

<b>Date:</b>	1 June 2007
<b>Subject:</b>	<b>NIB completes sale of Newcastle Private Hospital</b>

NIB Health Funds Limited (NIB) announced today that it has completed the transfer of ownership of Newcastle Private Hospital to Healthscope Limited.

Healthscope, a publicly listed healthcare company, is a leading private hospital owner and operator, with a portfolio of 47 hospitals across Australia.

In May 2006 NIB announced it had entered into a Conditional Agreement for the sale of Newcastle Private Hospital to Healthscope. Since that time, Healthscope has been managing the daily operations of the hospital.

NIB's Chief Executive Officer, Mr Mark Fitzgibbon, said NIB's decision to sell Newcastle Private Hospital was based on the belief that an organisation that specialises in the management of hospitals is better placed to maximise the full potential of the facility.

"Healthscope is a significant player in the private health care market and the acquisition of Newcastle Private Hospital consolidates their presence in the Hunter region in both acute private health care and pathology services," Mr Fitzgibbon said.

"Newcastle Private Hospital has set the benchmark for quality private hospital care in this region. NIB is delighted to have established the hospital and to leave such a legacy for the people of the Hunter."

"The change of ownership will not affect the day-to-day activities of the hospital. Patients and visitors will continue to receive the high quality service and health care that was established under the ownership of NIB."

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.

*NIB has been a registered health fund since 1952. NIB is Australia's sixth largest health fund and has approximately 320,000 policyholders across Australia. In March 2007 NIB announced its intention to become the first private health insurer in Australia to demutualise and list on the Australian Securities Exchange (ASX).*

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