

**Date** 30 November 2012

**Subject** nib completes acquisition of TOWER Medical Insurance in New Zealand

nib holdings limited (nib) today announced it has completed the acquisition of TOWER Medical Insurance Limited (TOWER Medical), New Zealand's second-largest health insurer. nib announced the acquisition of TOWER Medical from TOWER Limited (ASX: TWR, NZX: TWR) on 2 November 2012.

The purchase price of approximately NZ\$103.1 million (approximately AU\$81.3 million) comprises the headline purchase price of NZ\$101.6 million plus an estimated increase in net tangible assets of approximately NZ\$1.5 million for the month of October. TOWER Medical has approximately NZ\$10 million in surplus capital. The purchase price may be further adjusted following preparation of completion accounts. The purchase price represents an acquisition multiple of approximately 7.0x pro-forma NPAT<sup>1</sup> for the 12 months ended 30 September 2012.

nib has received all necessary regulatory approvals, while conditions precedent in respect to the purchase of TOWER Medical have also been satisfied.

nib's Managing Director, Mark Fitzgibbon, said: "based on the purchase price the acquisition will be earnings per share accretive from year one."

"We're excited about our prospects in New Zealand. We've acquired a very good business and we're confident it will provide us with a solid platform for growing private health insurance participation in New Zealand and our market share," Mr Fitzgibbon said.

TOWER Group Managing Director Rob Flannagan said today that all conditions of the sale had now been satisfied.

"TOWER and nib look forward to building a long-term distribution relationship that will deliver benefits to health customers through the insights, expertise and strong track record in medical insurance that nib will bring to the New Zealand market," he said.

The acquisition of TOWER Medical will be funded through existing surplus capital and a NZ\$70 million senior debt facility.

#### **MEDIA AND INVESTOR RELATIONS**

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<sup>1</sup> Pro-forma NPAT of approximately NZ\$14.7 million based on statutory NPAT of NZ\$13.2 million and pro-forma adjustment of approximately NZ\$1.5 million after-tax reflecting re-allocation of corporate costs.