

4 September 2008

Companies Announcement Office  
Australian Securities Exchange  
20 Bridge Street  
SYDNEY NSW 2000

**Appendix 4E – Preliminary Final Report 30 June 2008 – correction to pages 19 and 43**

nib holdings limited advises that 3 typographical errors have been identified in the Appendix 4E released on Friday 29 August 2008. Revised pages 19 and 43 with the corrections highlighted are attached.

nib holdings limited apologises for any inconvenience this has caused.

**Michelle McPherson**  
**Company Secretary**  
**nib holdings limited**

**nib holdings limited**  
**Directors' report (continued)**

**Remuneration report (continued)**

**C Service agreements (continued)**

*Retention Payments and Transaction Bonuses (continued)*

- One share granted for every eight shares held in escrow if TSR at the end of the three year period equals or exceeds the ASX small ordinaries index median.

The executive is relieved of the escrow arrangement and able to divest shares without any additional share entitlement upon termination of employment.

**D Details of Remuneration – cash bonuses**

Included in the table below are details of the accruals as at 30 June 2008 in respect of the normal short term incentive (STI) payment for each executive.

Each executive has a target STI opportunity depending on the accountabilities of the role and impact on the organisation or business performance.

For the year ended 30 June 2008, one third of the STI entitlement is linked to an assessment of personal competency and two thirds linked to specific pre-determined performance targets (KPIs). The specific KPIs linked to the STI plan and their respective weighting (within the two thirds) were based on group objectives being:

- Policyholder growth 30%
- Normalised consolidated profit 50%
- Normalised consolidated management expense ratio 10%
- Gross margin 10%

For the MD/CEO and other executives the maximum target bonus opportunity is 50% (with 30% of entitlement to be awarded as performance shares to be held in escrow for one year) and 40% of the remuneration package, respectively.

Included in the financial statements for the year ended 30 June 2008 is a provision equal to 30% of each executives' remuneration package, which was based on a preliminary assessment of performance against the KPI criteria. The final bonus amount is subject to determination by the nomination and remuneration committee.

Actual bonuses are paid on or around 15 September each year in respect of the year ended 30 June once the financial statements are finalised. The maximum bonuses attainable and actual bonuses provided are as follows:

	<b>Remuneration Package including \$</b>	<b>STI Maximum Bonus \$</b>	<b>STI Bonus Provided \$</b>	<b>STI Bonus Provided %</b>	<b>STI Bonus expected to be forfeited %</b>
Mark Fitzgibbon	500,000	250,000	150,000	60%	40%
Jayne Drinkwater	258,000	103,200	77,400	75%	25%
Melanie Kneale	325,000	59,672	44,754	75%	25%
David Lethbridge	238,000	95,200	71,400	75%	25%
Michelle McPherson	343,000	137,200	102,900	75%	25%
	1,664,000	645,272	446,454	69%	31%

**E Share-based compensation**

*Performance rights*

Performance rights to acquire shares in nib holdings limited are granted under the Long Term Incentive Plan ("LTIP"). The LTIP is designed to align the interests of executives and senior management and shareholders and to assist nib in the attraction, motivation and retention of executives. Under the LTIP participants are granted performance rights which vest only if

**nib holdings limited**  
**Cash flow statements**  
**For the year ended 30 June 2008**

	Notes	Consolidated		Parent entity	
		2008 \$000	2007 \$000	2008 \$000	2007 \$000
<b>Cash flows from operating activities</b>					
Receipts from policyholders and customers (inclusive of goods and services tax)		766,039	719,419	1,083	-
Payments to policyholders, suppliers and employees - ongoing (inclusive of goods and services tax)		(718,916)	(670,760)	(26,952)	-
Payments to policyholders, suppliers and employees - donation to nib foundation (inclusive of goods and services tax)		(25,000)	-	(25,000)	-
Payments to suppliers and employees - demutualisation and listing costs (inclusive of goods and services tax)		(20,962)	(2,953)	(8,786)	-
		1,161	45,706	(34,655)	-
Dividends received		-	-	95,500	-
Interest received		7,565	1,390	1,737	-
Distributions received		44,500	20,820	4,525	-
Interest paid		(2)	(29)	-	-
<b>Net cash inflow (outflow) from operating activities</b>	34(b)	<b>53,224</b>	<b>67,887</b>	<b>67,107</b>	-
<b>Cash flows from investing activities</b>					
Proceeds from sale of available-for-sale investment properties		1,712	479	-	-
Proceeds from disposal of other financial assets at fair value through the profit and loss		142,225	105,716	-	-
Payments for other financial assets at fair value through the profit and loss		(54,013)	(164,644)	(93,851)	-
Payments for available-for-sale financial assets		(1,500)	-	-	-
Payments for property, plant and equipment and intangibles	17,18	(23,616)	(11,682)	-	-
Proceeds from sale of property, plant and equipment and intangibles		215	80	-	-
Proceeds from sale of subsidiary, net of cash disposed	44(i)(d)	768	8,997	-	-
Proceeds from sale of Eye Care and Dental businesses	44(ii)(d)	250	325	-	-
Loans to related parties		-	-	(2,465)	-
<b>Net cash (outflow) inflow from investing activities</b>		<b>66,041</b>	<b>(60,729)</b>	<b>(96,316)</b>	-
<b>Cash flows from financing activities</b>					
Proceeds from issues of shares and other equity securities		50,000	-	50,000	-
Share issue and transaction costs		(8,419)	-	(8,419)	-
Proceeds from finance lease		149	177	-	-
<b>Net cash inflow from financing activities</b>		<b>41,730</b>	<b>177</b>	<b>41,581</b>	-
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>160,995</b>	<b>7,335</b>	<b>12,372</b>	-
Cash and cash equivalents at beginning of the financial year	34(a)	16,139	8,804	-	-
<b>Cash and cash equivalents at end of year</b>	34(a)	<b>177,134</b>	<b>16,139</b>	<b>12,372</b>	-

The above cash flow statements should be read in conjunction with the accompanying notes.