

Date:	28 April 2006
Subject	NIB Health Funds sells Newcastle Private Hospital

NIB Health Funds Limited (NIB) announced today it has entered into a conditional agreement for the sale of Newcastle Private Hospital (NPH) to Healthscope Limited (Healthscope). Healthscope, a publicly listed healthcare company, is a leading private hospital owner and operator, with a portfolio of 46 hospitals across Australia.

According to NIB Chief Executive Officer, Mr Mark Fitzgibbon, NIB is proud to have established Newcastle Private Hospital, the region's largest private hospital and a facility of high clinical standards for the Hunter community.

"Over recent years however, it became increasingly apparent that a health fund operating a hospital has its risks and limitations.

"While operating Newcastle Private Hospital, NIB has limited purchasing power compared to the larger hospital groups in our dealings with other health funds and suppliers. The relationship creates an inherent tension between our role as a "funder" and "provider."

"No one doubts, least of all NIB, Newcastle Private Hospital's potential to become one of Australia's leading private hospitals. We simply believe that an organisation such as Healthscope Limited, which specialises in the management of hospitals, is better placed to maximise the full potential of Newcastle Private Hospital," said Mr Fitzgibbon.

The sale is conditional on a number of matters including the development of additional car parking facilities with capacity for at least 190 spaces.

According to Healthscope Limited Managing Director, Mr Bruce Dixon, the acquisition of this first-class facility in the Hunter region is an important addition to the Company's existing hospitals portfolio.

"Healthscope is very pleased to have the opportunity to acquire one of the State's leading private hospitals. We have been impressed by the facility in terms of its reputation for clinical standards and patient care. It is certainly providing a much-needed service to the Hunter region, where the demand for health care services will continue to grow," said Mr Dixon.

Newcastle Private Hospital has a total of 162 beds making it the largest private hospital in regional NSW, and one of the largest in regional Australia. The facility was officially opened by the Prime Minister of Australia, The Honourable John Howard MP on 16 April 2004.

Newcastle Private Hospital was built in response to a growing demand for private facilities from people across the Hunter and surrounding areas. The Hospital recently invested \$2.5 million in patient safety and care with the installation of the new Interventional Angiography Suite.

NIB Health Funds Limited
A.B.N. 83 000 124 381

Head Office
384 Hunter Street
Newcastle NSW 2300

Phone: 13 14 63
Fax: 02 4921 2444
Web: nib.com.au

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A not for profit registered
health benefits organisation