

**HALF YEAR RESULTS  
ANNOUNCEMENT**

**2010**

**22 FEBRUARY**

# Highlights



- Pre-tax underwriting profit of \$30.5m up 47% (1H09: \$20.8m)
- Consolidated profit of \$43.1m (1H09: \$2.1m) enhanced by stronger investment performance
- Operating cash in-flow of \$20.1m
- Return on Equity (ROE) of 18.0% with strategic capital “war chest” and no debt
- Interim dividend of 2.0 cps to 31 December 2009 fully franked (\$9.9m)
- Full year net underwriting margin forecast of 5-5.5% (\$45-50m) remains unchanged reflecting additional investment in organic growth

# Financial snapshot



(\$m)	1H08	1H09	1H10	Change 1H10 v1H09	
				\$m	%
Premium revenue	370.9	410.6	446.1	35.5	8.6
Gross margin	51.8 14.0%	63.6 15.5%	71.2 16.0%	7.6	11.9
Management expenses	(37.9) 10.2%	(42.8) 10.4%	(40.7) 9.1%	2.1	4.9
Net underwriting margin	13.9 3.8%	20.8 5.1%	30.5 6.8%	9.7	46.6
Net investment return	11.9 5.7%	(13.9) (6.5)%	33.6 15.9%	47.5	
Other income	0.6	0.7	0.7	(0.0)	
Other expenses	(1.3)	(5.7)	(3.3)	2.4	
Profit before tax	25.1	1.9	61.5	59.6	
Tax	(7.4)	0.2	(18.4)	(18.6)	
NPAT	17.7	2.1	43.1	41.0	
EPS (cps)	3.4	0.4	8.7		
ROE <sup>1</sup> (%)	9.1	2.9	18.0		

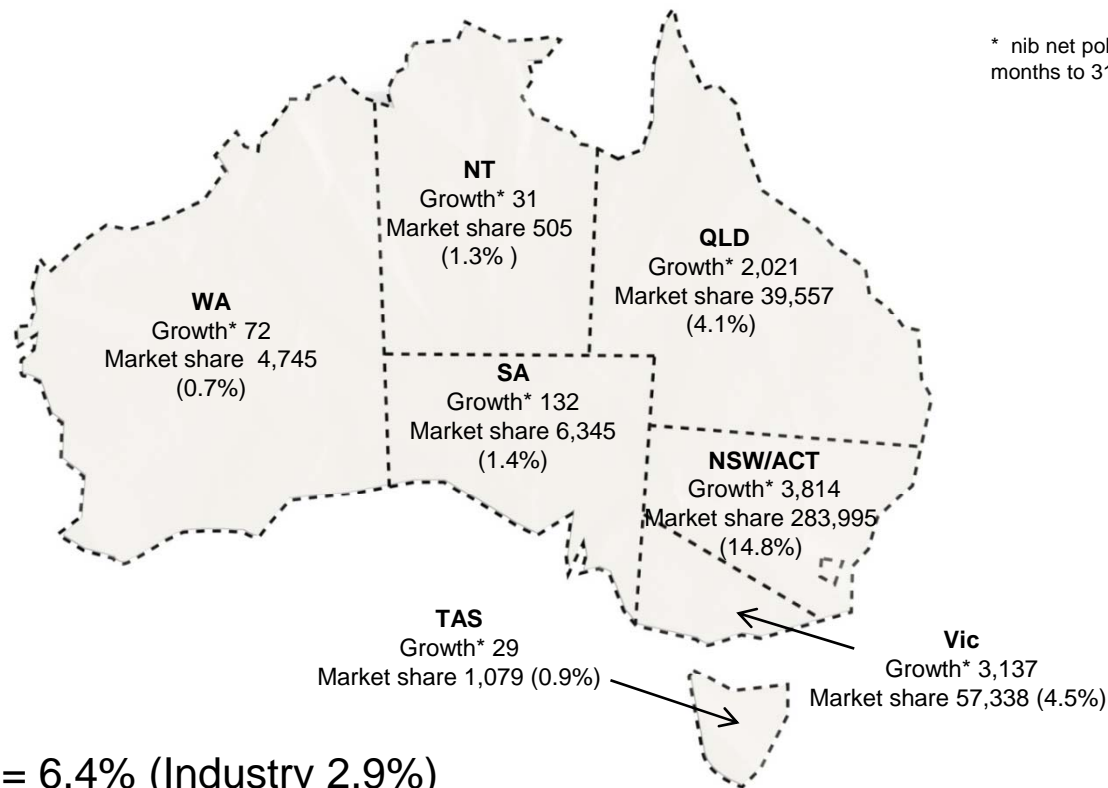
<sup>1</sup> Rolling 12 months, using average shareholders equity and NPAT for rolling 12 month period.

# Policyholder growth

## Percentage of industry growth



\* nib net policyholder growth in six months to 31 December 2009



- CAGR since FY05 = 6.4% (Industry 2.9%)
- Net policyholder growth rate of 2.4% (1H09: 2.7%) versus industry 1.2% (1H09: 1.6%)
- nib with 7.2% market share, accounted for 14.2% of national growth in six months 31 December 2009
- 76.7% of nib's policyholder sales in six months to 31 December 2009 in target 20-39 years of age segment
- nib with 10.0% market share in target 20-39 age group accounted for 23.4% of national growth in six months 31 December 2009

# Gross Margin

1H10 includes one-off benefit



\$m	1H08	1H09	2H09	FY09	1H10	1H10 vs 1H09	
						\$m	%
Gross underwriting result	<b>51.8</b>	<b>63.6</b>	58.4	122.0	<b>71.2</b>	7.6	11.9
Gross underwriting margin (%)	<b>14.0</b>	<b>15.5</b>	14.0	14.7	<b>16.0</b>		

- Premium revenue up 8.6% (or \$35.5m) reflecting policyholder growth, impact of 1 April 2009 premium rate increase and change in product mix
- Product buy-up during 1H10 estimated at \$2.0m premium revenue impact, with further migration activities occurring during 2H10, including February 2010 migration of 3,170 policies from closed products to higher value products
- Risk equalisation expense continues to increase at a faster rate than claims inflation, up 23.7% (or \$10.2m) compared to claims expense up 5.9% (or \$17.3m)
- 1H10 gross margin of 16.0% includes one-off benefit as part of transition from Loyalty Bonus to higher annual limits estimated at \$2.0 m or 0.4% gross margin
- 2H10 expected to return to more usual gross margin levels
- Target annual gross margin in order of 14-15%

# Operating Expenses (underwriting)



## Low 1H10 management expense levels

(\$m)	1H08*	1H09+	2H09+	FY09+	1H10	1H10 v 1H09	
						\$m fav/(unfav)	%
Employment	18.1	18.4	17.3	35.7	18.1	0.3	1.6
Marketing	8.1	8.5	8.7	17.2	7.7	0.8	9.4
IT	2.6	3.0	2.7	5.7	2.9	0.1	3.3
Occupancy	2.3	5.5	3.2	8.7	4.5	1.0	18.2
Other	6.8	7.4	7.1	14.5	7.5	(0.1)	(1.4)
<b>TOTAL</b>	<b>37.9</b>	<b>42.8</b>	39.0	81.8	<b>40.7</b>	2.1	4.9
<b>TOTAL MER (%)</b>	<b>10.2</b>	<b>10.4</b>	<b>9.3</b>	<b>9.9</b>	<b>9.1</b>		

\* Result was normalised to remove the impact of costs associated with nib's demutualisation and listing, and "notional" tax. + includes one-offs

- Employment costs down 1.6% as normal wages inflation more than offset by lower restructuring costs in 1H10 (\$0.2m compared to \$1.2m in 1H09) and productivity gains
- 1H10 marketing costs down 9.4% on 1H09 reflecting a realignment of investment timing
- A significant step up in marketing spend is occurring in 2H10 as market/economic conditions improve and we look to expand our national footprint
- Reduction in occupancy costs reflects combination of increased head office operating costs, offset by reconfiguration of retail network and lower head office impairment (\$1.0m compared to 1H09: \$1.7m)
- Continued automation, investment in technology, efficiency and other initiatives will also see a 2H10 step up in IT and Other costs
- 2H10 operating expenses forecast to be \$5-8m higher than 1H10

# Investment return



## Strong contributing factor in consolidated result

	1H08	1H09	1H10	1H10 vs 1H09	
				\$m	%
Net investment return (\$m)	11.9	(13.9)	33.6	47.5	341.7
Net percentage return* (%)	5.7	(6.5)	15.9		

\* Net percentage return annualised. Refer Appendix – Slide 26 for investment asset class allocation

- Portfolio returns of 15.9% annualised, as market conditions improve significantly
- Investment expenses for the period of \$0.6m
- Defensive/growth split of 80%/20% (1H09: 83%/17%) noting direct property being investment in Newcastle Private Hospital (NPH) now classified as defensive
- Actual return for the first six weeks of calendar year 2010 was 0.14%
- No additional exposure to growth assets in short/medium term other than as a result of market movements in existing investments

# Holding company and other subsidiary expenses



## Initiatives to reduce holding company costs paying off

(\$m)	1H09	1H10	1H10 vs 1H09	
			\$m fav/(unfav)	%
Share registry costs – ongoing	1.5	0.9	0.6	40.0
Share registry costs – one off	1.1	0.2	0.9	81.8
UMP Sale Facility – share registry	0.0	0.5	(0.5)	-
UMP Sale Facility – other	0.0	0.3	(0.3)	-
Due Diligence	1.3	0.0	1.3	100.0
Bid response	0.6	0.0	0.6	100.0
Other	1.2	1.4	(0.2)	(16.7)
<b>TOTAL</b>	<b>5.7</b>	<b>3.3</b>	<b>2.4</b>	<b>42.1</b>

- Decrease in holding company and other subsidiary expenses of \$2.4m largely reflecting:
  - Share registry costs – annualised savings of approximately \$0.5m due to UMP Sale Facility (undertaken in August 2009)
  - One off share registry costs include non recurring items (excluding UMP Sale Facility) such as shareholder verification, direct credit processing and replacement payment of dividends
  - Unmarketable sale facility costs of \$0.8m



# Profitability and performance metrics



Consolidated result due to strong underlying performance and significant investment returns

	1H08*	1H09	2H09	FY09	1H10
Pre-tax underwriting result (\$m)	<b>13.9</b>	<b>20.8</b>	19.4	40.2	<b>30.5</b>
Net underwriting margin (%)	<b>3.7</b>	<b>5.1</b>	4.6	4.8	<b>6.8</b>
Profit before tax (\$m)	<b>25.1</b>	<b>1.9</b>	29.7	31.6	<b>61.5</b>
NPAT (\$m)	<b>17.7</b>	<b>2.1</b>	21.7	23.8	<b>43.1</b>
EPS (cps)	<b>3.4</b>	<b>0.4</b>	4.4	4.7	<b>8.7</b>
ROE (%)	<b>9.1</b>	<b>2.9</b>	6.6	6.6	<b>18.0</b>
TSR (%) <sup>1</sup>	<b>660.9</b>	<b>65.7</b>	50.3	58.2	<b>115.6</b>

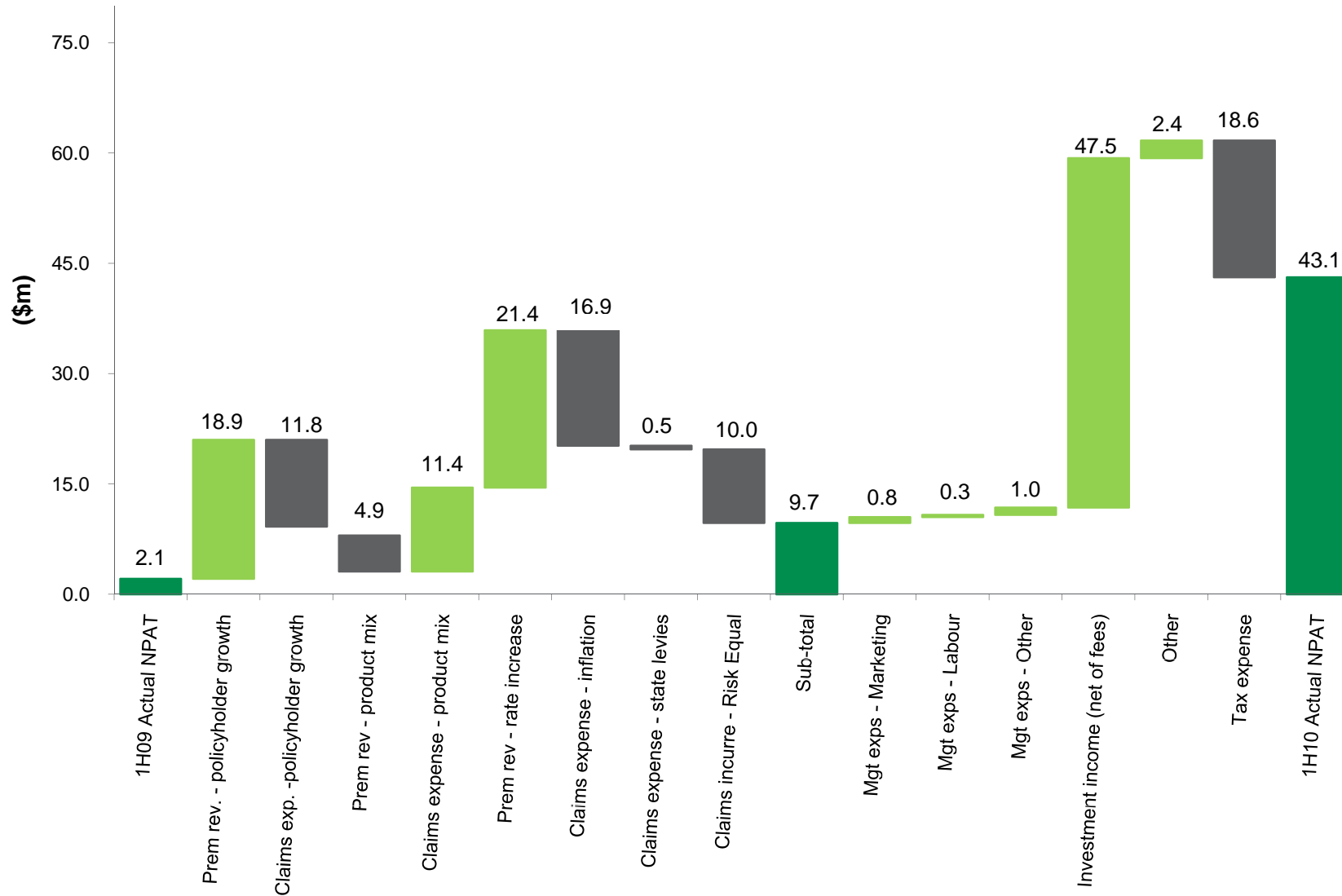
\* FY08 result was normalised to remove the impact of costs associated with nib's demutualisation and listing, and "notional" tax.

<sup>1</sup> TSR based on dividends reinvested.

- Net underwriting margin of 6.8% includes one off benefit in gross margin and low management expenses
- NPAT up on strong underwriting result and significantly improved investment performance
- ROE of 18.0% above 15% target on the back of investment returns (ROE of 11.9% if investment earnings normalised due to capital held)
- TSR of 115.6% vs ASX300 57.5%

# Summary of movement

30 June 2009 – 31 December 2009



# Capital management



	(\$m)
<b>Capital at 30 June 2009, above internal prudential target of 1.4X:</b>	<b>131.6</b>
On-market share buy back	(0.2)
2010 interim dividend	(9.9)
Changes in forecast, liabilities and reserves	(8.3)
Profit after tax	43.1
<b>Capital at 31 December 2009, above internal prudential target of 1.4X:</b>	<b>156.3</b>

- Reduced capital management activity in 1H10 with major initiatives being the completion of UMP Sale Facility (August 2009) and payment of final FY09 dividend (October 2009)
- Limited on-market share buy back activity during the period in light of market conditions
- Dividend policy will continue to be heavily influenced by franking credit availability. To the extent made possible by franking credits, the Board will release capital above internal target by way of special dividends
- Capital in excess of prudential target continues to largely be preserved for strategic investments

# Interim dividend



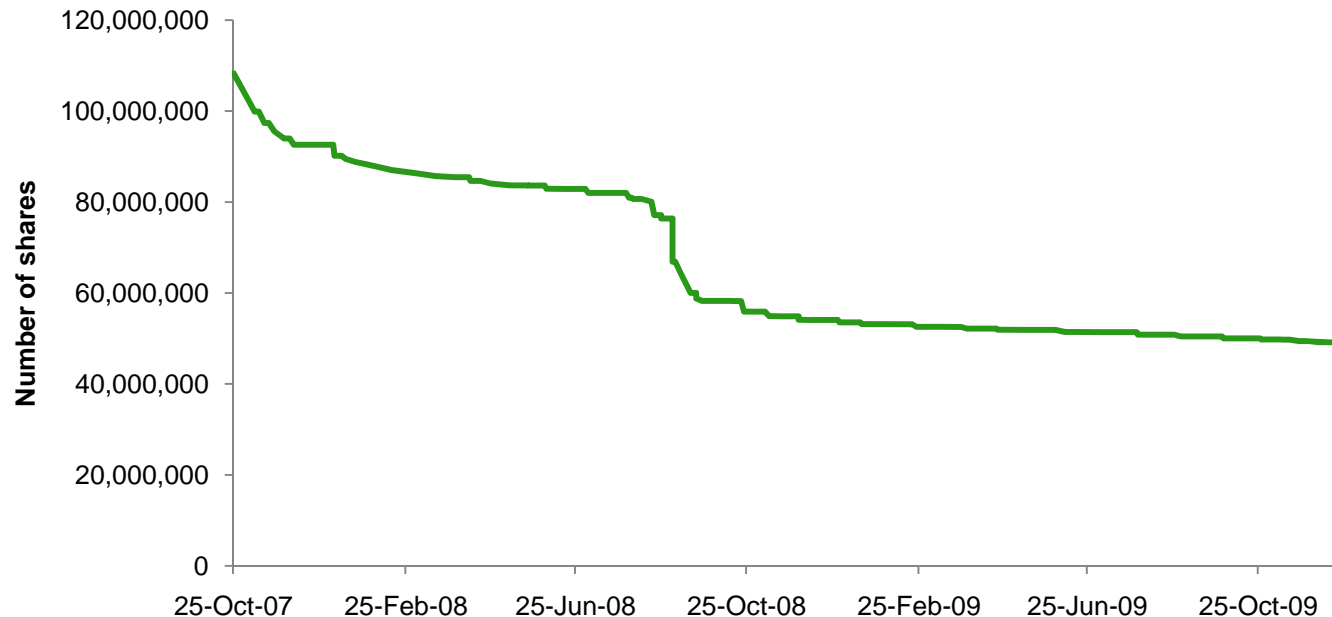
## Franking credits remain limiting factor

(cps)	FY08*	1H09*	2H09*	1H10
Dividend per share	2.1	3.0	4.4	2.0
- Ordinary dividend	2.1	1.0	1.4	2.0
- Special dividend	0.0	2.0	3.0	0.0

\* Estimated ordinary to special dividend breakdown

- Interim dividend of 2.0 cps fully franked (\$9.9m), reflects payout ratio of 23% of 1H10 NPAT
- Interim dividend contains no special dividend component (or capital management initiative) due to franking credit limitation
- Interim dividend of 2.0 cps is an increase over the estimated ordinary 1H09 interim dividend of 1.0 cps (1H09 interim dividend of 3.0cps of which 1.0 cps was estimated to be a normal dividend and 2.0 cps a capital management initiative)
- Current franking credit availability remains limiting factor in our ability to pay fully franked dividends and return capital by way of special dividend
- With franking credits reliant on taxable profit (not accounting profit), the impact of unrealised investment gains or losses is a key factor in determining availability of franking and significant unrealised losses in FY09 allowed a 155% dividend payout ratio (including special dividend). The reversal of this unrealised loss position in FY10 limits franking credit availability.
- Dividend policy will continue to reflect a payout ratio of fully franked dividends between 50-60% of earnings in addition to returning capital by way of dividends, subject to availability of full franking credits

# Overseas & Unverified Policyholders Trust



- Eligible policyholders are allocated shares out of the Trust by way of a verification process
- As at 31 December 2009, 55,488 eligible policyholders (representing 49m shares or 9.9% of ISC) remained unverified
- nib will be undertaking a number of initiatives in 2H10 to contact eligible policyholders (approximately 77% of eligible policyholders in Trust remain active nib health cover policyholders)
- On expiry (October 2010), the remaining shares will be cancelled (subject to shareholder approval at October 2010 AGM) or sold, with the Board recommendation/decision likely to be influenced by capital management requirements at the time

# Balance Sheet



Well positioned to pursue strategic investment opportunities

(\$m) At	31 Dec 08	30 June 09	31 Dec 09
<b>Current assets</b>			
Cash and cash equivalents	151.4	167.1	161.5
Financial assets at fair value through p&l	222.1	230.3	259.2
Other current assets	42.9	32.8	35.4
<b>Total current assets</b>	<b>416.4</b>	<b>430.2</b>	<b>456.1</b>
<b>Non-current assets</b>			
Available-for-sale financial assets	1.6	1.5	1.5
Investment properties	30.0	30.0	30.0
Property, plant and equipment and intangibles	55.1	54.7	55.0
Other non-current assets	25.2	20.1	11.5
<b>Total non-current assets</b>	<b>111.9</b>	<b>106.3</b>	<b>97.0</b>
<b>Total assets</b>	<b>528.3</b>	<b>536.5</b>	<b>553.1</b>
<b>Current liabilities</b>			
Outstanding claims liability	60.2	56.2	56.5
Unearned premium liability	41.8	49.9	46.4
Other current liabilities	67.5	67.7	66.0
<b>Total current liabilities</b>	<b>169.5</b>	<b>173.8</b>	<b>168.9</b>
<b>Non-current liabilities</b>	<b>0.7</b>	<b>0.8</b>	<b>0.9</b>
<b>Total liabilities</b>	<b>170.2</b>	<b>174.6</b>	<b>169.8</b>
<b>Net assets</b>	<b>358.1</b>	<b>361.9</b>	<b>383.3</b>

- OSC at \$56.5m is in line with 30 June 2009, reflecting maintained efficiency in claims processing and December seasonality
- Increase in net assets largely reflects increase in capital as a result of strong profitability

# Cash flow



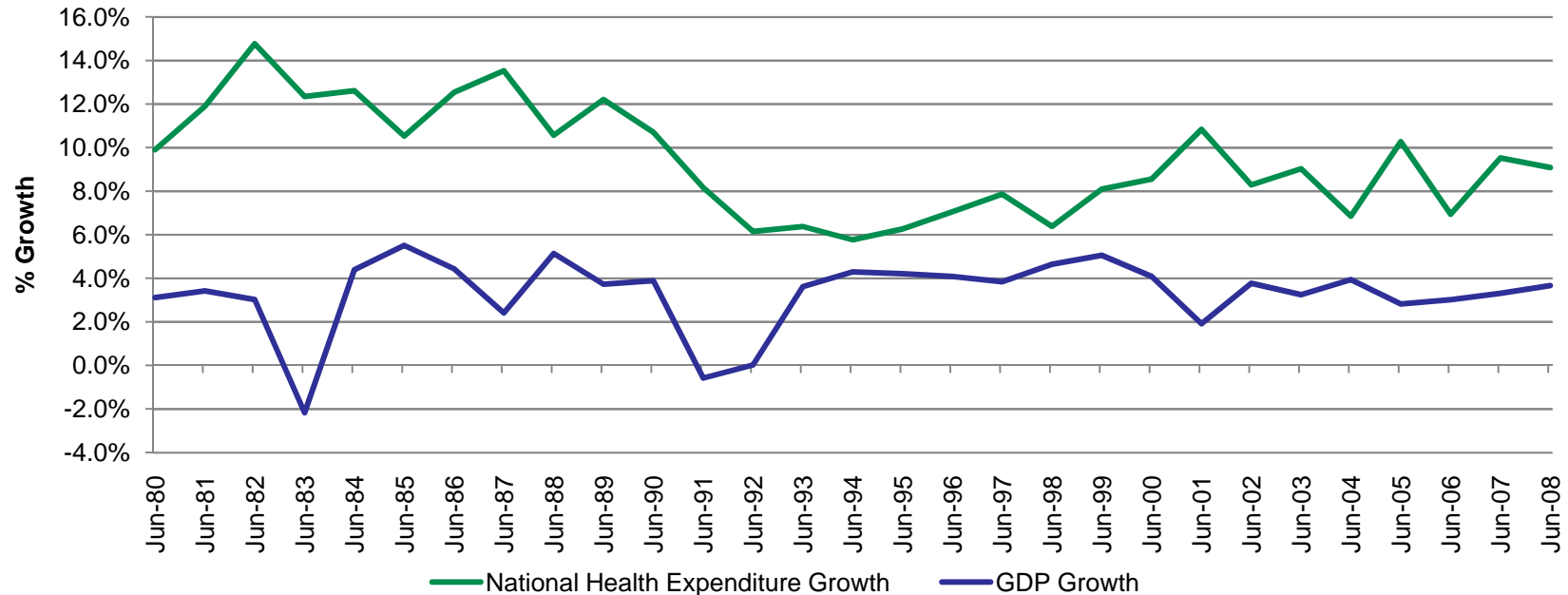
(\$m)	1H08	1H09	1H10	1H10 vs 1H09	
				\$m	%
Net cash inflow/(outflow) from operations	12.8	12.9	20.1	7.2	55.8
Net cash inflow/(outflow) from investing	(17.6)	(16.0)	(4.8)	11.2	(70.0)
Net cash inflow/(outflow) from financing	41.6	(25.7)	(21.9)	3.8	(14.7)

- Continued improvement in cash flow from operations
- Net cash outflow from investing significantly lower than prior periods following completion of head office building in December 2008
- \$21.9m cash outflow from financing included \$21.8m final FY09 dividend

# Market outlook



## Annual Growth in National Health Expenditure and GDP



- Health care spending continues to exceed GDP growth
- Intergenerational Report makes obvious the need for greater private sector financing of healthcare
- Expect system to grow 2-4% in FY10, with nib to do better
- Impact of any regulatory changes (means testing of 30% Private Health Insurance Rebate) likely to be moderate
- Future industry consolidation remains inevitable (albeit slow)
- Privatisation of Medibank Private?

SOURCE: ABS Ausstats AIHW & IGR 2010



# Business strategy



- Target <40's market segment, extend brand reach and improve retention to achieve above system organic growth
- Increase 'share of wallet' from customer base through policy 'buy up' and adjacent product offerings
- Maintain net underwriting margin in range of 5-6% with emphasis on reducing claims inflation
- Continue to explore M&A opportunities consistent with strategic and investment criteria
- Accelerate new product concepts and earnings streams
- Maintain ROE of at least 15% through double digit earnings growth, sound asset investment and capital management

# Key enterprise risks



- Market
  - Macro-economic environment
  - Heightened competitor activity
  - Claims inflation
- Sovereign
  - Premium pricing
  - 30% Private Health Insurance Rebate
  - National Health and Hospital Reform Commission
- Investment
  - Market volatility
  - Surplus capital and sub-optimal returns

# Summing up and guidance



- 1H10 a pleasing result with above system growth and improved underlying profitability and strong investment returns
- FY10 shaping up as a positive year:
  - Net policyholder growth between 4-6%
  - Planned increased spending on organic growth as well as other business improvement investments (full year net management expense ratio in range of 9.5-10%)
  - Net underwriting result of \$45-\$50m (net underwriting margin of 5-5.5%)
- We continue to identify M&A investment opportunities and engage in discussions. There are also good investment possibilities in new PHI businesses and earnings streams, such as overseas visitors and students
- In the absence of M&A opportunities coming to fruition the Board will consider more significant capital management initiatives to optimise nib's capital structure in the 2011 calendar year
- At macro economic level, future will unavoidably involve greater private funding of national healthcare spending

# Q+A

**QUESTIONS AND  
ANSWERS**

# APPENDIX



# Policyholder growth



## Sales and lapse

nib	1H08	FY08	1H09	FY09	1H10
Total policyholders	350,248	365,389	375,130	384,288	393,524
- Policyholder growth rate	6.5%	11.1%	2.7%	5.2%	2.4%
Total sales	32,831	67,456	24,740	50,438	25,142
- Sales rate	10.0%	20.5%	6.8%	13.8%	6.5%
Total lapses	11,367	30,851	14,999	31,539	15,906
- Lapse rate	3.5%	9.4%	4.1%	8.6%	4.1%
Net policyholders	21,464	36,605	9,741	18,899	9,236
Total hospital persons 20-39yrs	207,703	218,445	225,354	231,136	237,693
- Hospital persons growth rate 20-39yrs	10.4%	16.1%	3.2%	5.8%	2.8%
% of new sales new to category	80.4	78.2	72.1	67.4	64.1
% of new sales "under 40"	78.2	79.2	78.2	78.7	76.7
% of new sales online	37.5	38.8	38.0	36.2	33.2
% of new sales outside NSW/ACT	42.3	44.0	43.3	42.6	41.0

# Detailed income statement

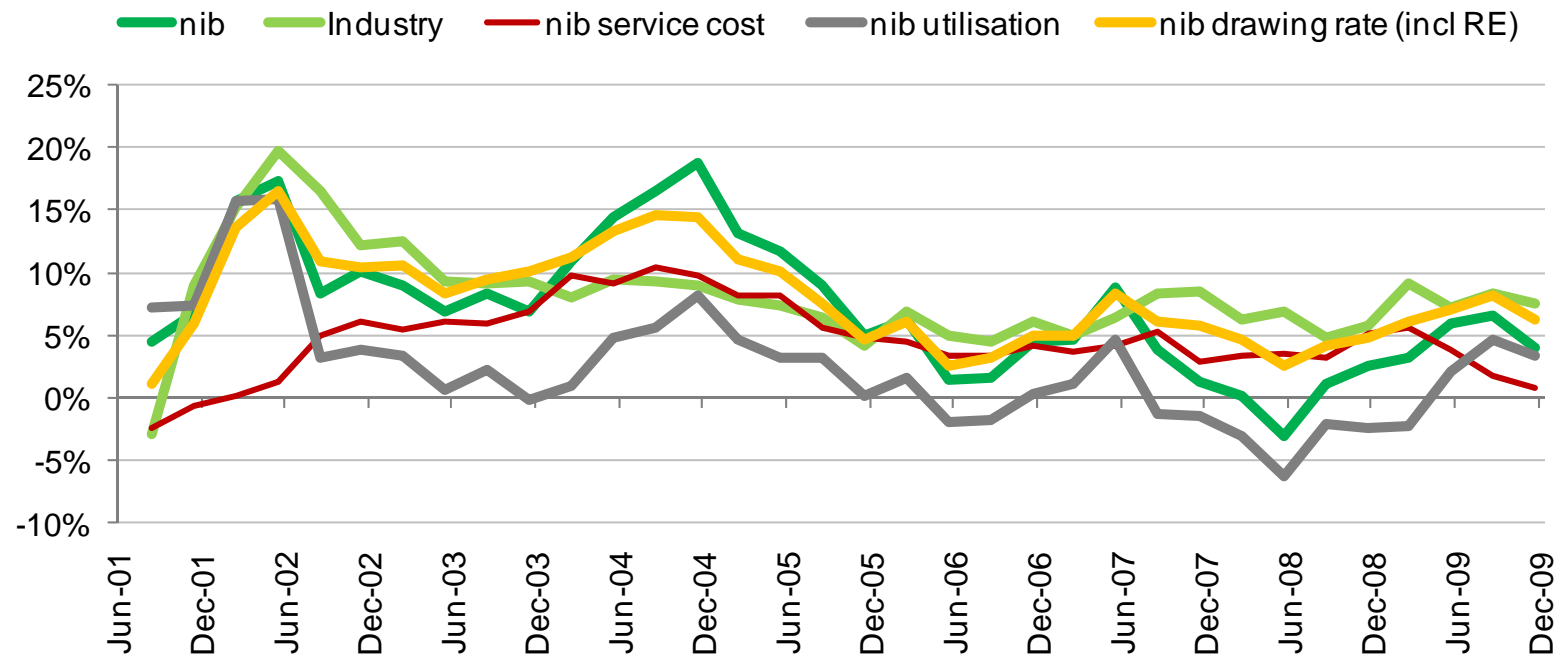


(\$m)	1H08	2H08	FY08	1H09	2H09	FY09	1H10	1H10 v 1H09 (%)
<b>Premium revenue</b>	<b>370.9</b>	<b>387.3</b>	<b>758.2</b>	<b>410.6</b>	<b>418.9</b>	<b>829.5</b>	<b>446.1</b>	<b>8.6</b>
<b>Claims expense</b>	<b>(271.8)</b>	<b>(279.5)</b>	<b>(551.3)</b>	<b>(293.4)</b>	<b>(306.5)</b>	<b>(599.9)</b>	<b>(310.7)</b>	<b>(5.9)</b>
- Hospital benefits paid	(176.9)	(180.8)	(357.7)	(201.1)	(199.4)	(400.4)	(215.5)	(7.2)
- Ancillary benefits paid	(90.8)	(97.3)	(188.1)	(96.3)	(108.6)	(204.9)	(96.8)	(0.4)
- OSC provision movement	(4.0)	(1.5)	(5.5)	3.9	1.5	5.4	1.6	59.0
<b>HBRTF/Risk equalisation levy</b>	<b>(37.8)</b>	<b>(38.0)</b>	<b>(75.8)</b>	<b>(43.1)</b>	<b>(43.3)</b>	<b>(86.4)</b>	<b>(53.3)</b>	<b>(23.7)</b>
- OSC Risk Equalisation margin	(3.0)	0.3	(2.7)	(1.9)	2.5	0.6	(2.1)	(10.5)
- Gross deficit	57.9	59.6	117.5	68.4	68.7	137.1	74.2	8.5
- Calculated deficit	(92.7)	(97.9)	(190.6)	(109.6)	(114.5)	(224.1)	(125.4)	(14.4)
<b>State levies</b>	<b>(9.6)</b>	<b>(10.3)</b>	<b>(19.9)</b>	<b>(10.5)</b>	<b>(10.7)</b>	<b>(21.2)</b>	<b>(10.9)</b>	<b>(3.8)</b>
<b>Net claims incurred</b>	<b>(319.1)</b>	<b>(327.9)</b>	<b>(647.0)</b>	<b>(347.0)</b>	<b>(360.5)</b>	<b>(707.5)</b>	<b>(374.9)</b>	<b>(8.0)</b>
<b>Gross underwriting result</b>	<b>51.8</b>	<b>59.4</b>	<b>111.2</b>	<b>63.6</b>	<b>58.4</b>	<b>122.0</b>	<b>71.2</b>	<b>11.9</b>
Gross underwriting margin (%)	14.0	15.3	14.7	15.5	14.0	14.7	16.0	-
<b>Management expenses</b>	<b>(37.9)</b>	<b>(40.3)</b>	<b>(78.2)</b>	<b>(42.8)</b>	<b>(39.0)</b>	<b>(81.8)</b>	<b>(40.7)</b>	<b>4.9</b>
Management expense ratio (%)	10.2	10.4	10.3	10.4	9.3	9.9	9.1	-
<b>Net underwriting result</b>	<b>13.9</b>	<b>19.0</b>	<b>33.0</b>	<b>20.8</b>	<b>19.4</b>	<b>40.2</b>	<b>30.5</b>	<b>46.6</b>
Net underwriting margin (%)	3.7	4.9	4.4	5.1	4.6	4.8	6.8	-

# Claims expense



## Hospital claims inflation



- Increasing utilisation reflects net policyholder growth of 4.9% for 12 months to 31 December 2009 versus 7.1% for 12 months to 31 December 2008. Full year net policyholder growth forecast of 4-6% (FY09: 5.2%) will see utilisation inflation stabilise in the short term.

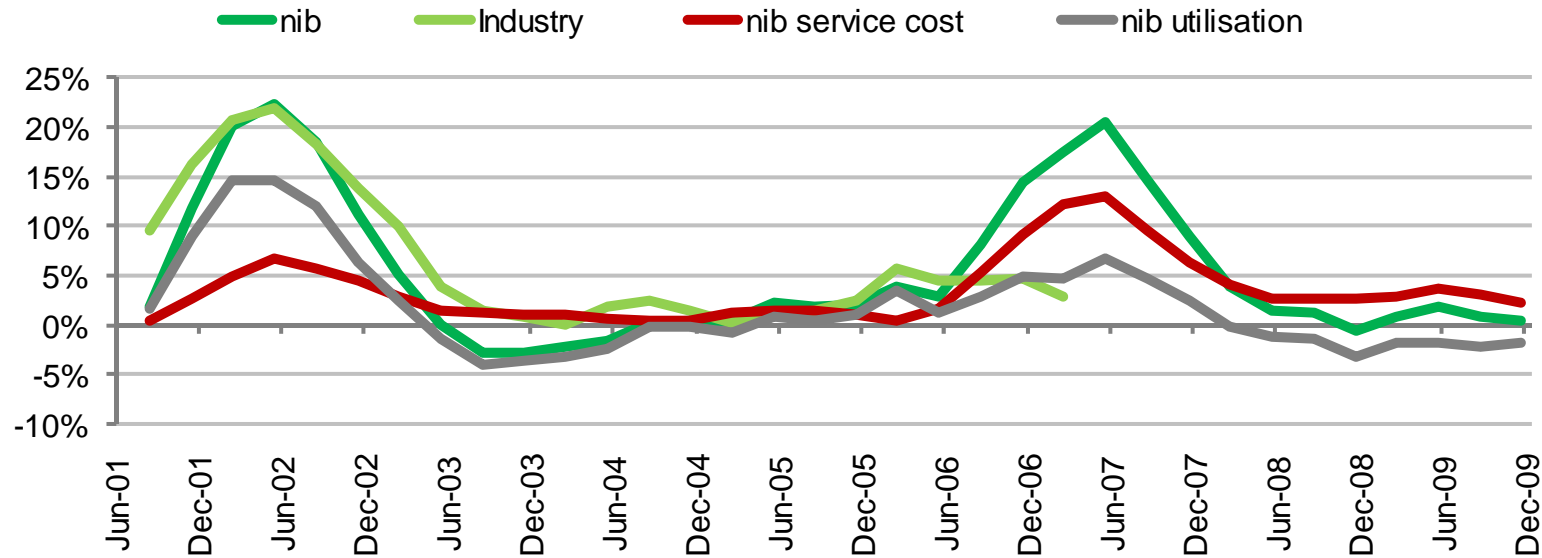
Source: PHIAC



# Claims expense



## Ancillary claims inflation



Note: industry data from 1 April 2007 is not comparable due to change in the way ancillary products are determined by PHIAC Source: PHIAC

# Investments



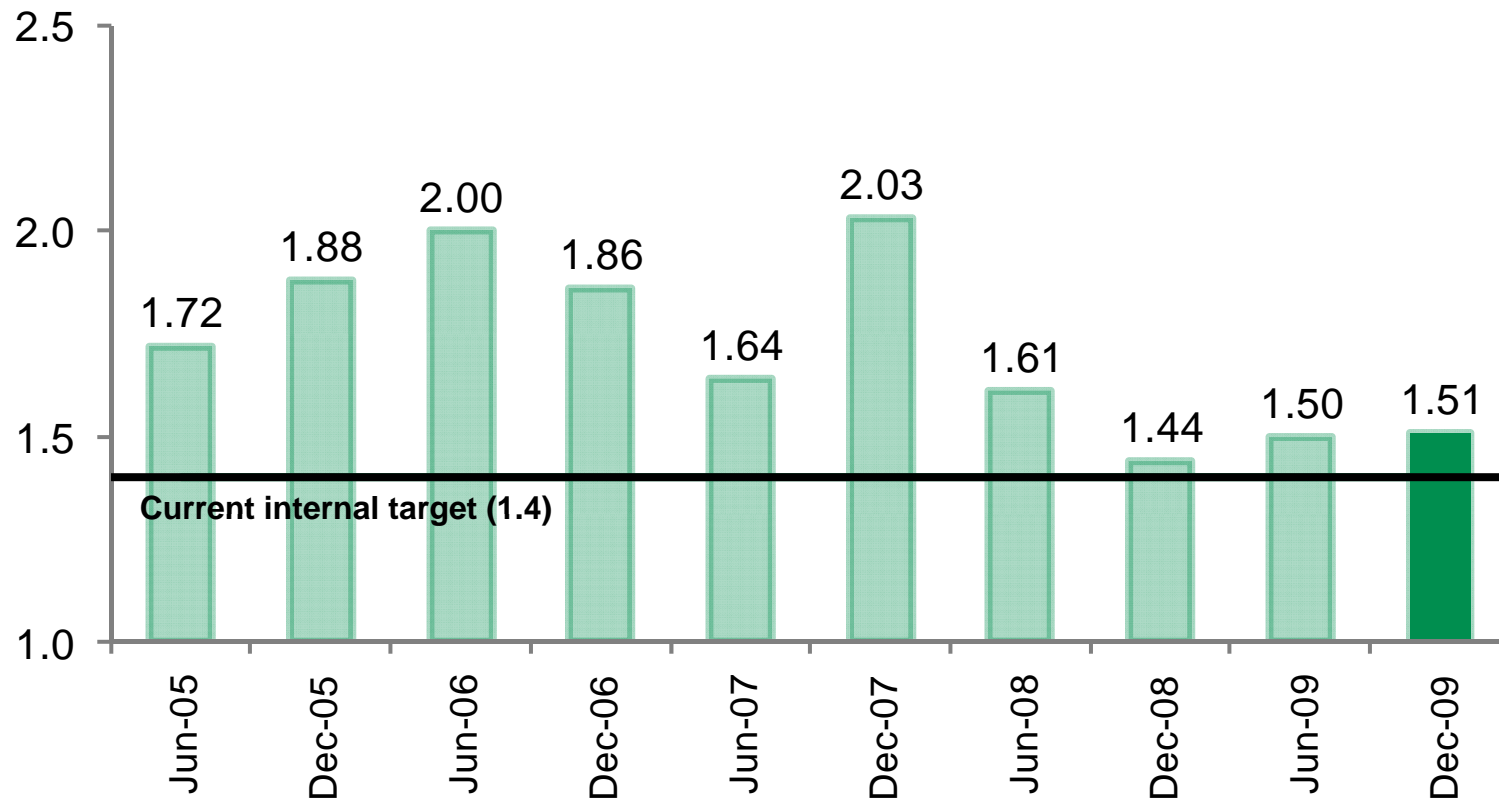
(%)	Annualised Investment Return		Investment Split	
	1H09	1H10	1H09	1H10
Cash	6.5	4.3	37.3	35.5
Australian fixed interest	22.5	7.2	23.2	21.5
O/s fixed interest	(10.8)	25.8	15.4	16.6
Direct property	5.9	5.9	7.4	6.7
Australian shares	(47.7)	64.3	6.8	8.1
O/s shares	(55.5)	56.0	6.0	7.0
Listed infrastructure <sup>1</sup>	(37.8)	44.5	3.2	3.5
Unlisted security <sup>2</sup>	1.3	1.6	0.3	0.3
Property trusts	(29.2)	(8.7)	0.4	0.2
<b>Total return</b>	<b>(6.5)</b>	<b>15.9</b>	<b>100.0</b>	<b>100.0</b>
<b>Total investment assets (\$m)</b>			<b>404.6</b>	<b>450.3</b>

<sup>1</sup> Inception date was April 2007; the 06/07 return is for the last quarter in FY06/07. <sup>2</sup> Inception date was May 2008; the 07/08 return is the monthly return for May 2008.

# Capital adequacy



Capital adequacy multiple remains strong

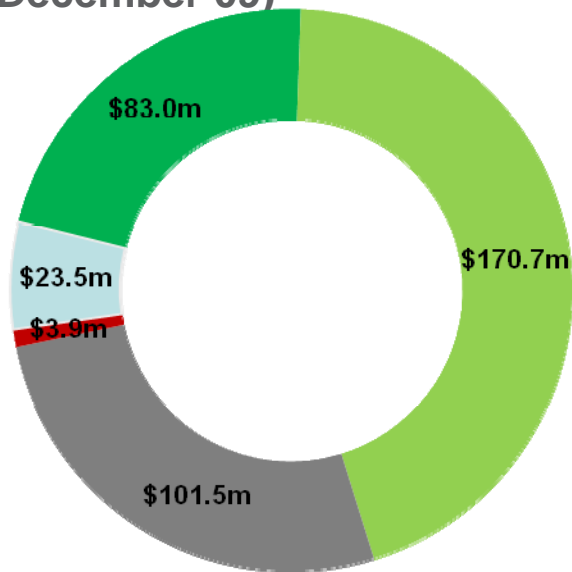


# Regulatory capital requirements



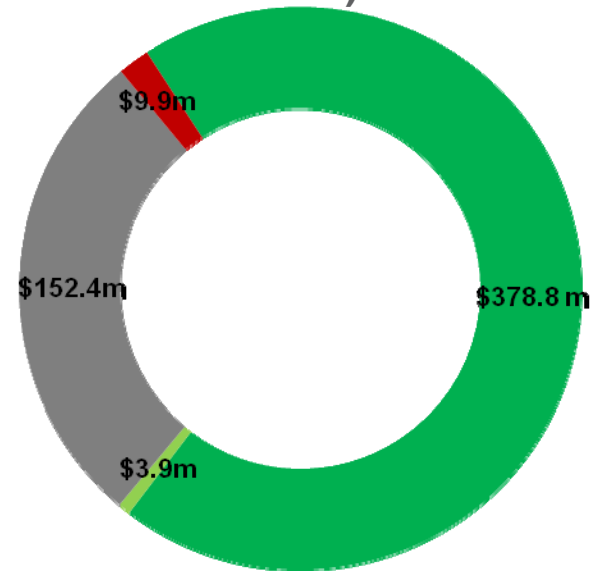
\$156.3m of surplus capital above internal target after allowing for interim dividend

Health Fund (HF) capital  
(at 31 December 09)



- Cap ad reserve
- Health fund liabilities
- Capital to reach internal target
- Surplus capital
- Seasonal variance

Group capital allocation  
(at 31 December 09)



- Health fund capital required
  - Health fund surplus capital
  - Holdings surplus capital
  - Interim Dividend
- Total surplus capital \$156.3m

# Financial results – underlying results



Net underwriting result of \$30.5m, up \$9.7m or 46.6% on 1H09

- Underlying results split out investment income between:
  - Normalised investment income for 1H10– calculated on the basis of a 5.5% (1H08: 6.0%) assumed return over average investment assets for the period
  - Investment experience – difference between actual and underlying Investment income

Normalised earnings (\$m)	1H10	1H09	% Change
Premium revenue	446.1	410.6	8.6
Claims expense	(310.7)	(293.4)	(5.9)
HBRTF/RETF Levy	(53.3)	(43.1)	(23.7)
State levies	(10.9)	(10.5)	(3.8)
Net claims incurred	(374.9)	(347.0)	(8.0)
<b>Gross underwriting result</b>	<b>71.2</b>	<b>63.6</b>	<b>11.9</b>
Management expenses	(40.7)	(42.8)	4.9
<b>Net underwriting result</b>	<b>30.5</b>	<b>20.8</b>	<b>46.6</b>
Normalised Investment income <sup>1</sup>	11.3	13.5	(16.3)
Other income	0.7	0.7	
Other expenses	(3.3)	(5.7)	
<b>Underlying profit before tax</b>	<b>39.2</b>	<b>29.3</b>	
Tax	(11.5)	(8.0)	
<b>Underlying profit after tax</b>	<b>27.7</b>	<b>21.3</b>	
Inv experience (after tax)	15.4	(19.2)	
<b>Profit after tax</b>	<b>43.1</b>	<b>2.1</b>	

Performance indicators – normalised (%)	1H10	1H09
Gross margin	16.0	15.5
Management expense ratio	9.1	10.4
<b>Net margin</b>	<b>6.8</b>	<b>5.1</b>
Underlying investment return	5.5	6.0
EPS (cps)	8.7	0.4
EPS – underlying (cps)	5.6	4.6
ROE <sup>(2)</sup>	18	2.9
ROE – underlying <sup>(2)</sup>	11.9	11.4

(1) Net of fees. (2) Rolling 12 months, using average shareholder equity and NPAT for rolling 12 month period.

# Data sheet – nib



nib	FY05	FY06	1H07	FY07	1H08	FY08	1H09	FY09	1H10
Total policyholders	290,940	302,299	312,315	328,784	350,248	365,389	375,130	384,288	393,524
- Policyholder growth	4.2%	3.9%	3.3%	8.8%	6.5%	11.1%	2.7%	5.2%	2.4%
- Market share	6.2%	6.3%	6.4%	6.6%	6.9%	7.0%	7.1%	7.1%	7.2%
Persons covered	622,298	640,178	656,867	681,013	716,656	732,930	748,673	761,753	776,626
Avg age of hospital persons covered (yrs)	35.8	36.2	36.1	36.1	36.0	36.0	36.1	36.1	36.1
Total policyholders “under 40”	117,206	122,459	128,733	140,084	155,016	166,963	173,014	179,019	184,119
Growth in “under 40” segment	4.0%	4.5%	5.1%	14.4%	10.7%	19.2%	3.6%	7.2%	2.8%
Total hospital persons “20-39”	162,009	167,372	175,762	188,155	207,703	218,445	225,354	231,136	237,693
-Growth in hospital persons “20-39”	3.3%	3.3%	5.0%	12.4%	10.4%	16.0%	3.2%	5.8%	2.8%
- Market share	8.1%	8.2%	8.3%	8.7%	9.2%	9.5%	9.6%	9.8%	10.1%
Retail Centres (across Australia)	37	34	32	32	30	25	21	21 <sup>2</sup>	18 <sup>2</sup>
Employees (FTEs)	472	481	483	506	484	478	422	458	448

Source: nib / PHIAC data as at December 2009. <sup>2</sup> Includes nib Retail and Sales Centres

# Data sheet – PHI industry



## By financial year intervals

	FY05	FY06	FY07	FY08	FY09
<b>PHI industry</b>					
Total Policyholders	4,708,420	4,806,754	5,008,329	5,219,567	5,390,739
- Policyholder growth	0.8%	2.1%	4.2%	4.2%	3.3%
Persons Covered	9,999,253	10,189,552	10,561,848	10,942,616	11,257,885
Average Age of Hospital Persons (yrs)	39.5	39.8	39.9	39.8	40.0
Total Hospital Persons "20-39"	1,996,345	2,047,020	2,159,587	2,309,302	2,359,022
- Growth in Hospital persons "20-39"	0.5%	2.5%	5.5%	6.9%	2.2%

## By half year intervals

	1H06	1H07	1H08	1H09	1H10
<b>PHI industry</b>					
Total Policyholders	4,756,255	4,883,236	5,111,415	5,302,576	5,455,611
- Policyholder growth	1.0%	1.6%	2.1%	1.6%	1.2%
Persons Covered	10,115,470	10,358,174	10,771,639	11,117,461	11,404,872
Average Age of Hospital Persons (yrs)	39.6	39.8	39.8	39.9	40.1
Total Hospital Persons "20-39"	2,037,602	2,109,533	2,257,637	2,344,085	2,386,989
- Growth in Hospital persons "20-39"	2.1%	3.1%	4.5%	1.5%	1.2%

Source: PHIAC data as at December 2009

# Disclaimer



The material in this presentation is a summary of the results of nib holdings limited (nib) for the six months ended 31 December 2009 and an update on nib's activities and is current at the date of preparation, 22 February 2010. Further details are provided in the Company's half year accounts and results announcement released on 22 February 2010.

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**HALF YEAR RESULTS  
ANNOUNCEMENT**

**2010**

**22 FEBRUARY**