

26 August 2009

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

Subject: Sale of Shares in Unmarketable Parcel Sale Facility

As announced on 7 August 2009, nib has been exploring in good faith possible avenues that would maximise the price received for shares in the unmarketable parcel sale facility (**facility**). The facility was offered to shareholders who were the registered holders of less than a marketable parcel of nib shares (ie, less than \$500 worth of shares) as at 7pm (AEST) on 28 May 2009.

nib has determined that a sale of shares to institutional investors would maximise the price received for these shares having regard to current market conditions. In making this determination, nib consulted with its financial adviser as to whether the price received would be maximised by a sale to institutional investors, a sale to nib under a minimum holding buy-back or some other alternative. Based on the pricing mechanism under the Terms and Conditions for the facility, the maximum price nib could pay under a minimum holding buy-back would have been \$1.04.

Accordingly, all 21,978,234 shares in the facility have been sold to institutional investors. The sale price of \$1.06 per share payable for these shares under the facility is equal to the price per share payable by the relevant institutional investors, as determined pursuant to a bookbuild process managed by JP Morgan Australia Limited. Participants in the facility will receive the sale proceeds in accordance with the Terms and Conditions for the facility.

As set out in nib's announcement dated 4 June 2009, nib values all of its shareholders, however, the administrative costs (such as share registry and shareholder communication expenses) of maintaining many small shareholder accounts is disproportionately high. In addition, nib recognises that small shareholders may have found it difficult or expensive to dispose of their shares. nib believes that the facility has provided small shareholders with an easy, convenient and cost-effective way to sell their shares.

Yours sincerely



Michelle McPherson
Company Secretary/Chief Financial Officer