
Treasury expects \$2.7 billion from AIG stock offering : AIG

By Editor Test *Thu, Sep 13, 2012*

After the completion of this offering and a \$5 billion share purchase by AIG, Treasury will own about 15.9% percent of AIG's common stock outstanding.

The U.S. Treasury expects to receive an additional \$2.7 billion from its underwritten public offering of AIG common stock, American International Group has announced.

On September 10, Treasury had priced an offering of approximately 553.8 million shares of its AIG common stock at the initial public offering price of \$32.50 per share, for expected proceeds of approximately \$18.0 billion.

Combined with the exercise of the over-allotment option, Treasury's proceeds from the public offering are expected to be approximately \$20.7 billion and the total number of shares sold in the offering is expected to be approximately 636.9 million.

The underwriters, led by Citigroup, Deutsche Bank Securities Inc., Goldman, Sachs and J.P. Morgan Securities, have exercised their over-allotment option in full to purchase approximately 83.1 million additional shares of AIG common stock at the initial public offering price of \$32.50 per share.

AIG agreed to purchase approximately 153.8 million shares of AIG common stock in the offering at the initial public offering price for an aggregate purchase amount of approximately \$5.0 billion.

Treasury currently owns approximately 53.4% of AIG's common stock outstanding. With the completion of this offering and the exercise of the over-allotment option, and an approximately \$5 billion share purchase by AIG, Treasury will still own about 15.9% percent of AIG's common stock outstanding.

BofA Merrill Lynch, Barclays Capital Inc., Morgan Stanley & Co. LLC, RBC Capital Markets, LLC, UBS Securities LLC, Wells Fargo Securities, LLC and Credit Suisse Securities (USA) LLC have been retained as joint book-runners for the offering.