market price of the applicable reference security displayed on the applicable reference page set forth in the table below. The complete terms of the Tender Offers are set forth in the Offer to Purchase, including certain capitalized terms used but not defined herein. The reference yields will be used to determine the consideration paid for each series of Sterling and Euro Securities that are accepted for purchase after expiration of the Tender Offers.

The expiration date of the Tender Offers is 11:59 p.m., New York City time, on July 10, 2014, unless extended (the “Expiration Date”). Holders who have not already tendered their Sterling and Euro Securities may continue to do so at any time prior to the Expiration Date, in accordance with the procedures described in the Offer to Purchase. Holders who validly tender and do not withdraw their Sterling and Euro Securities on or prior to 5:00 p.m., New York City time, on June 25, 2014, unless extended (the “Early Participation Date”), and whose Sterling and Euro Securities are accepted for purchase pursuant to the Tender Offers, will receive the Total Consideration set forth below, which includes an early participation amount of £50.00 or €50.00 per £1,000 or €1,000 principal amount (as applicable) of Sterling or Euro Securities validly tendered and accepted for purchase (the “Early Participation Amount”). Holders validly tendering their Sterling and Euro Securities after the Early Participation Date and on or prior to the Expiration Date will not be entitled to receive the Early Participation Amount. Tenders of Sterling and Euro Securities may be validly withdrawn at any time at or prior to 5:00 p.m., New York City time, on June 25, 2014, but not thereafter.



The key pricing details for Sterling and Euro Securities included in the Tender Offers are as follows:

<u>Title of Security</u>	<u>ISIN(s)</u>	<u>Principal Amount Outstanding</u> <i>(in millions)</i>	<u>Reference Security</u>	<u>Reference Yield<sup>(1)</sup></u>	<u>Fixed Spread</u> <i>(basis points)</i>	<u>Total Consideration<sup>(1)(2)(3)</sup></u>
<b>Junior Tender Offer</b>						
5.75% Series A-2 Junior Subordinated Debentures	XS0291641420	£244.0	1.75% UK Treasury Stock due January 22, 2017	1.211%	250	£1,051.34
8.000% Series A-7 Junior Subordinated Debentures	XS0365324838 (144A) XS0365323608 (Reg. S)	€127.0	4.00% German Bunds due January 4, 2018	0.099%	185	€1,222.53
8.625% Series A-8 Junior Subordinated Debentures	XS0365317113 (144A) XS0365314284 (Reg. S)	£138.2	5.00% UK Treasury Stock due March 7, 2018	1.603%	150	£1,199.16
<b>Senior Tender Offer</b>						
6.765% Sterling Notes Due November 15, 2017	XS0827565663 XS0702072900 (144A) XS0702072819 (Reg. S)	£662.2	1.75% UK Treasury Stock due January 22, 2017	1.211%	110	£1,142.21
6.797% Euro Notes Due November 15, 2017	XS0827566711 XS0702072140 (144A) XS0702071928 (Reg. S)	€160.9	0.5% German Bunds due April 7, 2017	0.056%	85	€1,192.87

<sup>(1)</sup> The Total Consideration payable for each series of Sterling or Euro Securities will be a price per £1,000 or €1,000 principal amount (as applicable) equal to an amount that would reflect, as of the Payment Date, a yield to the applicable call or maturity date of such series of Sterling or Euro Securities (as applicable) set forth in the Offer to Purchase equal to the sum of the yield to maturity of the applicable reference security specified above, as set forth on Bloomberg Page DMO2 (in the case of the Sterling Securities) or PXGE (in the case of the Euro Securities) as of 2:00 p.m., London time, on June 25, 2014 (the "Reference Yield"), plus the applicable fixed spread specified above, minus accrued and unpaid interest thereon from the last interest payment date to but not including the Payment Date.

<sup>(2)</sup> Per £1,000 or €1,000 principal amount (as applicable) validly tendered and accepted for purchase, as calculated in accordance with the Offer to Purchase, and assuming a July 14, 2014 Payment Date.

<sup>(3)</sup> Includes the Early Participation Amount. Holders whose Sterling and Euro Securities are accepted in the Tender Offers will also receive accrued and unpaid interest from the last interest payment date to but not including the Payment Date.



The complete terms of the Tender Offers, including information with respect to the amount of securities sought and, in the case of the senior Sterling and Euro Securities listed in the table above, the acceptance priority levels, are described in the Offer Documents.

AIG has retained Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, J.P. Morgan Securities plc and Wells Fargo Securities, LLC as the Joint Lead Dealer Managers; ANZ Securities, Inc., Mizuho Securities USA Inc., Santander Investment Securities Inc., SMBC Nikko Securities America, Inc. and Standard Chartered Bank as Co-Dealer Managers and ING Financial Markets LLC, Natixis Securities Americas LLC, PNC Capital Markets LLC, Samuel A. Ramirez & Company, Inc., Sandler O'Neill & Partners, L.P. and The Williams Capital Group, L.P. as Junior Co-Dealer Managers, for the Tender Offers. Global Bondholder Services Corporation is the Information Agent and Depositary for the Tender Offers. For additional information regarding the terms of the Tender Offers, please contact: Citigroup Global Markets Inc. at (800) 558-3745 (toll-free) or (212) 723-6106 (collect); Credit Suisse Securities (USA) LLC at (800) 820-1653 (toll-free) or (212) 538-2147 (collect); J.P. Morgan Securities LLC at (866) 834-4666 (toll-free) or (212) 834-4811 (collect); J.P. Morgan Securities plc at (+44) 20 7134 3414 (collect) or Wells Fargo Securities, LLC at (866) 309-6316 (toll-free) or (704) 410-4760 (collect). Requests for documents and questions regarding the tendering of Sterling and Euro Securities may be directed to Global Bondholder Services Corporation by telephone at (212) 430-3774 (for banks and brokers only), (866) 470-3800 (for all others toll-free) or +001-212-430-3774 (international), by email at [aig@gbsc-usa.com](mailto:aig@gbsc-usa.com) and online at [www.gbsc-usa.com/aig](http://www.gbsc-usa.com/aig).

This news release does not constitute an offer or an invitation by AIG to participate in the Tender Offers in any jurisdiction in which it is unlawful to make such an offer or solicitation in such jurisdiction.

Certain statements in this press release, including those describing the completion of the Tender Offers, constitute forward-looking statements. These statements are not historical facts but instead represent only AIG's belief regarding future events, many of which, by their nature, are inherently uncertain and outside AIG's control. It is possible that actual results will differ, possibly materially, from the anticipated results indicated in these statements. Factors that could cause actual results to differ, possibly materially, from those in the forward-looking statements are discussed throughout AIG's periodic filings with the SEC pursuant to the Securities Exchange Act of 1934.

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American International Group, Inc. (AIG) is a leading international insurance organization serving customers in more than 130 countries and jurisdictions. AIG companies serve commercial, institutional, and individual customers through one of the most extensive worldwide property-casualty networks of any insurer. In addition, AIG companies are leading providers of life insurance and retirement services in the United States. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

Additional information about AIG can be found at [www.aig.com](http://www.aig.com) | YouTube: [www.youtube.com/aig](http://www.youtube.com/aig) | Twitter: [@AIGInsurance](https://twitter.com/AIGInsurance) | LinkedIn: <http://www.linkedin.com/company/aig> |

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