

Date:	27 March 2003
Subject	NIB purchase strengthens market position

Hunter-based health insurer NIB has announced the acquisition of Victorian health fund IOOF Health Services Limited.

NIB will add over 11,000 members to its membership through the transaction, which was finalised yesterday. Terms of the deal were not disclosed.

"This acquisition is part of our business expansion strategy aimed at further increasing our presence in Victoria and increasing our share of the national health insurance market," NIB Chief Executive Officer, Mark Fitzgibbon, said.

"In the present industry environment, funds will need to become smarter and larger to survive. NIB is fortunate to be in a sound financial position that enables us to capitalise on growth opportunities if and when they arise.

"The IOOF transaction will strengthen NIB's position in a highly competitive market by increasing our negotiating power and our capital base."

IOOF is one of Australia's oldest and most respected financial institutions. It started operations in 1846.

The group demutualised in June 2002 and is concentrating on business growth in the specialist funds management sector. As part of this process, IOOF called for Expressions of Interest in its health services division last year.

NIB began operations 50 years ago and continues trading today as a not for profit organisation with membership and reserves at record levels.

For the Year ended June 30, 2002, NIB recorded one of the strongest trading results of any health insurer. More than 500,000 Australians are covered by NIB, while last year's surplus of \$29.7million, lifted the fund's reserves to almost \$180million.

NIB is the sixth largest health fund in Australia.

NIB has been operating in the Victorian health insurance market since 1994 with over 35,000 people covered. In addition, the fund has been successful in securing several "blue chip" Victorian corporate members, including Victorian Public Service, ANZ and Adecco.

One of the keys to NIB's success has been the ability to deliver the highest level of health care at the lowest possible costs.

Mr Fitzgibbon said members could expect NIB to continue to deliver on these core commitments while expanding the range of products and services beyond traditional health insurance offerings.

IOOF member enquiries call NIB on 13 14 63.

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