

Date 21 July 2011

Subject nib implements capital return

- **Capital return of approximately \$75 million (approximately \$0.16 per ordinary share held on the Record Date)**
- **Approved by shareholders on 5 July 2011**
- **Funds sourced from nib's existing cash reserves**

nib holdings limited ("**nib**") has today made a capital return to shareholders of an amount totalling approximately \$75 million ("**Capital Return**"). The Capital Return was approved by a resolution of shareholders passed on 5 July 2011.

The payment of approximately \$0.16 per ordinary share held on the Record Date (which was 7.00pm on 13 July 2011) was made into entitled shareholders' nominated bank accounts or, for entitled shareholders with a registered address outside of Australia, by cheque.

In accordance with nib's Constitution, nib has chosen direct credit as the preferred option for the payment of dividends to Australian resident shareholders. Payment by direct credit is convenient and cost effective and provides shareholders with immediately cleared funds and improved security of payments.

If shareholders have not provided their direct credit instructions, nib will withhold payment of the Capital Return, until their direct credit instructions have been provided. nib shareholders can update their direct credit instructions online at nib.com.au/easyupdate or by calling 1300 664 316.

For further information, please visit nib's shareholder website (nib.com.au/shareholders) to view the Notice of Meeting lodged on 30 May 2011, the class ruling published by the Australian Taxation Office on 14 June 2011 in relation to the tax treatment of the Capital Return for certain shareholders and other relevant information.

The tax consequences for an entitled shareholder with respect to the Capital Return may vary depending upon a shareholder's individual circumstances. Shareholders should consult their own tax adviser as to the potential tax consequences for them with respect to the Capital Return.

MEDIA AND INVESTOR RELATIONS

Matthew Neat

Tel: 02 4914 1777

Mob: 0411 700 006

Email: m.neat@nib.com.au