Intact Financial Corporation Completes $200 million Medium Term Note Offering

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TORONTO, June 15, 2012 /CNW/ - Intact Financial Corporation (TSX: IFC) announced today that it has closed its $200 million offering of medium term notes (the "Notes").

The Notes were offered on a best efforts basis through a syndicate led by CIBC World Markets Inc., RBC Dominion Securities Inc. and TD Securities Inc. and including BMO Nesbitt Burns Inc., National Bank Financial Inc., Scotia Capital Inc. and Casgrain & Company Limited. The Notes will be direct unsecured obligations of IFC and will rank equally with all other unsecured and unsubordinated indebtedness of IFC. The Notes will bear interest at a fixed annual rate of 5.16% until maturity on June 16, 2042.

IFC intends to use the net proceeds from the offering of Notes towards reducing its current term loan indebtedness under its existing credit facility and funding a portion of the purchase price for its previously announced acquisition of all of the issued and outstanding shares of JEVCO Insurance Company from The Westaim Corporation (the "Acquisition"). The closing of the Acquisition is expected to occur in the fall of 2012 and is subject to receipt of required competition and insurance regulatory approvals, approval by the shareholders of Westaim and the satisfaction of certain closing conditions. The offering is not conditional upon closing of the Acquisition; if the Acquisition is not completed, the net proceeds from the offering of Notes will be used to repay the term loan indebtedness outstanding under IFC's existing credit facility and for general corporate purposes.

The Notes have been given a rating of A(low) with a Stable trend by DBRS Limited and a rating of Baa1 with a Stable outlook by Moody's Investors Service, Inc.

The securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act"), and may not be offered or sold in the United States or to or for the account or benefit of U.S. persons absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act. This press release shall not constitute an offer to sell or the solicitation of an offer to buy such securities in the United States or in any other jurisdiction where such offer is unlawful.

About Intact Financial Corporation
Intact Financial Corporation (www.intactfc.com) is the largest provider of property and casualty insurance in Canada. Intact offers home, auto and business insurance through Intact Insurance, belairdirect, Grey Power and BrokerLink.

Forward-looking statements
Certain of the statements included in this press release about IFC's current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely", "potential" or the negative or other variations of these words or other similar or comparable words or phrases, are intended to identify forward-looking statements.

Forward-looking statements are based on estimates and assumptions made by management in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that management believes are appropriate in the circumstances. Many factors could cause IFC's actual results, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors: IFC's ability to implement its strategy or operate its business as management currently expects; its ability to accurately assess the risks associated with the insurance policies that IFC insurance subsidiaries write; unfavourable capital market developments or other factors which may affect IFC's investments and funding obligations under its pension plans; the cyclical nature of the property and casualty insurance industry; management's ability to accurately predict future claims frequency; government regulations designed to protect policyholders and creditors rather than investors; litigation and regulatory actions; periodic negative publicity regarding the insurance industry; intense competition; IFC's reliance on brokers and third parties to sell its products to clients; IFC's ability to successfully pursue its acquisition strategy; IFC's ability to execute its business strategy; the terms and conditions of, and regulatory approvals relating to, the Acquisition; timing for completion of the Acquisition; synergies arising from, and IFC's integration plans relating to the Acquisition; IFC's financing plans for the Acquisition; management's estimates and expectations in relation to MCT and debt to capital position, as applicable; various other actions to be taken or requirements to be met in connection with the Acquisition; IFC's participation in the Facility Association (a mandatory pooling arrangement among all industry participants) and similar mandated risk-sharing pools; terrorist attacks and ensuing events; the occurrence of catastrophic events; IFC's ability to maintain its financial strength ratings and issuer credit ratings; IFC's ability to alleviate risk through reinsurance; IFC's ability to successfully manage credit risk (including credit risk related to the financial health of reinsurers); IFC's reliance on information technology and telecommunications systems; IFC's dependence on key employees; general economic, financial and political conditions; IFC's dependence on the results of operations of its subsidiaries; the volatility of the stock market and other factors affecting IFC's share price; and future sales of a substantial number of its common shares.

These factors are not intended to represent a complete list of the factors that could affect us. These factors should, however, be considered carefully. All of the forward-looking statements included in this press release are qualified by these cautionary statements. Although the forward-looking statements are based upon what management believes to be reasonable assumptions, IFC cannot assure investors that actual results will be consistent with these forward-looking statements. When relying on forward-looking statements to make decisions, investors should ensure the preceding information is carefully considered. Undue reliance should not be placed on forward-looking statements made herein. IFC and management have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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