

Date:	23 November 2006
Subject	Strong Growth Delivers Record Profits For NIB Health Funds

NIB Health Funds Limited (NIB), Australia's sixth largest private health insurer, today released its 2006 financial results which included a consolidated profit of \$63.9million – the fund's best result ever.

NIB's Chief Executive Officer, Mr Mark Fitzgibbon, said the strong financial performance is the direct result of the health fund's national membership growth strategy which has produced impressive results.

"We achieved a membership growth rate of 3.9% in 2006 against an industry average of 2.1%, making NIB one of Australia's fastest growing health funds," Mr Fitzgibbon said.

"This is the fourth consecutive year that NIB has recorded higher than industry average growth and by 30 June 2006 we provided health cover for 640,176 Australians.

"At an operational level we have reduced our expenses to less than 10 cents for every contribution dollar received, which was a contributing factor in achieving such a healthy bottom line," Mr Fitzgibbon said.

During the 2006 financial year NIB returned \$487.4 million in member benefits, a 6% increase from the previous year, and representing \$1,612 per contributing member.

According to Mr Fitzgibbon, NIB's 2006 result provides the fund with a platform to further leverage its national growth strategy through the provision of affordable private health insurance.

"Our 2006 results reaffirm NIB's position as one of Australia's leading private health insurance companies."

"The results signify an exciting future for the health fund as we aim to further transform NIB into a truly national brand with an unrivalled reputation for value for money, service excellence and innovation, Mr Fitzgibbon said.

NIB 2006 Financial Year Results - Highlights

Our Business

Consolidated Profit	\$63.9million
Management Expense Ratio	9.2%
Investment Income	\$18.6 million
Claims Inflation	2.9%
Net Assets	\$283.6 million

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

Retail centres around Australia

A not for profit registered
health benefits organisation

NIB Members

Contributing members	302,299
Persons covered	640,176
Market Share	6.3%
Contribution income	\$611.9 million
Benefits paid (including ancillary)	\$487.4 million
Ancillary benefits paid	\$132.9 million
Retail Centres	32 across Australia
NIB Employees	580

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