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7 September 2015

The Manager
Company Announcements
Australia Securities Exchange Limited
Level 4, Bridge Street
SYDNEY NSW 2000

FY15 Results Investor Roadshow Presentation

Attached is the presentation nib will be using as part of its FY15 Results Investor Roadshows during September.

For the sake of clarity and completeness this presentation consolidates the additional detail in relation to FY16 guidance provided as a separate ASX announcement on 24 August 2015 into the 2015 Full Year Results Investor Presentation and provides some additional detail in respect of component businesses of the nib Group (see in particular slide 23).

This presentation is the 2015 Full Year Results Investor Presentation released on 24 August 2015, excluding the Appendix, with an update to the first bullet point on slide 20 (International & Complementary Business Outlook) and an expanded slide 23 (FY16 Guidance & Outlook).

Yours sincerely

M McPherson

Michelle McPherson
Company Secretary/Chief Financial Officer

nib 2015 FULL YEAR RESULTS

Investor Roadshow Presentation*

September 2015

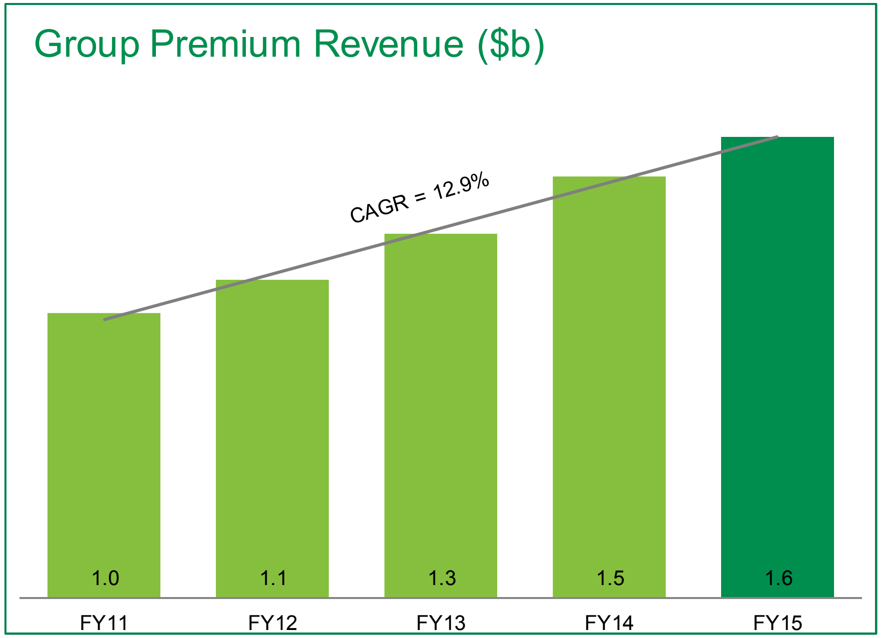
* Comprises the 2015 Full Year Results Investor Presentation released on 24 August 2015, excluding the Appendix, with an update to the first bullet point on slide 20 (International & Complementary Business Outlook) and an expanded slide 23 (FY16 Guidance & Outlook).

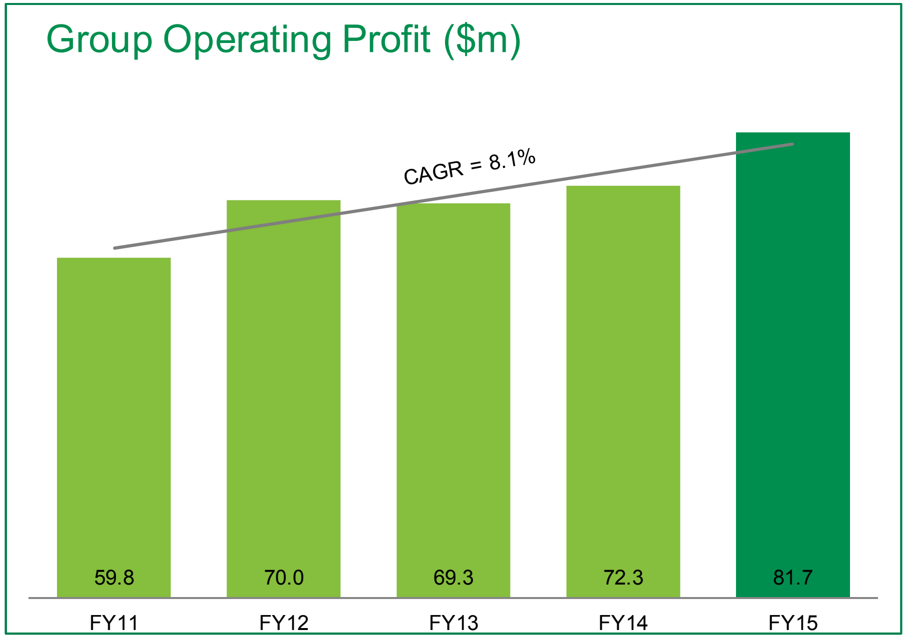
Any discrepancies between totals and sums of components in this publication are due to rounding
All figures quoted are Australian dollars unless otherwise stated

GROUP SUMMARY

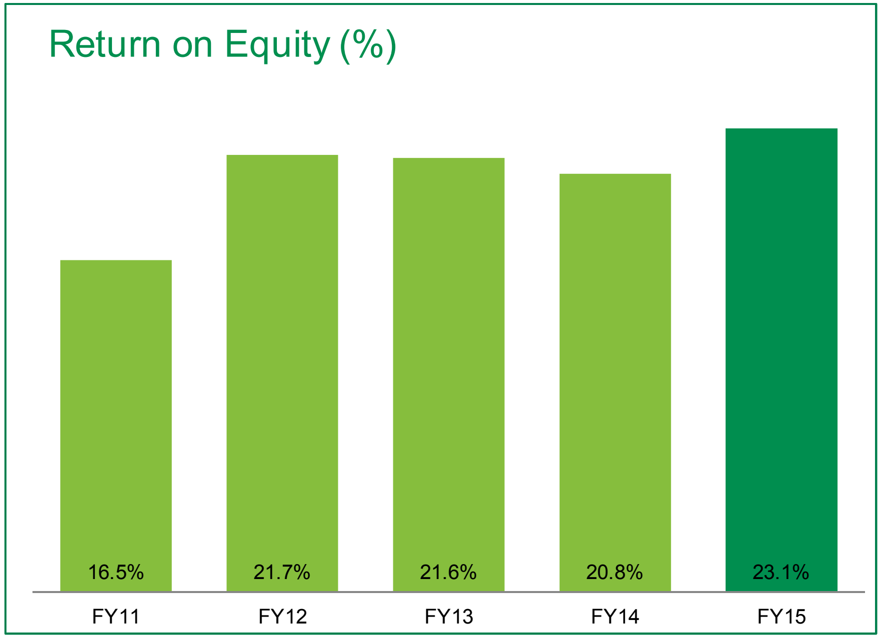
- Group operating profit up 13.0% to $81.7m (FY14: $72.3m).
- Group premium revenue up 9.6% to $1.6b (FY14: $1.5b).
- Australian Resident Health Insurance (arhi) operating profit up 26.0% to $71.8m
  - Net policyholders grew 4.7% (FY14: 3.1%) versus industry 2.5%.
  - Premium revenue grew 8.8% to $1.4b (FY14: $1.3b) versus industry 7.3%.
  - Net underwriting margin of 5.0% (FY14: 4.2%) versus industry 4.4%.
- Non-arhi accounted for 12.1% of operating profit (FY14: 21.1%).
  - International (Inbound) Health Insurance (students and workers) combined operating profit up 4.0% to $11.8m (FY14: $11.3m).
  - nib New Zealand (nibnz) operating profit down to $5.4m (FY14: $7.4m) hampered by legacy Premium Payback (PPB) product liability and one-off costs. Net policyholders grew 5.9% (FY14:-0.1%).
  - Other insurance commissions (non-underwritten) of $2.4m (FY14: $2.2m).
  - nib Options net operating loss of $3.8m (FY14:-$2.5m).
- Net investment income up 5.8% to $31.4m (FY14: $29.7m).
  - Includes profit on sale of holding in Pacific Smiles Group ($5.4m).
- NPAT up 7.9% to $75.3m (FY14: $69.8m).
- EPS up 8.8% to 17.3cps (FY14: 15.9cps). ROE of 23.1% (FY14: 20.8%).
- Full year fully franked ordinary dividend of 11.5cps (FY14: 11.0cps), interim 5.5cps, final 6.0cps. Full year dividend represents payout ratio of 67% of NPAT.
- Acquisition of travel insurance provider World Nomads Group (WNG), announced on 8 July 2015 with completion on 31 July 2015.

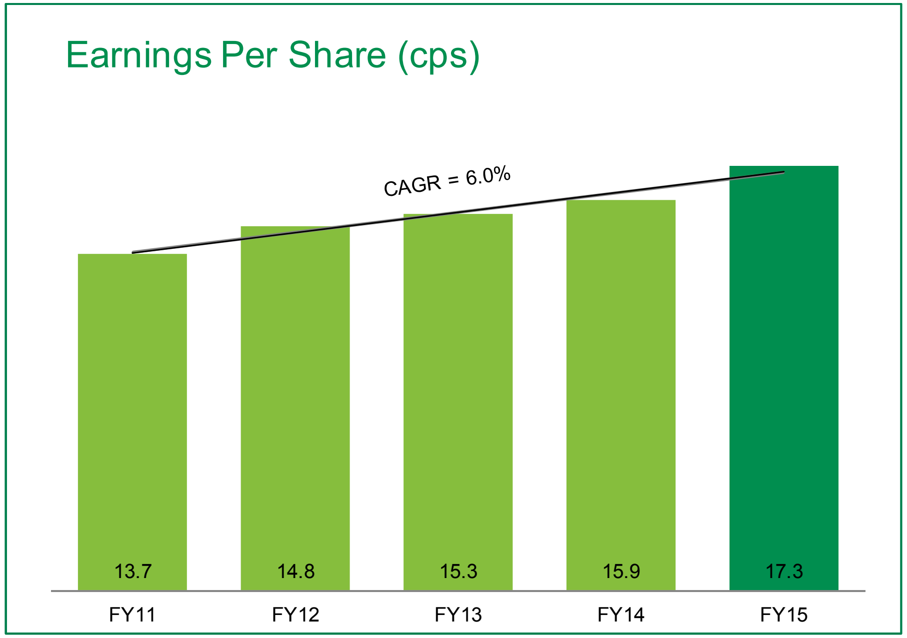
PERFORMANCE METRICS





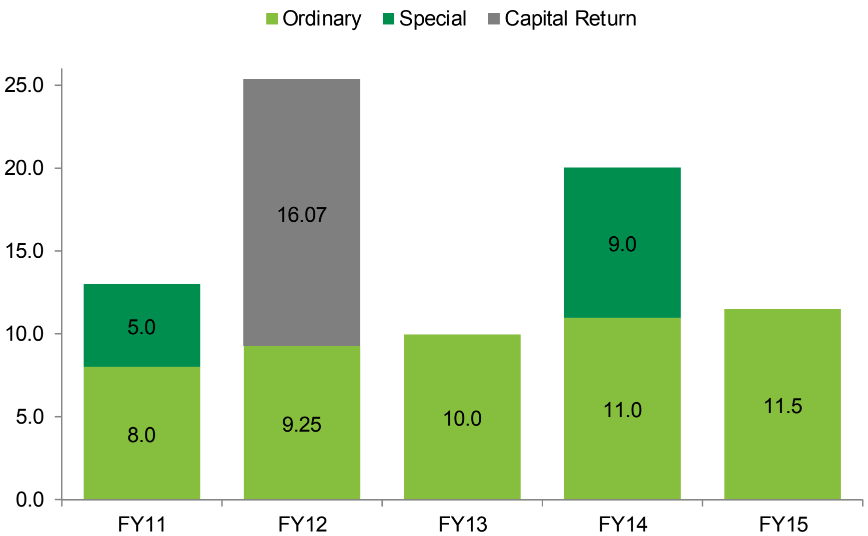
PERFORMANCE METRICS



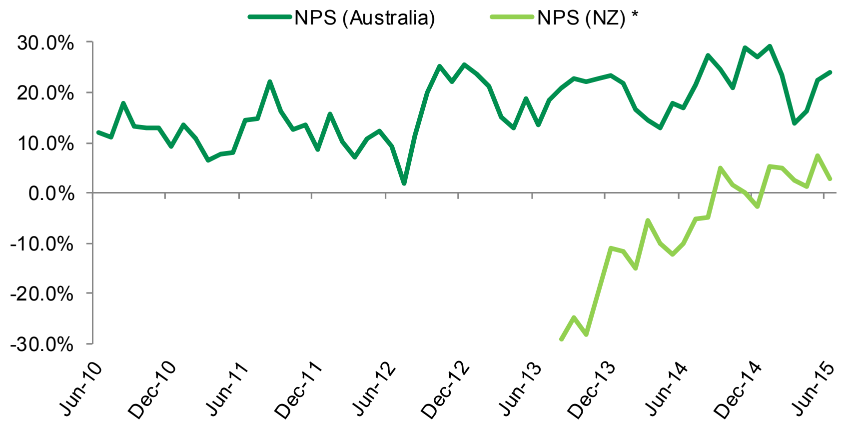


PERFORMANCE METRICS

Dividends (cps)



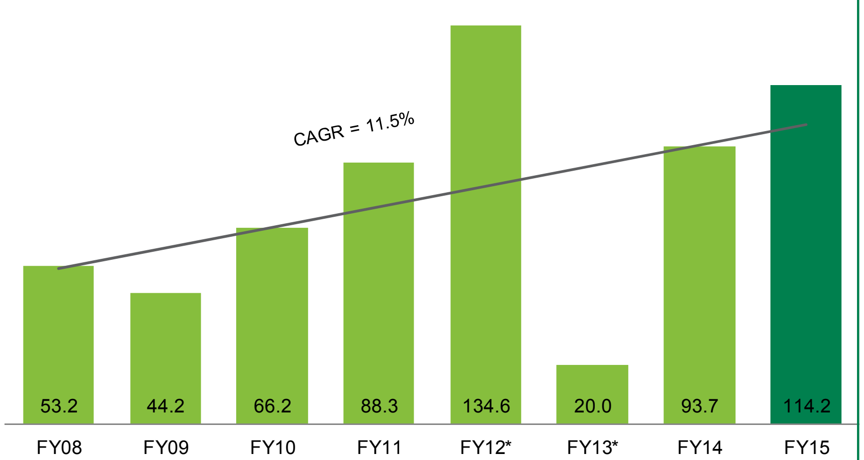
Net Promoter Score*



** nib New Zealand acquired in November 2012, with NPS reporting commencing August 2013*

PERFORMANCE METRICS

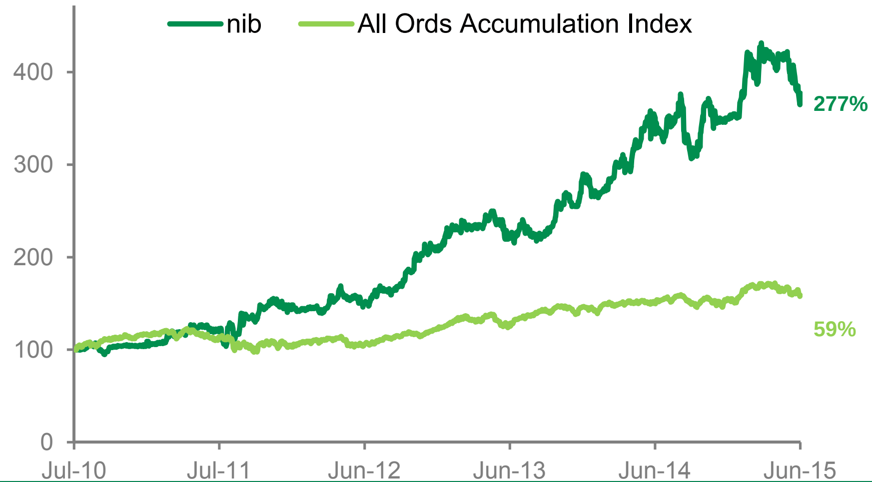
Net operating cash flow ($m)



*FY12 and FY13 impacted by FY12 premium pre-payments due to income testing of Government Rebate for up to 13 months.

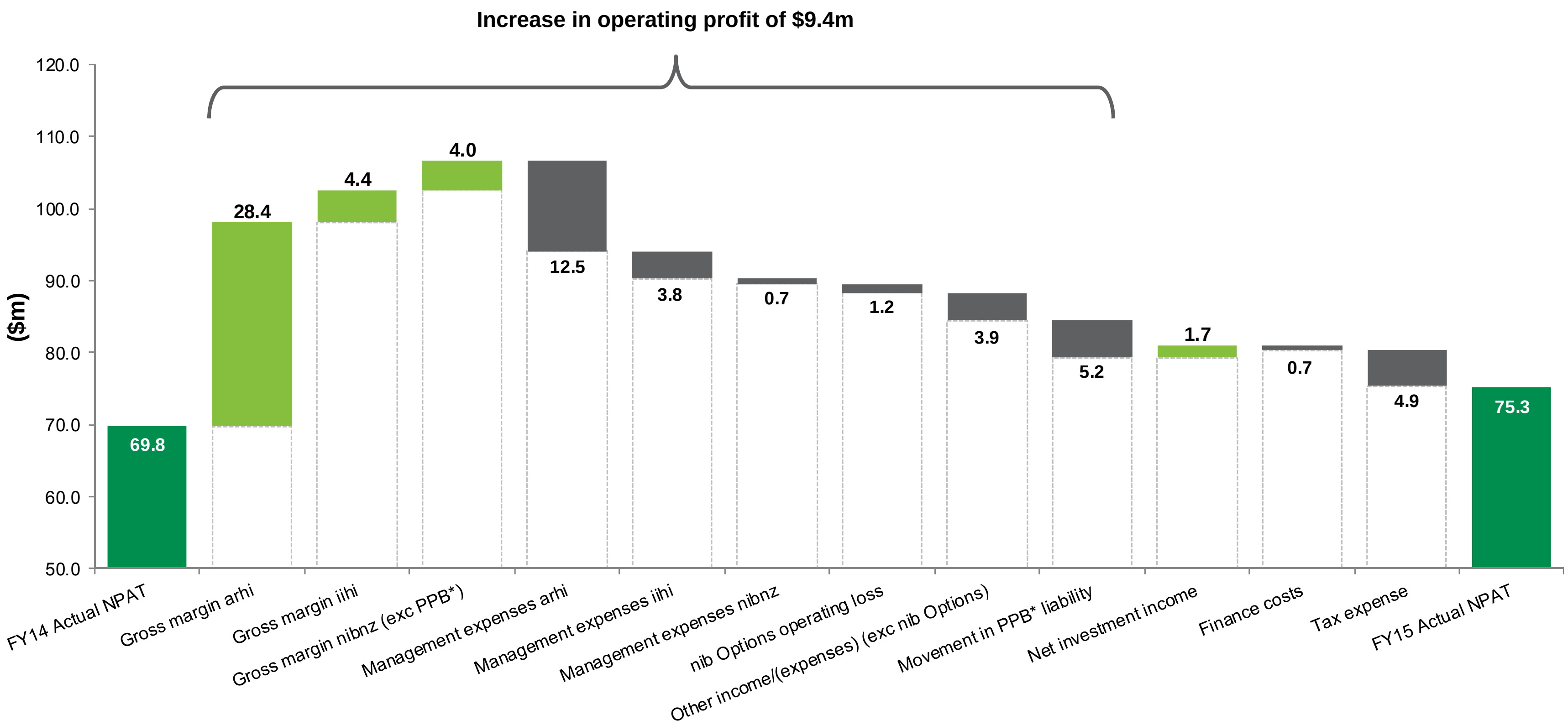
Total Shareholder Return (%)

nib delivered a ~7.6% total shareholder return in FY15 versus ~5.7% for the All Ords Index.



Total shareholder return (rebased to 100)
Source: IRESS (as at 30 June 2015)
Assumes capital returns and dividends are re-invested at payment date

NPAT SUMMARY



- Group operating profit up 13.0% to $81.7m has underpinned 7.9% increase in NPAT to $75.3m.
- Tax expense impacted by one-off non-deductible items, most notably write-back of nib Options unrecognised tax losses.

** PPB – Premium Payback product*

arhi = Australian Resident Health Insurance, iihi = International (Inbound) Health Insurance , nibnz = nib New Zealand

nib arhi KEY METRICS

	FY15	FY14	Change*
Total policyholders	509,897	486,794	4.7%
- Net policyholder growth (%)	4.7	3.1	*1.7%*
Net new policyholders	23,103	14,530	59.0%
Total customers (persons covered)	1,001,368	959,974	4.3%
Total sales	89,095	71,060	25.4%
- Sales rate (%)	18.3	15.0	*3.3%*
- Sales new to category (%)	40.3	49.3	*(9.0)%*
- Sales under 40 years of age (%)	46.1	53.7	*(7.6)%*
- Sales over 55 years of age (%)	31.3	21.9	*9.4%*
- Sales nib direct (%)	58.4	69.0	*(10.6)%*
- Sales broker (%)	41.6	31.0	*10.6%*
- Sales outside NSW/ACT (%)	58.5	56.1	*2.5%*
Total lapses	65,992	56,530	16.7%
- Lapse rate (%)	13.6	12.0	*(1.6)%*

** Change is percentage increase or (decrease), FY14 to FY15,* where results are a percentage, the change shown is difference between two results

- Very strong policyholder growth, surpassing 1m customers covered.
- FY15 industry growth rate of 2.5% (nib: 4.7%), with nib accounting for 14.6% of industry growth.
- Deliberate higher use of retail brokers has supported strong growth in attractive Virgin Silver segment.
- Focus on optimising acquisition costs across channels drives sales mix.
- Lapse rate linked to achieving a higher than average industry average growth rate. Customers who lapse within first 12 months accounted for 24.3% of total lapse result (FY12: 21.7%). Continued trend of higher lapse rates in under 40 segment.
- API per new policyholder up 6.8% to $2,502 (FY14: $2,343).

arhi = Australian Resident Health Insurance

arhi KEY METRICS

($m)	FY15	FY14	Change*
Premium revenue	**1,429.5**	1,314.5	8.8%
- % of total Group	***87.4%***	*88.1%*	*(0.7)%*
Claims (including state levies, excluding risk equalisation)	**(1,053.4)**	(961.7)	9.5%
Risk equalisation	**(185.5)**	(190.6)	(2.7)%
Claims including risk equalisation	**(1,238.9)**	(1,152.3)	7.5%
Gross underwriting result	**190.6**	162.2	17.5%
- Gross margin (%)	***13.3%***	*12.3%*	*1.0%*
Management expenses	**(118.9)**	(106.4)	11.8%
- MER (%)	***8.3%***	*8.1%*	*0.2%*
Net underwriting result	**71.7**	55.8	28.5%
- Net margin (%)	***5.0%***	*4.2%*	*0.8%*
Other income/expenses	**0.1**	1.2	(91.5)%
Operating profit	**71.8**	57.0	26.0%
- % of group operating profit	***87.9%***	*78.9%*	*9.0%*

* *Change is percentage increase or (decrease), FY14 to FY15,* where results are a percentage, the change shown is difference between two results

- Net underwriting margin of 5.0% (FY14: 4.2%) restored to within target range:
  - Claims expense (net of risk equalisation) up 7.5%:
    - Hospital claims paid increasing 14.2%.
    - Ancillary claims paid up 4.4%, incorporating rectification of Top Extras 85% product.
    - Risk equalisation down 2.7% reflecting success in over 55s market.
- Increase in management expenses a function of increased investment in organic growth.
- MER excluding customer acquisition costs fell from 5.1% in FY14 to 4.9% this year.
- Significant growth in operating profit driven by success of strategic initiatives and arhi continues to be the core economic engine of the Group.

arhi = Australian Resident Health Insurance

INTERNATIONAL (INBOUND) HEALTH INSURANCE KEY METRICS

($m)	FY15	FY14	Change*
Total policyholders	**71,783**	45,284	58.5%
- Net policyholder growth (%)	***58.5%***	*66.6%*	*(8.1)%*
Net premium revenue	**54.9**	38.0	44.6%
- % of total GWP	***3.4%***	*2.5%*	*0.9%*
Net claims expense	**(29.4)**	(16.9)	73.8%
Gross underwriting result	**25.5**	21.0	21.1%
- Gross margin (%)	***46.4%***	*55.4%*	*(9.0)%*
Management expenses	**(13.9)**	(10.1)	37.8%
- MER (%)	***25.3%***	*26.6%*	*(1.3)%*
Net underwriting result	**11.6**	10.9	5.8%
- Net margin (%)	***21.1%***	*28.8%*	*(7.7)%*
Other Income/expenses	**0.2**	0.4	(45.4)%
Operating profit	**11.8**	11.3	4.0%
- % of group operating profit	***14.4%***	*15.7%*	(1.3)%

** Change is percentage increase or (decrease), FY14 to FY15,* where results are a percentage, the change shown is difference between two results

- Rapid policyholder growth in 2H15, particularly in students, combined with what appears to be pent-up demand from these new customers has seen a higher rate of growth in claims when compared to the growth in premium revenue.
- Various levers are at work to bring claims experience back in-line with expectations.
- MER reflects economies of scale.
- Operating profit up 4.0% to $11.8m.

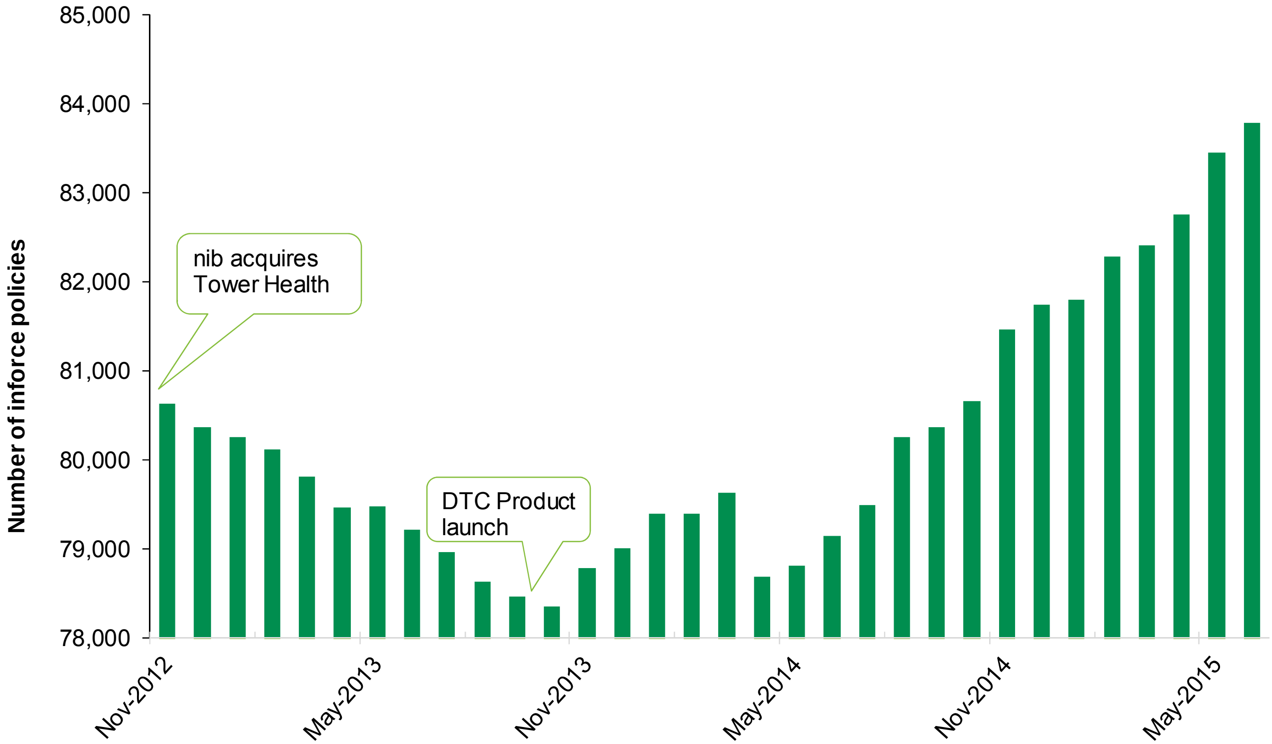
NEW ZEALAND KEY METRICS

(A$m)	FY15	FY14	Change*
Total policyholders	**83,778**	79,147	5.9%
-Net policyholder growth (%)	***5.9%***	*(0.1)%*	*6.0%*
Premium revenue	**150.4**	139.2	8.1%
- % of total Group	***9.2%***	*9.3%*	*(0.1)%*
Claims expense	**(96.8)**	(89.5)	8.1%
Gross underwriting result (excluding PPB)	**53.6**	49.7	8.0%
Gross margin (%) (exc PPB)	***35.7%***	*35.7%*	*(0.0)%*
Total management expenses	**(46.3)**	(45.6)	1.7%
MER (%)	***30.8%***	*32.8%*	*(2.0)%*
Net underwriting result (excluding PPB)	**7.3**	4.1	78.1%
Net margin (%) (exc PPB)	***4.8%***	*2.9%*	*1.9%*
Other income/expenses	**-**	-	NA
Operating profit (before movements in PPB liability)	**7.3**	4.1	78.1%
(Increase)/Decrease in PPB liability	**(1.9)**	3.3	(157.8)%
Operating profit	**5.4**	7.4	(27.0)%
- % of group operating profit	***6.6%***	*10.2%*	*(3.6)%*

** Change is percentage increase or (decrease), FY14 to FY15,* where results are a percentage, the change shown is difference between two results

- Growth in premium revenue underpinned by strong policyholder growth.
- Business now growing strongly after a decade of losing policyholders, with policyholder growth of 5.9%. Direct-to-consumer product range (launched October 2013) accounted for ~50% of all sales.
- Claims up as we return to more normal claims experience after favourable benefit in FY14.
- Total management expenses up 1.7% to $46.3m with business starting to realise benefits of electronic claims processing and automation initiatives, combined with acquisition costs reflecting channel mix.
- Operating profit (excluding PPB liability movement) of $7.3m up 78.1%.
- Campaign currently underway to shift customers off PPB product.

NEW ZEALAND KEY METRICS



- nib New Zealand now growing strongly after a decade of losing policyholders, with policyholder growth of 5.9%. Direct-to-consumer product range (launched October 2013) accounted for ~50% of all sales.
- In the absence of nib New Zealand, industry policyholder growth declined by 0.5%* in FY15.

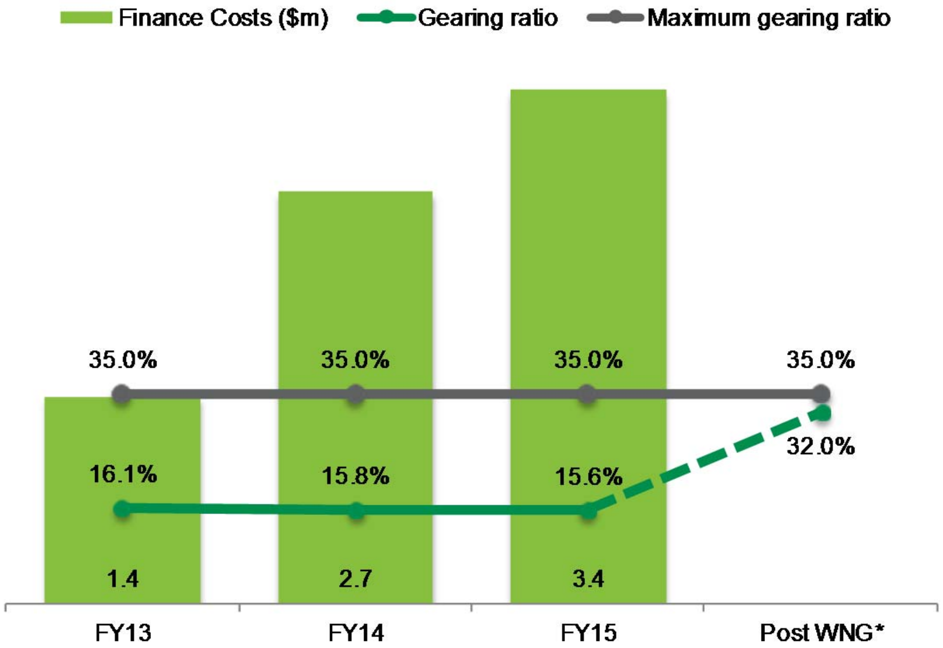
*Source: Health Funds Association New Zealand (June 2015) and nib

OTHER INCOME & EXPENSES

($m)	FY15	FY14	Change*
Other income			
Complementary Insurance	2.4	2.2	*13.1%*
nib options income	0.6	0.4	*65.8%*
Agency fee (exc nib options)	0.3	0.2	*26.9%*
Rental income	1.0	0.9	*9.4%*
Sundry income	0.5	2.1	*(76.5)%*
Digital Health Ventures licence fee income	0.3	-	*NA*
Total Other Income (exc complementary income)	**5.1**	**5.8**	*(10.8)%*
Other expenses			
nib options expenditure	(4.4)	(2.9)	*51.2%*
Share registry and other corporate overheads	(4.3)	(3.7)	*15.7%*
M&A	(2.1)	(0.8)	*164.2%*
Other	(0.3)	(0.1)	*231.5%*
Digital Health Ventures expenditure	(0.9)	-	*NA*
Total other expenses	**(12.0)**	**(7.5)**	*60.1%*

- nib Options net operating loss of $3.8m includes one-off write-off of goodwill and contingent consideration liability, net value of $0.7m given change in business model based upon experience to date. Other expenses (excluding impairment of goodwill) of $3.0m reflects investment to build business. Recalibration of business, including establishing operations in Thailand currently underway.

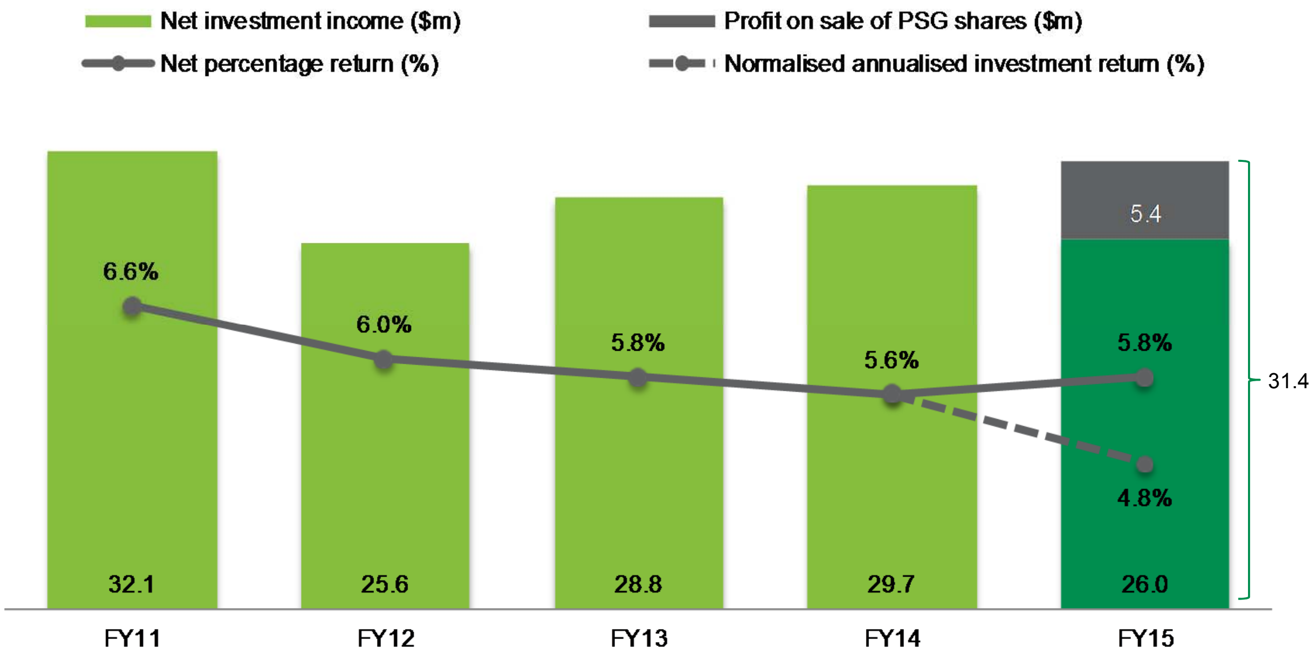
FINANCE COSTS & GEARING



- Gearing ratio at 30 June 2015 of 15.6% (debt to debt plus equity).
- Gearing of 32% (debt to debt plus equity) post WNG acquisition.
- nib targets a long term average gearing ratio of 30%. In the event of a significant transaction gearing may be above 30% for a short time if necessary to effect the transaction.

** World Nomads Group (WNG) acquisition completed 31 July 2015*

INVESTMENTS



- Net investment return of 5.8% (FY14: 5.6%).
- FY15 benefited ($5.4m) from sale of shareholding in Pacific Smiles Group (21 November 2014). Excluding the benefit from PSG sale our investment return would have been $26.0 million or 4.8%, reflecting lower cash rate environment.
- Consolidated defensive/growth split of 83%/17% as at 30 June 2015 (FY14: 83%/17%).
- Total net investment assets at 30 June 2015 of $600.8m (includes Newcastle office building, with nib currently undertaking expression of interest process for potential sale and multi-year lease back).

CASH FLOW

($m)	FY15	FY14	Change*
Net cash inflow/(outflow) from operating	114.2	93.7	*21.9%*
Net cash inflow/(outflow) from investing	(48.9)	(42.0)	*16.3%*
Net cash inflow/(outflow) from financing	(89.0)	(46.3)	*92.3%*
Net increase (decrease) in cash and cash equivalents	(23.7)	5.4	*(538.6)%*

** Change is percentage increase or (decrease), FY14 to FY15,* where results are a percentage, the change shown is difference between two results

- Net operating cash inflow in FY15 up $20.5m impacted by multi-year payment of premiums associated with international students.
- Net investing cash outflow in FY15 the result of rebalancing of investments in line with strategic investment policy.
- Increase in net financing cash outflow to $89.0m mainly due to payment of FY14 $39.5m special dividend in October 2014.

AVAILABLE CAPITAL POSITION

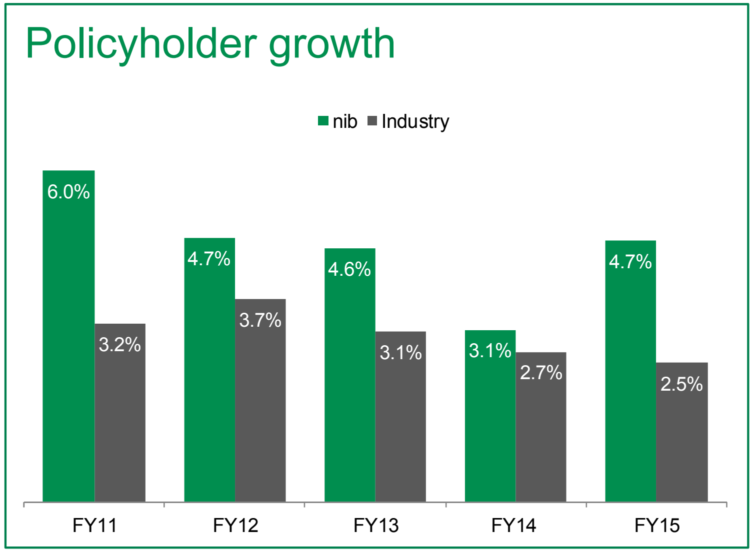
($m)	FY15	FY14
Opening available capital position above internal targets	**18.7**	**14.8**
Net profit after tax	**75.3**	69.8
(Increase)/Decrease in nib health funds capital	**(25.3)**	49.0
(Increase)/Decrease in nib New Zealand capital	**(27.9)**	(11.8)
Allowance for capital required for WNG acquisition	**(12.2)**	-
Movement in foreign currency translation reserve direct to equity	**(1.4)**	2.0
Movement in other reserves direct to equity	**2.9**	3.4
Changes in debt	**(2.6)**	5.9
Changes in other intangibles, other assets and liabilities	**9.3**	(2.7)
(Allowance for)/Removal of net tangible assets debt covenant	**23.9**	(23.9)
Interim dividend paid and allowance for final dividend	**(50.5)**	(48.3)
Allowance for special dividend	**-**	(39.5)
Consolidated available capital position above internal targets	**10.2**	**18.7**

- Increase in nib New Zealand capital includes capital being accumulated to support strategic initiatives.
- Renegotiation of debt funding arrangements in 1H15 resulted in replacement of net tangible assets covenant with interest cover covenant which increased available capital.

arhi OUTLOOK

We expect the market to continue to grow and to increase our market share and earnings.

- System growth will continue for a number of reasons, including inevitable funding shift from Government to private sector.
- Above system policyholder growth for nib with focus upon under 40s and over 55s.
- Net growth remains highly value accretive. nib's target net margin range is 5%-5.5%.
- Lapse rate clearly indicates growth is not without headwinds. Downgrading while present, is not impacting top line growth and profitability.
- M&A prospects remain limited but logic of industry consolidation remains compelling.
- Impending Government review of PHI.

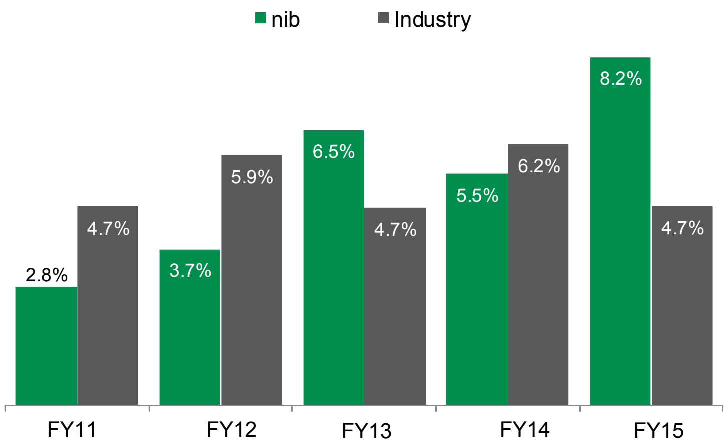


Source: nib/APRA

Managing underlying claims inflation a top priority

- Underlying claims inflation to continue in the order of 5%-8%. Growing determination evident amongst health insurers to rein in over-servicing, avoidable hospital admissions and cost variation. Some encouraging signs from FY15.
- nib's inflation being heavily influenced by shift to Virgin Silver (over 55s) but with risk equalisation relief.
- Both payers and providers will do well from inevitable growth in healthcare spending and private sector's role. Neither can be tolerating market inefficiency and simply "pricing in".

Benefits paid per person*



* Total benefits paid per person (rolling 12 month inflation)
Source: nib/APRA

INTERNATIONAL & COMPLEMENTARY BUSINESS OUTLOOK

"Complementary" business will continue to make a major contribution to pre-tax operating earnings and further opportunities are very real.

- International (Inbound) Health Insurance business (students and workers) policyholder growth but profitability may be weaker. Need for more assertive care coordination evident.
- nib New Zealand profitability to improve in FY16 due to improved scale and growth. Further investment in DTC, a focus on advisor channel, a renewed effort on group/employer market, third party distribution and M&A.
- We remain convinced of the investment case for nib Options. Recalibration of business well advanced, including establishing operations and management team in Thailand.
- Expect to launch International (Outbound) Health Insurance products in Australia during FY16.
- Appointment of new executive, David Kan, to lead all non-arhi businesses (excluding NZ and DHV).
- These new initiatives are never risk free nor is return on investment instant.

nibnz = nib New Zealand, DHV –Digital Health Ventures (nib joint venture)

We will increase investment in our IT and digital strategy (including Whitecoat), especially recognising the potential of the "digital era" to disrupt the healthcare market and create opportunities.

Whitecoat

- Will help customers make more informed decisions around their general health and manage their health.
- Will help customers with choice of treatment and provider.
- Will significantly improve the speed, reliability and cost efficiency of the transactions associated with healthcare delivery (e.g. online appointments).
- Will improve engagement between customers and healthcare providers.

Whitecoat launched November 2013. Over 85,000 moderated reviews, growing 20,000 a month. Currently averaging approximately 90,000 visitors per month. Recently launched online booking capability.

TRAVEL INSURANCE (WORLD NOMADS GROUP)

Business summary

- Third-largest distributor of travel insurance in Australia.
- Specialises in the marketing, sale and distribution of travel insurance policies globally (Australia accounts for ~70% of GWP[1]).
- Provides ancillary insurance services such as claims management and emergency assistance.
- Distribution occurs direct-to-consumer online and network of travel agents, referral partners and white label intermediaries.
- Does not bear underwriting risk.

Strategic rationale

- Leverages nib's brand, distribution and capabilities to grow earnings in complementary markets.
- Significant market growth potential.
- Product familiarity and complementarity.
- Value enhancement and synergies.
- Strong cultural fit.

Immediate priorities

- Retain key personnel and bed-down new leadership arrangements.
- Smooth transition and minimise distraction to day-to-day operations.
- Begin extracting revenue and cost synergies.
- Undertake additional research and strategic review to further grow and expand business.

[1] *For the year ended 30 June 2015*

FY16 OUTLOOK & GUIDANCE

- Above system arhi policyholder growth with stable net profit margin.
- International (inbound) health insurance policyholder growth but profitability may be weaker.
- nib Options operating loss similar to FY15 ($3.8m) with profitability in FY17.
- nib NZ policyholder and profitability growth.
- World Nomads Group (WNG) underlying[1] operating profit of at least $10m.
- FY16 consolidated statutory operating profit of $85m - $90m (underlying operating profit of $95m - $102m).
- FY16 investment income forecast to be lower than FY15 but still in line with relevant internal benchmarks[2].
- Ordinary dividend payout ratio 60%-70% of full year NPAT.

($m)	FY15 (actual)	FY16 (forecast)
Statutory operating profit	81.7	85 – 90
On-off transaction and M&A costs	2.1	2 – 3
Amortisation of acquired intangibles	3.6	8 – 9
Amortisation of acquired intangibles (IMAN)	*0.3*	*1*
Amortisation of acquired intangibles (nib NZ)	*3.3*	*3*
Amortisation of acquired intangibles (WNG)[3]	*-*	*4 – 5*
Underlying operating profit	87.4	95 – 102

1 Excluding one-off transaction costs and amortisation of acquisition related identifiable intangibles.
2 Internal Investment benchmarks
- Australian Regulatory capital (75%/25% defensive/growth) - target for portfolio bank bill index plus 1%
- New Zealand regulatory capital (100% defensive) (1) For core portfolio target is a 6 month bank bill index (2) For premium payback portfolio target is a 3.0 years interest rate swap index
- Surplus capital (100% defensive) - bank bill index

3 Preliminary estimate of non-cash amortisation of identifiable intangibles resulting from WNG acquisition of $4m to $5m, noting this is subject to detailed valuation work expected to be completed over the coming months.