

Intact to Issue an Additional \$50 million Series 5 Unsecured Medium Term Notes

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TORONTO, Sept. 5, 2012 /CNW/ - Intact Financial Corporation (TSX: IFC) announced today that it intends to issue an additional \$50 million principal amount of Series 5 5.16% unsecured medium term notes (the "Notes") due June 16, 2042 pursuant to its medium term note program. The Notes will be direct unsecured obligations of IFC and will rank equally with all other unsecured and unsubordinated indebtedness of IFC. Following the closing of this offering, IFC will have \$250 million of the Notes outstanding. The net proceeds of the offering will be used by IFC for general corporate and investment purposes.

The Notes, offered on a best efforts basis by CIBC World Markets Inc., are expected to be issued on September 10, 2012. Details of the offering will be set out in a pricing supplement which IFC intends to file in Canada and which will be available on the SEDAR website for IFC at www.sedar.com.

The securities to be offered 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, BrokerLink and JEVCO Insurance Company.

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. 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.
