

Date 5 July 2011

Subject nib shareholders approve capital return of approximately \$75 million

- **Capital return of approximately \$75 million (approximately \$0.16 per ordinary share held on the Record Date)**
- **Funds to be sourced from nib’s existing cash reserves**
- **Implementation of the Capital Return expected to occur on 21 July 2011**

At a general meeting today nib holdings limited (nib) shareholders approved a capital return of approximately \$75 million (approximately \$0.16 per ordinary share) (“**Capital Return**”) (“**General Meeting**”).

The Capital Return is expected to be paid to nib shareholders on 21 July 2011. nib shares are expected to trade “ex” of the Capital Return from 7 July 2011, with the Record Date for determining entitlement to participate in Capital Return expected to be 7.00pm on 13 July 2011.

nib applied to the Australian Taxation Office (“**ATO**”) for a class ruling in relation to the tax treatment of the Capital Return for certain shareholders (“**Class Ruling**”). The ATO published the Class Ruling on 14 June 2011. The Class Ruling is consistent with the information contained in Part 7 of the nib notice of meeting which was lodged with the ASX on 30 May 2011. The Class Ruling is available on the ATO website and on nib’s website.

The tax consequences for a 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.

nib shareholders also today voted in favour of adjusting the terms of the performance rights granted under the Long Term Incentive Plan in light of the Capital Return.

General Meeting - Proxy Summary

As required by Listing Rule 3.13.2, nib holdings limited advises that the following resolutions were passed by shareholders on a show of hands at the 2011 General Meeting held in Sydney today.

As required by section 251AA(2) of the *Corporations Act*, the proxy summary is provided below:

Item 1 – Approval of a capital return to shareholders

The instructions given to validly appointed proxies in respect of the resolution were as follows:

For	Against	Open at Chairman’s Discretion	Open – Other	Abstain
131,118,436	831,117	3,022,721	178,500	207,770

Item 2 – Approval of an adjustment to the performance rights issued under nib’s Long Term Incentive Plan

The instructions given to validly appointed proxies in respect of the resolution were as follows:

For	Against	Open at Chairman’s Discretion	Open – Other	Abstain
123,305,006	3,187,220	3,755,149	201,700	4,913,371